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**HANSARD**

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The Honourable **Samuel Gargan**, Speaker

**MEMBERS PRESENT**

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

**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. Antoine. Item 2, Ministers' statements. Mr. Dent.

**ITEM 2: MINISTERS' STATEMENTS**

Minister's Statement 44-13(4): Fire in Fort McPherson

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I have an emergency statement.

Mr. Speaker, by now, most Members of the Assembly will have heard about the fire that destroyed four portable classrooms in Fort McPherson over the weekend. I would like to take this opportunity to bring Members up to date on the situation.

The fire started yesterday in the media resource centre, which was being used as temporary classroom space for students in Grades 7 to 9. I am happy to report that there were no injuries in the fire. However, the entire structure and all contents were lost. The Department of Finance will be sending an adjuster from the Risk Management Division into Fort McPherson to gather information.

Grade 7 to 9 students will not be attending class today. A representative of the Beaufort-Delta Divisional Education Council is travelling to the

community today and a meeting will be held this afternoon to decide how to accommodate the students in the short term. The new school should be ready in about six weeks. The cause of the fire is unknown. The Department of Public Works and Services will issue a tender to remove the debris. The department anticipates the site will be cleaned up over the weekend.

I would like to express my regret that the students, school staff and people of Fort McPherson must deal with the loss of another school building, just a year after the Chief Julius School burned down. The members and staff of the Beaufort-Delta Divisional Education Council have handled the loss of the previous school, and the building of the new school, in a coordinated and professional manner. I have great confidence in the Council's ability to handle the current situation, in a way that causes the least possible disruption to the students and their teachers. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Ministers' statements. Item 3, Members' statements. Mr. Evaloarjuk.

**ITEM 3: MEMBERS' STATEMENTS**

Member's Statement on High Cost of Living in Remote Communities

**MR. EVALOARJUK:**

(Translation) Thank you, Mr. Speaker. Mr. Speaker, I wanted to talk today, about a situation that has recently been brought to my attention. The problem, Mr. Speaker, is the extremely high prices that many northerners must pay for groceries. This problem is not new, Mr. Speaker, and it does not only affect constituents of Amittuq but residents of all remote communities throughout the Northwest Territories. Through its programs, Mr. Speaker, this government spends thousands and thousands of dollars every year to promote healthy lifestyles. Brochures, pamphlets and posters identify the importance of drinking milk, eating fresh fruits and vegetables. Although these products may be good for you, Mr. Speaker, the fact is that most people, living a traditional lifestyle, simply cannot afford them. This situation is of great concern to me, Mr. Speaker. I believe the government has an obligation to protect the consumer and ensure that the cost of such essential items is not excessive.

At the appropriate time today, Mr. Speaker, I will be asking questions to the Premier on this matter. Thank you, Mr. Speaker. (Translation ends)

**MR. SPEAKER:**

Thank you, Mr. Evaloarjuk. Members' statements. Mr. Enuaraq.

Member's Statement on Language Services

**MR. ENUARAQ:**

(Translation) Thank you, Mr. Speaker. Good afternoon, Members. (Translation ends) The Department of Education, Culture and Employment has been talking about changes to the Language Bureau. There are two areas of change. One, is to give the language communities more funding to carry out the development and promotion of languages. The other change is the privatization of interpreter/translator services.

I am very concerned about the privatization. I know some of the work of the Language Bureau is translated now. However, there are a number of reasons why it is important to have a group of dedicated interpreter/translators. Being a good interpreter/translator is not an easy thing. As we get closer to Nunavut, it will be very important that we have good, professionally-trained interpreter/translators. It is important that the quality of service stays high. It will be more difficult to make sure the level of service is consistently good, if we use different private contractors all the time. We need good interpreters to help people who need medical attention. It is hard enough for people to travel from their communities for

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medical reasons. We need to make sure there are always interpreters around who can help them and who have some understanding of the medical terms. It would be too easy to have misunderstandings when someone from my area does not understand the instructions of the doctor in English.

The interpreter/translators in the Language Bureau have also played an important role in helping develop terminology. Forty years ago, most Inuit people were living in traditional lifestyles. We have seen many changes, Mr. Speaker. These changes have needed new words. The Language Bureau has helped in creating these new words and letting everyone know

about them. I am worried about who will coordinate new developments in our language.

Mr. Speaker, I am seeking unanimous consent to conclude my statement.

**MR. SPEAKER:**

The Member for Baffin Central is seeking unanimous consent to conclude his statement. Do we have any nays? There are no nays, Mr. Enuaraq. You have unanimous consent.

**MR. ENUARAQ:**

(Translation) Thank you, Mr. Speaker. (Translation ends) I cannot speak for the west, but I know it is important for my people, in my area, to have a corps of interpreters and translators working for the government. Later today, I will be asking the Minister some questions about language services. Thank you, Mr. Speaker.

-- Applause

**MR. SPEAKER:**

Thank you, Mr. Enuaraq. Members' statements. Mr. O'Brien.

Member's Statement on Passing of Former Baker Lake Resident Neil Angoyauq

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Unfortunately I am saddened to tell Members of this House of another tragic death in my constituency. Mr. Neil Angoyauq died during this past weekend. Although he was residing in Iqaluit at the time of his death, Neil was originally from Baker Lake where he is survived and mourned by his family. I am sure all Members of this House will join me in sending Neil's family our deepest sympathy regarding their loss. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you, Mr. O'Brien. Members' statements. Mr. Miltenberger.

Member's Statement on South Slave Leaders Meeting

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. Last weekend in Fort Smith, the leaders of the South Slave gathered for the first

time in a number of years, to discuss what type of working relationship we should have, if any, as communities and as leaders and to try to focus on economic issues. Mr. Speaker, I would like to indicate to this House that the meetings were quite positive and some issues came out that are, I think, of interest to everybody. Totally unsolicited, as it was not part of the agenda, were the comments by the leaders around the table in regards to constitutional development. Mr. Speaker, the message was very clear to me as I sat in a chair listening to the comments. The direction was that the government should be focusing on: taking care of division, taking care of economic issues, working with the Metis and the First Nations people to resolve land claim issues and outstanding self-government issues and to put all our attention and energy into that area in the coming years, prior to division. So, when we go to do community consultation, we have a very clear indication in the South Slave, from the leadership, as to what they are thinking on this issue. The Mayor of Hay River indicated, in fact, that he would be going to his council to seek a motion indicating that very direction.

As well, Mr. Speaker, the other issue of critical importance, for the whole western Arctic, was the issue of the rivers and waters and how we are being impacted by other jurisdictions, Saskatchewan, Alberta, British Columbia and the Yukon, and the fact that there are some major jurisdictions that have not signed the Mackenzie River Basin Agreement, specifically Saskatchewan, British Columbia and the Yukon which, coincidentally, are all NDP governments and normally in the forefront on environmental issues. In this particular case, they are definitely at the back of the bus.

I will be asking the Minister for RWED, how we can further pursue trying to get these other parties to the table to sign this critical agreement, so we can protect the waterways that are so vital and fundamental for the people of the western Territory. Thank you, Mr. Speaker.

**MR. SPEAKER:**

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

Member's Statement on Proposed Closure of Delta House

**MR. ROLAND:**

Thank you, Mr. Speaker. Mr. Speaker, this past weekend, I returned to my home of Inuvik and held a public meeting. It was good that the Minister of Health and Social Services could accompany me to hear, first-hand from the people of Inuvik, of their displeasure with the announcement of Delta House being closed.

Mr. Speaker, for approximately three hours or a little longer -- three and a half hours as we heard the Minister mumble -- we faced questions and heard the concerns with the decision to close Delta House. I heard from the people of Inuvik of their concern with the way the information was flowing, the lack of consultation with the community itself and the concern with where people were going to get their help. Where do they go from here and what is the next step? On a number of occasions, members of the community asked the Minister if he would reconsider the decision to close the facility. Although he would not change the decision made, he did commit to giving the board and the staff a little extra time to look at alternatives. The community is thankful for that but there is still a lot of concern as to where these alternatives will come from. I would hope that as this budget goes through that there will be avenues opened up to the place we know as Delta House, to continue to help and serve the people of the Delta, as they have done for 20 years. Thank you, Mr. Speaker.

**MR. SPEAKER:**

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

Member's Statement on Aboriginal Achievement Awards

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. Mr. Speaker, I wanted to take a few minutes to thank the

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Members of the Legislature and yourself for providing me with the opportunity to, I believe, in the latter part of last week, to attend the Aboriginal Achievement Awards in Calgary. I thank the Premier and the Cabinet for supporting me, as well as yourself, in being able to attend that event. Mr. Speaker, I wanted to draw the Members' attention to something that I found to be of great significance while attending it, not only in receiving the award this year, which I am very grateful for, but also to draw attention to a very

important fact, which is this National Achievement Award is the only forum in this country that gives recognition to achievements to aboriginal people across all sectors of our lives, and it is done by a national jury of aboriginal people. So it is a national jury of aboriginal people that make the selection every year and it is aboriginal people that make the nominations.

What I found to be incredibly enriching is while attending it I have now become aware, where I was not before, of achievements that we have made as aboriginal people in other fields. For instance, we have met doctors, aboriginal doctors, judges, lawyers, and film makers, actresses, and actors, authors, and poets, as well as business people and artists and members of the clergy. These people are world class, nationally renowned, internationally acclaimed people in some cases. This forum provided to me, for the very first time, an opportunity where I could meet people from these other fields and to celebrate with them the achievements that they have attained and this has not been available, so it provides me with the opportunity, as well, to advance their achievements to young leaders that we have here in the north, in forums that will be available to me. Thank you very much.

-- Applause.

**MR. SPEAKER:**

Thank you, Mr. Kakfwi. On behalf of the rest of the colleagues, I would like to congratulate you for your well-deserved award.

-- Applause.

Thank you. Members' statements. Mr. Erasmus.

Member's Statement On Kids' Helpline Bowlathon

**MR. ERASMUS:**

Thank you, Mr. Speaker. My statement today is about the kids' help phone, better known as the kids' help line, and a bowlathon that is held every year to raise money for the phone line. Mr. Speaker, in a perfect world every child would be loved and safe. Unfortunately, that is not the case. In fact, each year thousands of children run away from home, some from abuse, some in anger at their parents. Thousands of others are in desperate situations in their homes. Many years ago, a kids' help phone was created. Kids in trouble anywhere in the country can call this toll-free number. The number can be found

wherever kids might be: in the schools, on mailboxes, on the bus depots, and drop-in centres. Every year the line gets calls from kids who need help to get out of a bad situation at home or on the street. Kids' help phone has been a life-line for many kids in trouble, but it needs money to operate. On Saturday, February the 22nd, the annual bowlathon for kids' help phone will be held in the Northwest Territories. Every year the NWT raises more money per capita than the other provinces and territory. This is done with the assistance of the Elks Lodge, who matches dollar-for-dollar money raised, up to \$25,000. Once again, this year, there will be a number of people participating here in Yellowknife, including the Yellowknife MLAs and, hopefully, Mr. Todd, who will be filling in for an injured Premier Morin. I would like to add here that a few years ago, Mr. Morin was not the Premier at the time, but he raised the most money of any individual in the N.W.T.

-- Applause.

Mr. Speaker, if someone approaches you, anybody, to sponsor them for this bowlathon, I would ask them to please to do so to help the kids. This year, Debbie Euchner is co-ordinating the events in Yellowknife and I would like to thank her for her efforts. Thank you.

-- Applause.

**MR. SPEAKER:**

Members' statements. Ms. Thompson.

Member's Statement on Aboriginal Achievement Awards

**HON. MANITOK THOMPSON:**

(Translation) Thank you, Mr. Speaker. I also would like to thank the Members for giving me a chance to be a part of the achievement awards. Ethel Blondin and I were able to participate in giving an award, so I would like to thank the Premier and the Members for giving me a chance to participate in the Aboriginal Achievements Awards, and I am glad that we are able to recognize people today that have helped a lot in the north. Also, I am grateful that Stephen Kakfwi was a part of the award giving. Thank you. (Translation ends)

**MR. SPEAKER:**

Thank you, Ms. Thompson. Members' statements. Mr. Picco.

Member's Statement on Proposed Closure of Nunavut Weather Station

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, on April 1st, 1997, the manned Nunavut weather station in Iqaluit is to be closed down as a budgetary measure of the federal government. I wrote Minister Marchi in September about this development. In November I met with Mr. Marchi's people in Ottawa with a representative of the Baffin Chamber of Commerce to address the closure. It would seem, to no avail. The Nunavut weather station in Iqaluit helps produce a twice-a-day forecast for 94 communities serviced by TVNC. It also supports international collection of scientific data for AT&T laboratories, collection of data for the University of Maryland and the University of New Hampshire, as well as seismology information for Energy and Mines Canada.

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a manned, fully staffed weather station. Federal officials have informed us that weather observers through FSS would be provided. The next step may be automation, and we all have heard of the problems in the north to-date with that service. Mr. Speaker, I will be asking our territorial Minister later today on our government's position with this closure. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you, Mr. Picco. Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Item 6, oral questions. Mr. Enuaraq.

ITEM 6: ORAL QUESTIONS

Question 274-13(4): Interpreter/Translator Services

**MR. ENUARAQ:**

(Translation) Thank you, Mr. Speaker. (Translation ends) Early today in my Members' statement, I raised a concern about privatization of the interpreter/translator services in the Language Bureau. I am concerned about how we will make sure that there is a consistent level of service. Can the Minister explain how his department will monitor the consistency and accuracy of interpreter/translators when there is no more staff in this area? Thank you.

**MR. SPEAKER:**

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

Return To Question 274-13(4): Interpreter/Translator Services

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, we are not proposing that all of the staff be eliminated in the Language Bureau. There would be some staff kept on who would be responsible for ensuring that the job was still being done adequately. It would be our intention to ensure that interpreters and translators were properly certified. This government would continue to develop and institute standards and certificate programs to ensure that interpreter/translators were certified. We would need to have some core staff who would work with the language communities, and cultural communities, to ensure that work was still being done on the development and promotion of aboriginal languages. Mr. Speaker, if I can, just one point that the Member made in his Members' statement, he talked about medical interpreters in the Language Bureau. Medical interpreters are not tied to the Language Bureau. Medical interpreters are directly hired by hospitals and health boards and there would be no impact from this change on medical interpreters. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Evaloarjuk.

Question 275-13(4): High Cost of Living in Remote Communities

**MR. EVALOARJUK:**

(Translation) Thank you, Mr. Speaker. Mr. Speaker, I have a question for the Premier, Don Morin. Would the Premier agree that food prices in remote communities are significantly higher than in Yellowknife and southern Canada? Does the Premier agree with me regarding that statement? Thank you, Mr. Speaker. (Translation ends)

**MR. SPEAKER:**

Mr. Premier.

Return To Question 275-13(4): High Cost of Living in Remote Communities

**HON. DON MORIN:**

Thank you, Mr. Speaker. Food prices are a lot higher in our remote communities and in communities that we are supplying off the highway, for example. Yellowknife food prices are fairly reasonable this day, but the smaller communities, remote communities, are very high. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 275-13(4): High Cost of Living in Remote Communities

**MR. EVALOARJUK:**

(Translation) What is the government doing to ensure that prices for food in remote communities are not unnecessarily high? Thank you, Mr. Speaker.  
(Translation ends)

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 275-13(4): High Cost of Living in Remote Communities

**HON. DON MORIN:**

Thank you, Mr. Speaker. Our government has many subsidies in place, for example, fuel subsidies. We also have spent many dollars on putting in winter roads and to some communities we also have upgraded the icebreaker system in the eastern Arctic, putting dollars into that as well, and we try to assist wherever possible. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 275-13(4): High Cost of Living in Remote Communities

**MR. EVALOARJUK:**

(Translation) Thank you, Mr. Speaker. Would the Premier commit to having this government review the situation in the Amittuq area? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 275-13(4): High Cost of Living in Remote Communities

**HON. DON MORIN:**

Thank you, Mr. Speaker. I do not have any problem reviewing the situation or looking at the situation, but as Members know, and as the Member does know, that we, as a government, are in a financial situation that makes it very difficult to find spare dollars. We do not have any spare dollars to put into lowering food prices at the present time, but we have worked with the communities to try to get more food brought into those communities. For example, in Grise Fiord, where the food did not get shipped because of the ice, a government resupply was shipped privately. We did assist in that case. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. O'Brien.

Question 276-13(4): Public Libraries Funding

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**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, my question is directed to the Minister of Education, Culture, and Employment. Can the Minister confirm that his department is considering a new method of allocating funds to public libraries throughout the NWT? Thank you.

**MR. SPEAKER:**

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

Return To Question 276-13(4): Public Libraries Funding

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, there has been some initial work started. There was an internal discussion paper regarding the restructuring of library services, which I believe the Member for Iqaluit has asked some questions about previously. So the answer to the question is: yes, there has been some work started at examining the possibility of restructuring library services. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Supplementary, Mr. O'Brien.

Supplementary To Question 276-13(4): Public Libraries Funding

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, I am wondering if the Minister could identify, I realize it is in the preliminary stages, but the new funding method, what it is based on? If it includes cost of living, population, so on? Thank you.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 276-13(4): Public Libraries Funding

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, the document that the Member refers to is not before this House, and is not intended to be a public document. I am not sure that it would necessarily serve the public interest to talk about something which was an initial kick-at-the-can, as I said earlier, in which we were taking a look at how to restructure library services. I think, Mr. Speaker, the intention is to recognize that there is a problem with the way libraries are handled right now. There are 40 communities in the Northwest Territories that do not receive any funding for libraries. So, while the Members' communities of Baker Lake and Arviat do get funding for libraries, in the same region, Chesterfield, Repulse and Coral Harbour get nothing for libraries.

**SOME HON. MEMBERS:**

Shame!

**HON. CHARLES DENT:**

We have to find some way to deal with that. We have started the work with an internal discussion paper to look at various ways that we can address the situation. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. O'Brien.

Supplementary To Question 276-13(4): Public Libraries Funding

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, that was going to be one of my following questions. If, for example, we have communities that have shown a decrease in population, for example, what would be the effect on that community? What protection would they be given? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 276-13(4): Public Libraries Funding

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, again, it is too early to say. We are expecting that we would go out for consultation with Divisional Education Councils, MLAs, with other groups that are interested in library services across the Northwest Territories before coming forward with a proposal to assess how funding will be handled. But, we have to recognize funds are limited. What we have started doing is looking for some way, within the existing funds, to be able to provide assistance to all communities in the north to have a library. For instance, is it fair that Pond Inlet with a population similar to Tuk receives about \$20,000 for a library when Tuk receives nothing? We have to find some way, across the Northwest Territories, to balance out what we are giving to communities for libraries. So, I cannot answer the Member's question as to what would happen if population changes. Population was the major factor in the first internal draft that we looked at. That does not mean that it will necessarily be the major factor in the final draft. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Final supplementary, Mr. O'Brien.

Supplementary To Question 276-13(4): Public Libraries Funding

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, I agree on almost everything that the Minister has stated. On one hand, though he is saying that it is premature to ask the questions, but on the other hand, he is justifying the issue. So, my question is when, if it is premature,



can we expect to get an answer or more information on this particular issue?

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 276-13(4): Public Libraries Funding

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, we started taking a look at this issue because the feeling was that as the digital communications network comes into place across the north, that may make it easier for communities to access library services. Therefore, what we are looking at is trying to restructure the library services at the same time that that network comes into place. So, we are not talking about fiscal 97-98. We are talking about trying to have something in effect, probably for fiscal 98-99, in terms of restructuring. Once the department has the initial discussion paper somewhat refined after internal discussions, we will be going out, as I said earlier, to talk to hamlets, to the MLAs, to Education Councils and get some public feedback from across the north. We have the course of the next 10 or 12 months to do that, Mr. Speaker.

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**MR. SPEAKER:**

Thank you. Oral questions. Mr. Miltenberger.

Question 277-13(4): Mackenzie River Basin Agreement

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. My question is to the Minister responsible for RWED and it is in regards to the unsigned Mackenzie River Basin Agreement, that is unsigned by British Columbia, Saskatchewan and the Yukon. Mr. Speaker, it is very clear the people of the Northwest Territories are the end recipients of any pollution, of any dumping, pulp mills, lumbering, dams that are built in other jurisdictions. Can the Minister indicate to this House any ideas that he has in terms of pressuring these other jurisdictions to, in fact, honour their obligations and sign that agreement?

**MR. SPEAKER:**

The Minister responsible for Resource, Wildlife and Economic Development. Mr. Kakfwi.

Return To Question 277-13(4): Mackenzie River Basin Agreement

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. As I understand it, as of today, the Government of British Columbia has just about completed their review of the transboundary water agreement and will be submitting recommendations to the Cabinet in the very near future. Premier Don Morin has indicated that he will be requesting a meeting with the Premier, Glen Clarke, also in the next few weeks to encourage the government to sign, and to give favourable consideration to the transboundary agreement which is before that government at this time. So, that is the present status as I know it, of that initiative, at this time. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 277-13(4): Mackenzie River Basin Agreement

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. This issue was the source of considerable discussion in Fort Smith on the weekend and people are very, very concerned. The federal government while it is a signatory to this transboundary agreement has not been very demonstrably active in furthering the signing of this transboundary agreement. Would the Minister also be willing to contact federal officials to get them to use their influence with these other jurisdictions to in fact come to the table and sign this very important agreement, or the Premier, when he is meeting with officials in Ottawa? Thank you.

**MR. SPEAKER:**

Mr. Kakfwi.

Further Return To Question 277-13(4): Mackenzie River Basin Agreement

**HON. STEPHEN KAKFWI:**

Mr. Speaker, this government is also making some initial contacts with the Yukon government. We have

now a tentative agreement to meet perhaps as soon as this session is over in order to deal with several items of mutual concern that we have. In the meantime, we are encouraging the Yukon government, as well, to expedite their review of this transboundary water agreement in order for them to sign it at the earliest opportunity. Every occasion that we have to encourage members to honour their draft agreement and to formally sign, we take it up as well to suggest that if it is, in our view, appropriate and politically acceptable and conducive to a positive relationship, we would encourage the federal government to use, as you would say, their good offices, to expedite parties to sign proposed agreements. However, Members know that in some instances the federal government is not seen always as a positive influence by certain governments. Certainly, there is occasion when governments resent federal intrusion into those jurisdictions where they are not welcome. So, we have the good interest of the people at heart, and we would take whatever action we think would assist in the positive developments of those initiatives that we support. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 277-13(4): Mackenzie River Basin Agreement

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. When the BC Hydro people came to Fort Smith a few weeks back, some of the officials said they were very surprised and did not realize the impact of their decisions in jurisdictions downstream from them, especially the distance of the Northwest Territories. There seems to be a significant lack of awareness in other jurisdictions of the significant, not only significant, incredible impact of the decisions made in other jurisdictions on our waterways. Would the Minister also consider possibly hosting a meeting on this kind of issue just to impress upon these folks that this is an issue that is very, very vital and that what they do has a long term impact from the 60th parallel right to the Mackenzie Delta? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Kakfwi.

Further Return To Question 277-13(4): Mackenzie River Basin Agreement

**HON. STEPHEN KAKFWI:**

Mr. Speaker, the suggestion by the Member is well taken and I would be quite willing to take it under advisement to see where I could use the suggestion in a positive way in the work that I do with other jurisdictions, in regards to the land and water issues that our government deals with, in regards to the federal government and other jurisdictions. Thank you.

**MR. SPEAKER:**

Oral questions. Mr. Henry.

Question 278-13(4): Affirmative Action Policy

**MR. HENRY:**

Thank you, Mr. Speaker. My question is for the Premier regarding affirmative action policy. The Premier and other Ministers of this government have told us in this House a number of times, that we hire managers to manage. The Premier and other Ministers, particularly Ms. Thompson, have told us that we hire the best person for the job when they were referring to hiring senior managers within this government. Mr. Speaker, I support that position, and I believe taxpayers, who pay for these services, deserve the best service from the best qualified people that the government can hire. My question to the Premier is now that managers, who are left to hire, when they tell the Premier that we have taken the affirmative action

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policy into consideration and yes, we have hired the best person for the job, what will the Premier's response be if the target groups identified in the affirmative action policy do not increase. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Premier.

Return To Question 278-13(4): Affirmative Action Policy

**HON. DON MORIN:**

Thank you, Mr. Speaker. The affirmative action policy, the Member is correct, we have concerns about that policy. The concern is that it has not met the goal that was set when the policy was set up which was to have 51 percent aboriginal and long-term northerners in government jobs. It has not met that goal. As of today, I think it is right around 31-34 percent. So, the Member is quite correct when he says that the managers are hired to manage, they follow the policy and still it does not increase the affirmative action candidates in this government. So, that is happening, it is not if. What we have done, and we have made a commitment to this House, is to look at the affirmative action policy; make suggestions on how we can redefine it; bring it into this Legislative Assembly during this session and have a debate on the affirmative action policy. Then revamp it, take it back to the drawing board and rewrite it so that we do have a policy that better reflects today and better reflects on how we can meet the goal of 51 percent aboriginal and long-term northerners in government jobs. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 278-13(4): Affirmative Action Policy

**MR. HENRY:**

Thank you, Mr. Speaker. The Premier, by his own admission, has agreed that the policy that is in place has not achieved what it was put in place for. When the Premier gets questioned about the hiring of senior people, he says, we hired the best person for the job and, in most of the cases recently, that has not been someone within the affirmative action target group. So, he has told this House that they hired the best person for the job, and I accept that. Now, will the Premier accept that when his senior staff tell him, yes, we have taken the affirmative action policy into consideration, we hired the best person for the job, if it does not achieve an increase in affirmative action candidates? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 278-13(4): Affirmative Action Policy

**HON. DON MORIN:**

Thank you, Mr. Speaker. I have no doubt in my mind that, by changing the way we do business, through the Government of the Northwest Territories, by making managers responsible, by making the deputies ultimately responsible for the hiring and make it very clear to them that they will be held responsible, that will be a lot better than having two different departments involved in hiring, where they can pass the buck from one to the other. This puts the responsibility squarely on the shoulders of the deputy. If the deputy tells me that he has followed the policy and he ends up hiring the best person for the job, I will take his word for that. Thank you.

**MR. SPEAKER:**

Oral questions. Mr. Krutko.

Question 279-13(4): School Fire in Fort McPherson

**MR. KRUTKO:**

Thank you, Mr. Speaker. My question is for the Minister of Education, Culture and Employment with regard to the statement that he made in the House earlier in regards to the loss of the duplexes in Fort McPherson. With that I would also like to send my regrets out to the students and teachers and people of Fort McPherson. One of the things that we do not realize is that, a lot of the questions I was asking with regard to insurance and policies, such as (inaudible), was leading up to exactly what has happened here again this weekend and the whole thing about coverage that is in place for teachers, students and also the infrastructure itself.

My question to the Minister is in regards to the fire that just occurred, does he know, in regards to the policy, why are teachers not covered under the policy when they lose goods in fires, yet students are?

**MR. SPEAKER:**

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

Return To Question 279-13(4): School Fire in Fort McPherson

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I can only assume that this government insures those articles which it owns and insurance companies typically expect the owner of an article to insure them. I suppose it comes back to the same situation as a

tenant. As I understand the situation now, a landlord insures the basic structure of a house and whoever is renting that house, is responsible for obtaining insurance for any of the contents. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 279-13(4): School Fire in Fort McPherson

**MR. KRUTKO:**

Thank you, Mr. Speaker. In regards to the policy and the insurance itself and also regards to the students, you can lose a home, or a loved one, or a dog. There is some feeling of loss there which people ... you cannot replace that. I think that, in the case of the teachers to whom I have spoken, said they have spent a lot of years getting into the teaching profession, where they get a lot of reports and also studies that they have put together so that they can present these in classes to the students. A lot of this loss that they have is that you cannot replace that. I would like to ask the Minister if he could seriously look at the policy to ensure there is protection there for the teachers and their goods and services that they do leave within those classrooms. So, when there is an instance like this weekend, there is coverage there for them. Thank you.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 279-13(4): School Fire in Fort McPherson

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**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I can suggest that the Department of Finance take a look at whether or not that sort of coverage would be expensive and we can examine it. As I said, I know that, for instance, in my personal home owner's insurance, if I lose my camera, no matter the circumstances, I have insured my personal property to be covered, whether it is in my house, in my car, in a hotel or in some other location. I believe that it is up to an individual to ensure that they have adequate insurance coverage for their own personal property. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 279-13(4): School Fire in Fort McPherson

**MR. KRUTKO:**

Thank you, Mr. Speaker. I do not think it is practical for the teachers to take all their books home every night when they go home, just to ensure that they are not destroyed in a fire, in the case of a school, or whatever burns down. I think the point I am trying to make is that, presently, there is no coverage for that and, in the case of Fort McPherson, we have had two fires in the last year in which these teachers have gone through one loss and now have to go through another one. You talk about your camera having to be insured, I think that is a different matter, it is a personal item. I think when you are talking about materials that are used on a day to day basis by teachers to teach the class, that should be covered by that department. I would like to tell the Minister again, if he can give me a copy and go through the policy to ensure that is there and, if it is not, then make an attempt to ensure that coverage is there for the teachers. Thank you.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 279-13(4): School Fire in Fort McPherson

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. As I previously indicated to the Member, I will be happy to pass that suggestion on to the Department of Finance and ask that they have a look at it. I cannot commit that they will necessarily confirm it. I do know, Mr. Speaker that, for instance, in our insurance policy, there has to be a total of \$1 million in losses before any claim can be submitted. So, what was lost in this fire most recently in Fort McPherson, because it will probably not be over \$400,000, we will not be able to submit a claim for it. So, it will be a total loss to this government and to the department. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Final supplementary, Mr. Krutko.

Supplementary To Question 279-13(4): School Fire in Fort McPherson

**MR. KRUTKO:**

Thank you, Mr. Speaker. In regards to the comments by the Minister, it seemed like there is possibly nothing that he can do from the department's perspective but I believe that if he would like to carry out an initiative to put a call out there to other teachers or other professional institutions to see if there is a possibility of compensating these individuals for their loss, by donations or whatever, in regards to this system because I think it is not a fair system having to go through this twice in one year. I would like to ask the Minister if he would put out a call for donations to those teachers and their students for the losses they have had in the fire over the weekend. Thank you.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 279-13(4): School Fire in Fort McPherson

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I believe, in the past, there have been a number of public donations to assist the community of Fort McPherson because of the loss of the Chief Julius School and I expect that northerners will respond as necessary to ensure that classes can continue in the Grade 7 to 9 facilities that burned down over the weekend. I understand that the Education Council will be coordinating what is needed and, once we hear from them, I would be happy to respond with a public call, if that is what is needed. However, I suspect that we will hear directly from the Beaufort-Delta Education Council regarding what they see as necessary. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Steen.

Question 280-13(4): Privatization Initiatives

**MR. STEEN:**

Thank you, Mr. Speaker. Mr. Speaker, my question is in regards to privatization. Mr. Speaker, over the past week, there have been many questions raised by Members in the House as to this government's privatization initiative, including POL services and

property management. Mr. Speaker, the Premier has responded by stating that Mr. Kakfwi, Minister of Economic Development, is responsible for coordinating privatization initiatives. Therefore, I would like to ask Mr. Kakfwi, Minister responsible for Economic Development if, indeed, he has an established privatization policy that would apply to POL services and property management? Thank you.

**MR. SPEAKER:**

Thank you. The Minister responsible for Resource, Wildlife and Economic Development, Mr. Kakfwi.

Return To Question 280-13(4): Privatization Initiatives

**HON. STEPHEN KAKFWI:**

Mr. Speaker, as the Premier indicated, there is a need for overall government coordination of the privatization initiatives that we have decided to advance. Petroleum products, to look at privatization of that particular division; to look at privatization in the area of computer services, maintenance and also to look at housing, government properties, buildings. Because they were initiatives that were the responsibility of different departments, the Cabinet felt that perhaps this ministry, because our expertise in looking at business initiatives and the capacity to provide an analysis on a business basis, we would be in the best position to look at the viability of these initiatives that would come forward from the individual departments. Cabinet set out certain criteria that they wanted to look at in regard to these different initiatives and we have tried to make sure that we work with the different departments to ensure that these were met. So, there is no specific policy in place but we did have a general basis on which to look at the merits and viability of privatizing these different initiatives. Thank you.

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**MR. SPEAKER:**

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

Supplementary To Question 280-13(4): Privatization Initiatives

**MR. STEEN:**

Thank you, Mr. Speaker. Mr. Speaker, since there is no policy in place, I wonder if the Minister could give

me an indication of when they may be through considering whether or not they are going to privatize POL and when the public may expect to see a decision in this regard? Thank you.

**MR. SPEAKER:**

Mr. Kakfwi.

Further Return To Question 280-13(4): Privatization Initiatives

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. It is my intention, along with Mr. Arlooktoo, to submit a paper to Cabinet in the very near future for Cabinet to consider in regard to a proposed initiative to privatize petroleum products. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Picco.

Question 281-13(4): Closure of Iqaluit Weather Station

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement, I spoke about the closure of the Iqaluit weather station. I was also just informed that, on April 1st, 1997, that the Yellowknife weather station will also be closed. My question is for the Minister of RWED. Has the Minister contacted the federal Minister for the Environment, Mr. Sergio Marchi, on the impending closure of the two weather stations here in the north?

**MR. SPEAKER:**

The Minister of Transportation. Mr. Antoine.

Return To Question 281-13(4): Closure of Iqaluit Weather Station

**HON. JAMES ANTOINE:**

Thank you, Mr. Speaker. Mr. Speaker, in regards to the question and in regards to the weather stations in Iqaluit and in Yellowknife, that particular situation is the responsibility of the federal government. I think the department has expressed concern about that, but the only concern that we have in the Department of Transportation is in regard to air transportation in this case. NAV Canada is responsible for the weather

for providing it to the aircraft industry, and the coast guard is providing weather and ice conditions to the ships. That is our role in this government as Department of Transportation and, in regards to the overall weather station, it is an Environment Canada issue. We could pass on our concern to the federal government, the department that is responsible for that. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 281-13(4): Closure of Iqaluit Weather Station

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, the concern here, of course, is that the weather station, for example based in Iqaluit for Nunavut, and I guess the one here for Yellowknife, provide that on-the-spot weather service. Now right now if it goes to the 1-800 service then we have to contact Edmonton so that is the concern especially in the east where we have a lot of people who go hunting and fishing and rely on that weather service daily. The next logical step after you downsize the weather station is go to automation. We have had some very serious concerns like in Cambridge Bay, where they have had automation problems. So, I guess, my question to the Minister of Transportation would be then, would he commit to this House to write Minister Marchi with these concerns and I will forward some letters that I have already written to Mr. Marchi and update the Minister on our concerns. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Antoine.

Further Return To Question 281-13(4): Closure of Iqaluit Weather Station

**HON. JAMES ANTOINE:**

Thank you, Mr. Speaker. Mr. Speaker, before the New Year in November, I had opportunity to travel to the High Arctic. I was in Resolute Bay as well as Cambridge Bay, and in Cambridge Bay that concern was addressed to me by residents up in the Kitikmeot area there. Phoning a 1-800 number and getting a recording from Edmonton is not very suitable. It was expressed to me that the conditions in the High Arctic are extreme and you need visual contact with the environment to talk to the different aircraft that use the

airspace in that area. So, yes, in fact I think that the department has already sent our concerns over to the federal counterpart in this area. If we have not done so, then we will do so with the support of honourable Mr. Picco and working together, perhaps we could emphasize the point of the concern that was raised here today. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Ootes.

Question 282-13(4): Financial Assistance for SAIT Student

**MR. OOTES:**

My question is for the Minister of Education, the Honourable Mr. Dent. I have received a letter from a student who is attending the Southern Alberta Institute of Technology, SAIT, in Calgary and she informs me by her letter that she was granted financial assistance to attend school and now that has been cut off. Yvette Schreder is her name. She quit her job with the City of Yellowknife after Christmas to enrol in a transitions program at SAIT. In the previous November, Miss Schreder was informed by the GNWT that she would be approved and that she had been approved for a basic grant and a primary loan. Then, in December she was granted a needs assessed loan. When she got to Calgary on January 16, she was informed by the territorial government that the territorial government does not support students in the transitions programs because it is considered an upgrading program which is not funded by the GNWT, and her funding was pulled as a result. She has been able to get some money together and has remained in the transition program at SAIT, but her tuition costs which she has raised herself with difficulty has been \$1,400. My question to the Minister, could he confirm that apparently there are other students who have been informed of the same funding cut. I wonder if the Minister could tell us if he is aware of this and if this is correct this student and other students have been cut off of this funding.

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**MR. SPEAKER:**

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

Return To Question 282-13(4): Financial Assistance for SAIT Student

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I cannot answer the Member's question. The letter arrived in my office this morning from Ms. Schreder, and it will take some time for my officials to give me some information on it. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Roland.

Question 283-13(4): Commitment to Delta House

**MR. ROLAND:**

Thank you, Mr. Speaker. My question is directed to the Minister responsible for Health and Social Services. As I stated in my Member's statement, there was a public meeting held in Inuvik on Friday evening. The Minister attended and did make a commitment to the chairman at Delta House at the end of the evening. I would like to know if the Minister would inform us what is entailed in that commitment. Thank you.

**MR. SPEAKER:**

The Minister of Health and Social Services, Mr. Ng.

Return To Question 283-13(4): Commitment to Delta House

**HON. KELVIN NG:**

Thank you, Mr. Speaker. Mr. Speaker, there was an issue in respect to the use of the capital equipment that the Delta House Society had within their centre and whether or not that equipment would be available for their use post-April 1, once funds from us were withdrawn in respect to the residential alcohol and drug treatment dollars, and I advised the chairperson of the Delta House Society at that time that I saw no problem, that I committed to allowing them to continue to use the equipment at least until June 30. Further to that, I would like to say that I am even considering taking it one step further, Mr. Speaker. I am having my staff check out right now if we even require to have those capital assets returned at all, and the possibility of just writing them off or allowing them to continue to remain in that facility for community use, Mr. Speaker. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Roland.

Supplementary To Question 283-13(4): Commitment to Delta House

**MR. ROLAND:**

Thank you, Mr. Speaker. Can the Minister inform us here if he is also willing to look at the proposals that may come forward concerning Delta House if they are to change the way that they deliver programs. Thank you.

**MR. SPEAKER:**

Mr. Ng.

Further Return To Question 283-13(4): Commitment to Delta House

**HON. KELVIN NG:**

Thank you, Mr. Speaker. Mr. Speaker, I did indicate in the public meeting that we would entertain proposals for coordinating or accessing funds that are within this current year's fiscal budget, if the Delta House Society could make arrangements with community groups, with the local town council to take on some of the, for example, alcohol and drug awareness outreach programs that they had. If they wanted possibly to access some of the funds that may be available through the early childhood intervention initiative that we are in the process of finalizing and any other programs that may be available through our current funds, I said that we would have no problems in entertaining those types of proposals, Mr. Speaker. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 283-13(4): Commitment to Delta House

**MR. ROLAND:**

Thank you, Mr. Speaker. In that meeting there was also concerns raised with consultation with the community. Can the Minister inform us who took part in the consultation when it came to developing the area of which facility to reduce. Thank you.

**MR. SPEAKER:**

Mr. Ng.

Further Return To Question 283-13(4): Commitment to Delta House

**HON. KELVIN NG:**

Thank you, Mr. Speaker. Mr. Speaker, there may not have been direct consultation in respect to the decision obviously that impacted on Inuvik and the Delta House operation. There was some preconsultations through the alcohol and drug working group, through treatment centres' directors, alcohol and drug people, staff from our department last fall, in respect to some of the alcohol and drug reforms that we were attempting to initiate in developing the alcohol and drug reform policy. So there was an awareness and a recognition that there was an over supply of residential treatment beds although it was not specified at that time obviously on which facility may be impacted. Once the decision was made we attempted as expediently as possible to notify the Delta House Board of directors and their staff to advise them to give them as much of an opportunity as possible to prepare for the eventual withdrawal of funds from their operation, Mr. Speaker. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Final supplementary, Mr. Roland.

Supplementary To Question 283-13(4): Commitment to Delta House

**MR. ROLAND:**

Thank you, Mr. Speaker. Also, during the meeting there was concern brought out about when the decision was made on which facility to close. Can the Minister clarify when the decision on the facility that was identified, when was that made. Thank you.

**MR. SPEAKER:**

Mr. Ng.

Further Return To Question 283-13(4): Commitment to Delta House

**HON. KELVIN NG:**

Thank you, Mr. Speaker. Mr. Speaker, there were several options that were looked at as the honourable Member knows. I went before the Standing



Committee to discuss generally some of the alcohol and drug reforms and the possibility of anywhere from closure of two, possibly even three, facilities at one point. A decision was finalized in early to mid-December by myself but it was felt that with Christmas coming on that it was not an ideal situation to make that type of announcement at that time so I made a decision to wait until after the New Year as early as possible after the New Year to formalize any public announcements on the withdrawal of funds for the Delta House operation, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Erasmus.

Question 284-13(4): Appeals of Job Competitions

**MR. ERASMUS:**

Thank you, Mr. Speaker. My question is for the Premier. On February 5th the Minister of Finance indicated that there had been 69 appeals and almost one out of every three of those appeals were upheld. I suppose that one could imply that every third person that was hired that year was hired improperly if you go a little further. I would like to know if Cabinet is concerned about the high rate of appeals that are upheld.

**MR. SPEAKER:**

Mr. Premier.

Return To Question 284-13(4): Appeals of Job Competitions

**HON. DON MORIN:**

Thank you, Mr. Speaker. That shows us that the system does work. If you apply for a job and you feel that you have the right to appeal, you do appeal it. Then, you win the appeal. The system must work. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Erasmus.

Supplementary To Question 284-13(4): Appeals of Job Competitions

**MR. ERASMUS:**

Thank you, Mr. Speaker. I see the Premier has his tap-dancing shoes on again today. Concerning the

high rate of appeals, is Cabinet concerned about the inordinate amount of appeals that were actually upheld, because something was improperly done in the hiring process? Thank you.

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 284-13(4): Appeals of Job Competitions

**HON. DON MORIN:**

Thank you, Mr. Speaker. Appeals are only a small part of the staffing process. There are many, many jobs that are filled in this government that are not appealed because people did not feel the need to appeal. So it is just a small part of it, and my understanding is that 69 appeals are very small, compared to the past. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 284-13(4): Appeals of Job Competitions

**MR. ERASMUS:**

Thank you, Mr. Speaker. The Premier and the Finance Minister have both indicated that managers are now being allowed to manage and they are responsible for affirmative action and that there would be repercussions if the rate of affirmative action people within the civil service does not rise. Will this include loss of bonus money?

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 284-13(4): Appeals of Job Competitions

**HON. DON MORIN:**

Thank you, Mr. Speaker. Maybe I can take a moment to try to answer Mr. Erasmus' question in some detail, because we seem to keep coming back to it and I believe that we need to move on to other things. My friend, Mr. Erasmus, is right to be concerned about this issue. We all want to be satisfied that the interests of aboriginal people and others targeted by

our affirmative action policy are adequately protected. The changes we have made, I believe, are the right ones. The bottom line is that we had to become a smaller and more efficient government, if we are to maintain acceptable levels of services to people in our community. Where Mr. Erasmus and I do not agree, is how to ensure that the objectives of the affirmative action are met on an ongoing basis. My approach, and the approach endorsed by Cabinet and this Legislative Assembly, is to put the onus of advancing the principles, square on the shoulder of the deputy ministers, who have the operational responsibility for the administration of this policy.

I can assure you, Mr. Speaker, that this is a matter that I have specifically raised with the deputy ministers in the past. It was an issue I specifically raised with several of them during the course of my recent performance review process. They are on notice that it is an issue for which their performance will be specifically addressed in June when I meet with them again. If I was a deputy minister, I would be taking that quite seriously. Mr. Speaker, I realize that we need to revitalize the affirmative action policy of this government, that is why we have committed to bringing a paper forward for discussion by Members of this Assembly, where we can agree that appropriate changes should be made. We will do that. However, Mr. Speaker, once that is done, I will still be looking to the deputy ministers to make sure that the objectives of the policy are met. What it comes down to, Mr. Speaker, is whether we have confidence in our senior managers to manage the priorities we give them. Mr. Speaker, I do. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Final supplementary, Mr. Erasmus.

Supplementary To Question 284-13(4): Appeals of Job Competitions

**MR. ERASMUS:**

Thank you. Mr. Speaker, I would like thank the Premier for finally answering a question that I asked, although it was ten seconds out of his three minutes that he spoke for. While he is being so magnanimous, could he also answer the question that I asked five times on Friday, and which he refused to answer? Is Cabinet concerned that the current affirmative action policy is not being properly implemented? Thank you.

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 284-13(4): Appeals of Job Competitions

**HON. DON MORIN:**

Thank you, Mr. Speaker. Like I have previously said, ourselves in Cabinet, as well as Members of this Legislative Assembly, are concerned about the numbers of aboriginal and long-term northerners working for this government. We have already made a commitment and we made it publicly, we made it in this Assembly, we have said it, if I said it once, I must have said it 10 times in responding to Mr. Erasmus, that we are concerned that the affirmative action policy is not increasing the long-term northerners and aboriginal people in the employment of this government. So that is how come we have made that commitment to bring a paper forward to this Legislative Assembly to discuss it with the Members of this Legislative Assembly and rework it and then implement a new policy. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Ningark. Oral questions. Mr. Miltenberger.

Question 285-13(4): Rural and Remote Housing Initiative

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. My question is to the Minister responsible for the Housing Corporation. I have some constituents involved in the old rural and remote program. I have raised this issue in the House before and I have met with the Minister, his President of the Housing Corporation and his other staff on the plight of these particular individuals as they try to move out of that program into some other more equitable arrangement. The Minister has indicated that they made an offer to my constituents. I would like the Minister to confirm whether he would be prepared to revisit that particular offer that has been made and see if it could be made even more equitable. Thank you.

**MR. SPEAKER:**

The Minister responsible for the N.W.T. Housing Corporation, Mr. Arlooktoo.

Return To Question 285-13(4): Rural and Remote Housing Initiative

**HON. GOO ARLOOKTOO:**

Mr. Speaker, the Rural and Remote Housing initiative was a program that was one of the first home ownership programs that was offered in the N.W.T. and since the days of that program, we have gone through the HAP program, the Access program, and other programs, but as it turns out the rural and remote clients, of which there are 39, and mostly in the western Arctic. There has been concern raised by these clients and MLAs that some of these clients may be treated unfairly compared to clients of later programs. I have taken a look at this issue. We have, or are in the process of, offering a package of refinancing to every one of those clients and I can provide an update to the Member when we have one available.

**MR. SPEAKER:**

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

Supplementary To Question 285-13(4): Rural and Remote Housing Initiative

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. Could the Minister indicate whether they would be prepared to consider full forgiveness and the impact that would have if it was applied to the 39 people?

**MR. SPEAKER:**

Mr. Arlooktoo.

Further Return To Question 285-13(4): Rural and Remote Housing Initiative

**HON. GOO ARLOOKTOO:**

Mr. Speaker, there are a couple of things to consider. One is the fairness of the treatment of these clients compared to those that are in new home ownership programs. The other is, because any changes to this type of financing would mean that money would have to come from the Housing Corporation, if the deal was to be sweetened. One of things that is happening is that the Housing Corporation is presently negotiating with the CMHC to transfer the entire housing portfolio from the federal government to the GNWT and I have instructed our negotiators and our officials to ensure

that the file of the R and R clients are part of the negotiating package and that we ensure that they are taken care of.

**MR. SPEAKER:**

Thank you. Question period is over. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. Mr. Miltenberger.

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

Committee Report 5-13(4): Report on Changes to the Seniors' Fuel Subsidy

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. I apologize for the confusion. Mr. Speaker, I do not believe that my colleagues from across the floor are following the good intentions of your comments and direction earlier in the session. However, we will bear with it.

Mr. Speaker, on October 9th, 1996, in response to Members' concerns, the Legislative Assembly passed a motion referring issues of changes to the seniors' fuel subsidy to the Standing Committee on Social Programs. The standing committee believes that the Minister of Education, Culture, and Employment has been given clear political direction to keep the seniors' fuel subsidy in some form.

As we noted in an October report to the Minister, there is a clear consensus among the Ordinary Members and agreement from the N.W.T. Seniors' Advisory Council, that this program should remain in place. When we approved the change to the fuel subsidy as part of the 1996/97 budget, it was with the understanding that the change would address only those high-income seniors who are getting the subsidy. The actual implementation went far beyond what we thought we were approving. The committee addressed the issue with the Minister with no resolution.

On October 18th, 1996, we gave an interim report, Committee Report 12-13(3) in the House identifying the need to retain the subsidy in the short term. In that report we also identified possible options for funding the program. We again tried to address this issue during the review of the draft main

estimates in December. The Minister continued to indicate that he was unable to find the funding necessary to continue the program, but would consider the options put forward by the committee.

As a result of our discussions, we offered a number of potential sources for some or all of the funding required to support this program. There is a social envelope working group looking at the array of programs and subsidies available to seniors. This group may recommend changes to the seniors' fuel subsidy or replacement of the subsidy with a different option. However, there is no indication at this point of the time frame for completion of this comprehensive review of seniors' programs and subsidies.

It is not appropriate to eliminate the fuel subsidy until the standing committee and Members of the Assembly have had an opportunity to review and approve other possible options. We had hoped the Minister of Education, Culture, and Employment would be willing to work co-operatively with the standing committee to ensure that seniors were able to access some form of fuel subsidy. The Standing Committee on Social Programs strongly believes that the Minister could have identified the \$250,000 necessary for this program within his \$218 million budget.

Given the lack of positive response from the Minister to date, the standing committee would support the introduction of a formal motion directing the Minister to maintain the seniors' fuel subsidy until such time as the Assembly directs otherwise.

-- Applause.

Mr. Speaker, that concludes the report of the Standing Committee on Social Programs, and I move, seconded by the honourable Member for Inuvik, that the report be received by the Legislative Assembly and adopted. Thank you.

**MR. SPEAKER:**

Thank you, Mr. Miltenberger. Your motion is in order. To the motion. Question is being called. All those in favour. All those opposed. The motion is carried. Reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. Item 14, notices of motion. Mr. Erasmus.

**ITEM 14: NOTICES OF MOTION**

Motion 11-13(4): Seniors' Fuel Subsidy Program

**MR. ERASMUS:**

Thank you, Mr. Speaker. I give notice that on Wednesday, February 12th, 1997, I will move the following motion.

Now, therefore, I move, seconded by the Member for Natilikmiot, that the Minister of Education, Culture, and Employment, be urged to continue the Seniors' Fuel Subsidy Program with the following changes:

Increasing the single income threshold to at least exceed the statistics Canada poverty level for a single person, indexed to Yellowknife's cost of living. Indexing qualifying income so that the cost of living across the Northwest Territories, using Yellowknife as a base, and including seniors who rent private housing in the eligibility criteria.

Further, that the funding necessary for this program should come from instituting a rent policy for seniors living in public housing.

Further, that the revised Seniors' Fuel Subsidy Program remain in place until the recommendations contained in the report of the comprehensive review of all programs and benefits to seniors and elders is reviewed by the Standing Committee on Social Programs and the Legislative Assembly. Thank you.

-- Applause.

**MR. SPEAKER:**

Thank you. Notices of motion. Item 15, notices of motion for first reading of bills. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters. Bills 8, Committee Report 2-13(4), Committee Report 3-13(4) and Tabled Document 20-13(4), with Mr. Steen in the chair.

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

**CHAIRMAN (Mr. Steen):**

I would like to call the committee to order. In committee of the whole today, we have Bill 8, Appropriation Act 1997-98 for consideration; Committee Report 02-13(4), Standing Committee on Government Operations Report on 1997-98 Main Estimates; Committee Report 03-13(4), Standing Committee on Infrastructure Report on 1997-98 Main Estimates and Tabled Document 20-13(4), Report of

the Joint Working Group on the Business Incentive Policy.

I would like some directions from the committee as to how to proceed. Mr. Ootes.

**MR. OOTES:**

I would recommend that we consider Bill 8, Committee Report 02-13(4) and Committee Report 03-13(4) concurrently and then continue with Aboriginal Affairs followed by the Department of Finance, and Public Works and Services, in that order.

**CHAIRMAN (Mr. Steen):**

Does the committee agree?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

We will take a 10 minute break.

-- Break

**CHAIRMAN (Mr. Ningark):**

I would like to ask the Minister if he would like to have witnesses present?

**HON. JAMES ANTOINE:**

Yes, I do.

**CHAIRMAN (Mr. Ningark):**

Does the committee agree?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Ningark):**

The committee has agreed to have witnesses present. Mr. Antoine, would you like to introduce your witness?

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Good afternoon to all the Members. I have with me Mr. Peter

Bannon. He is the director of policy and coordination for the Ministry of Aboriginal Affairs. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Antoine and good afternoon, Mr. Bannon. I understand we are actually on activity summaries, Aboriginal Affairs, page 2-46. Total operations and maintenance, \$2,377,000. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. As most people know, many of my members belong to a Metis local that does not belong to the Metis Nation and they are not provided with any core funding that this government provides to the Metis locals. What I would like to know, does a local have to belong to the Metis Nation to receive core funding?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, right now the Metis Nation receives core funding at the national office and from there they distribute their own internal funding to the different locals. My answer to the honourable Member is that yes, with the present arrangement, the Metis locals have to belong to the Metis Nation before they receive the core funding. We have been approached by the Metis local here in Yellowknife, that is independent and we did give them a grant aside from what went to the Metis Nation this past year. The ministry is reviewing the grants and contributions to aboriginal organizations policy. We are ready to proceed to consult with the affected organizations with proposals for different types of discussions at this point in time.

**CHAIRMAN (Mr. Ningark):**

Thank you. We are on page 2-46, Aboriginal Affairs. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. The Minister indicated that at the present time Metis organizations or locals have to belong to the Metis Nation to get core funding. Is that because of a GNWT policy or is that because of the Metis Nation's policy or how does that work?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, the present arrangement is through the GNWT policy. This policy was in place for some years now and core funding has been provided to the Metis Nations in the past and it is a policy that we are reviewing at the present time. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Aboriginal Affairs. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. I am glad to hear that the policy is being reviewed because I know the federal government provides funding to band councils and it does not matter if the band council belongs to the Dene Nation or to the Assembly of First Nations or to regional organizations or any such criteria. I would like to know if the Minister has any information on why this policy was implemented this way. Does the GNWT feel that a local's responsibility ceases to exist if it removes itself from the Metis Nation?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, the present policy has been in existence for some time now and when this particular funding arrangement was first put into place by the previous governments, all the Metis locals were part of the Metis Nation organization. There were no independent Metis locals involved. Over the years, we understand there has been some changes in that arrangement and there are some Metis locals that are independent from the Metis Nation. Coming into this ministry here we realize there is a problem. At first we thought it was more of an internal problem and we did not want to come between any groups but more and more we realize that we have to take a real close look at the existing policy and do some consultation to see what type of arrangements would be the best type of arrangements to provide this type of funding. The funding is in place there because the band councils get federal government funding as core funding to run their own band councils, First Nation organizations. In

the meantime, the Metis locals do not get that funding from the feds and instead this government is providing core funding arrangements with the Metis Nation. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Aboriginal Affairs. Total operations and maintenance is \$2,377,000. Mr. Steen.

**MR. STEEN:**

Thank you, Mr. Chairman. Mr. Chairman, I would like to ask the Minister some questions in regards to the funding for the band councils. I understand that these same band councils are the ones that the territorial government is funding through or to carry out municipal responsibilities.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, in some cases it is the band councils, where the municipal councils are carrying out the services for the communities and the municipalities. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Steen.

**MR. STEEN:**

Mr. Chairman, these band councils receive funding from this government. I wonder what part of the local population gets to vote for band council membership, or is it limited to band council membership?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, in the communities that I am aware of, the band councils provide community services in smaller communities where there is a chief and band council. In this case, to run for chief and band council you usually have to be a band member to run for chief and band council positions. In cases of providing municipality services, there are arrangements made with this government through the Municipal and Community Affairs department to provide the municipal services. It is on

a contract basis. I just want to add in these cases the small communities do not get the same level of funding as if they were incorporated into a hamlet and so forth. But if the Member could maybe clarify his question, perhaps I could answer more clearly. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Steen, would like to clarify the question? Mr. Steen.

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**MR. STEEN:**

Thank you, Mr. Chairman. Mr. Chairman, I assume then that those people other than band members who live in these communities, do not get to vote as to how this municipal money is spent?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, in some of the communities, through the municipal and community affairs arrangements, there are some band councils that are chartered communities, where they have combined band councils into a public government system at the local level. In these cases there are non-band members such as in Good Hope and I think, Deline, which became charter communities. There are a few of them, under the Municipal and Community Affairs Department, that have made arrangements with these communities so that they become something other than the chief and band council situation where there are other than band councils voting for different types of arrangements in the communities for providing services. But, in the communities where the chief and band councils are the only community government, in most cases, these communities are very small and a large majority of the people in these communities are band members, but there are some non-band members in these communities. Again, this is an area where the reality of the day is that that is the kind of arrangements that they have.

I think that the government has made attempts in the past in the communities like Wrigley, for example, where they have been approached by MACA to maybe consider other arrangements like charter communities, but it is really up to the people in

communities to decide on how they want to govern themselves. Perhaps, the Member has other questions than this one here. I will try to clarify it. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Aboriginal Affairs. Mr. Steen.

**MR. STEEN:**

Thank you, Mr. Chairman. Mr. Chairman, one of the fundamental rights of a resident is the right to vote, in regards to just how funding is spent, whether it is at this level or whether it is at the community level. As a taxpayer they would have the right to vote. Now, as the Minister just indicated, in some cases there are people who live in these communities for four or five years. They are not just employees of this government, they are employees of the Co-op, they may be in private business, but they are not band members. They could be Metis. They could be non-aboriginal. They could be Inuvialuit, but they are not band members. They never get the right to vote at municipal elections on how municipal services are supplied. Now, I would like to know from the Minister how he expects that his department is going to resolve this issue.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, I realize that this type of situation is a reality in some of the small communities. It goes back to the treaties that were signed back in 1899 in Treaty 8, and 1921 in Treaty 11 situation there. Over the years, as things evolve and communities get bigger and there is infrastructure put into the communities by this government, that whole area has not been resolved. There are some communities that have resolved it themselves. I used the example of Fort Good Hope, Deline, I think in Wha Ti, and other communities have been able to look at combining the chief and band council system at the community level, and making an arrangement with the public government system for voting. So, that people who are not band members may be involved at the municipal level in elections and voting, like you say. But, there are some communities where that has not been done yet. In the situations, perhaps in my constituency, where we have about four communities where there is chief and band council, it is really up to

them and the federal government to start talking about land claims and self-government arrangements. This government here supports land claims policy and we support the inherent rights of self-government that some of the communities are pursuing. That is one way of doing it. I think that gone are the days where we go into the communities and impose a different system on the people. I think that we have gone away from that.

About the only solution I see here is that the communities that want to get involved in land claims, they should be supported and encouraged. If they want to start talking about the inherent right to self-government, how they would govern themselves in the small communities, then, that is a direction that we should support and we should see if we could move that discussion along. In the meantime, we are going to be remaining in the same situation. The honourable Member asked what this ministry is going to do about it. We support the attempts by the different aboriginal groups to go out and get involved in land claims and discussion. The Dogrib are involved into land claims discussion at the same time. They are doing self-government talks. The federal government does not have a mandate for their negotiators yet, but they are attempting to go in that direction. Through that negotiation system, we are going to see how the local government is going to be run. The same thing with the Beaufort Delta. The Gwich'in Inuvialuits are going to be talking about the self-government arrangements and that is dealing at the community and regional level as well.

The Sahtu are beginning to do talks with self-government. Treaty 8, they are getting to talk about the land claims and which way they are going to go. Fort Smith, Salt River First Nation, they are pursuing a reserve type of arrangement. So, it is really the initiative of the different First Nations and the Metis, as well, to start talking with the feds and ourselves on what kind of arrangements they are going to make. So, this is how we, in the ministry, are getting involved.

In the Deh Cho, before Christmas, they have taken the position where they want to start talking with the federal government on the inherent right to self-government. The federal government has to respond to that yet. I have encouraged the federal Minister at the meeting on Friday to try to get a response to the Deh Cho as quickly as possible. Better sooner than later.

So, this is the way that this ministry is trying to encourage and move the discussions along with the First Nations and Metis. Again, in this type of arrangement, what kind of municipal services are provided at the community level, what kind of voting is going on at the community level, the Municipal and Community Affairs is responsible for providing the funding for municipal services on a contractual basis. But this ministry

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here we are trying to move the land claims talks and the self-government talks along. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ningark):**

Thank you. Aboriginal Affairs. Mr. Steen.

**MR. STEEN:**

Thank you, Mr. Chairman. Mr. Chairman, I want to make it clear here. I am not suggesting that people other than members of the band council would be addressing band council funding. That is federal money. But what I am suggesting here is that funds for municipal services come from this government. So, therefore, there should be some format established whereby all the public in those communities get to have a say on how the money is spent, and also, who can represent them in regards to the spending of that funding. Now, you, the Minister have indicated, Mr. Chairman, in some communities like Good Hope and Fort Franklin, they have in fact addressed this thing and allowed public government to be mixed with band government in order to address this particular type issue. Now, what I am suggesting here, although MACA is responsible for supplying the funding, obviously Cabinet is responsible for establishing the criteria for that funding, the policy. Now, I wonder if the Minister would consider attaching a condition to that funding that, in fact, in order for those communities to receive that funding, they must be allowed to establish a format where everybody gets to vote on the distribution of that funding. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. I would like to remind both the Minister and the honourable Members to try to be concise as much as possible in questions and answering. Mr. Minister.

**HON. JAMES ANTOINE:**



Thank you, Mr. Chairman. Mr. Chairman, that is exactly the point that the honourable Member is making, where the First Nations and Metis are trying to get that sorted out. That situation has been there for a long time. That grey area, where it is not too clear exactly who is responsible for this public funding in the community. I know what the Member is getting at. The criteria, or policy, of funding bands in the small communities where there is no other municipal communities to provide services, that is a policy that is set by the Cabinet, and the criteria that is set through the small communities assistance program. I think it is under the MACA Department that has this arrangement, this SOAP program with the small communities, where they make a contract with the bands. There are provisions in there that the funding has to be for the whole of the communities. So the band is providing this service on behalf of the whole community. To have a specific condition for non-band members to have a vote or to have a say in how this funding is spent, if you are making that suggestion, then I think that we should take a look at that.

**CHAIRMAN (Mr. Ningark):**

Thank you. We are considering Aboriginal Affairs. Are there Members that wish to speak to this particular item that have not spoken yet, before I recognize Mr. Steen? Are there Members who have not spoken on this item that wish to speak? Mr. Steen.

**MR. STEEN:**

Mr. Chairman, if there are other Members with questions, I will wait.

**CHAIRMAN (Mr. Ningark):**

Are there honourable Members that wish to address this particular item, Aboriginal Affairs now? No. Total operations and maintenance is \$2 million. Mr. Erasmus. Thank you.

**MR. ERASMUS:**

Thank you, Mr. Chairman. We heard the other day that there were concerns at meetings in Yellowknife and Hay River concerning the draft constitution or the revised NWT Act. I would like to know if the Minister also received endorsements or letters of encouragement endorsing the rolling draft that was done. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. The honourable Minister, Mr. Antoine.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, if the honourable Member is asking if we have received any letters or any correspondence or any indication that there is endorsement for this process, I think that I could say that continuation of the involvement of Members to the Constitutional Working Group, I think is an indication there is an endorsement through participation. I attended the Beaufort Delta leaders meeting before Christmas, in the fall. There were positive comments that we have to work together to see if we could set something for ourselves set up, so that we could govern ourselves after 1999. I think that is in itself a sort of endorsement. I think there were letters sent suggesting that different things should be taken into consideration when we are proceeding with this. There are phone calls from individuals, from elders and different leaders on suggestions on how to proceed. So, I think there is some endorsement of that nature in this rolling draft for the proposed constitution for the new constitution for the NWT. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Aboriginal Affairs, operations and maintenance. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. I know the Minister is in charge of Aboriginal Affairs, is he also responsible for the Aboriginal Affairs in the eastern Arctic, as well as in the western territories?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Antoine.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, we are responsible, with the Ministry of Aboriginal Affairs, for all the aboriginal affairs in the NWT, including the area of Nunavut. However, there does not seem to be that many issues that are coming to the ministry for us to deal with. I think largely because in the Nunavut area they have a settled claim, the Nunavut Final Agreement, and the leadership there are very involved in pursuing division and the setting up of their own government in the east. This government, at the same time, through the Executive, have a Division Secretariat that concentrates solely on all the division issues. In general, that covers most of the concerns for the Nunavut in aboriginal affairs. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Operations and maintenance. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. It does not show here, but I know that there is going to be a supplement to increase the funding a little bit, but I think that it would still be less than or only equal to what was actually provided in previous years. I was wondering if the Minister actually had

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enough staff to do all the responsibilities that they are responsible for?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, this ministry needs resources and as a result there is going to be a supp that is going to be coming on later on because we were not able to get the necessary numbers and plan in action until we had Cabinet approval by January, but because of the supp, I think with the resources that are going to be provided to us, there is going to be enough for us to, with this ministry, to be involved in the self-government talks. I think with the PYs that we are going to get and some of the funding for travel, I think that should be adequate to take care of self-government negotiations for the time being. In the land claims area, perhaps if some situations evolved, such as the Treaty 8 talks, as well as the Deh Cho, if it comes around, then we probably will be requiring additional resources to have adequate people at the table in that area. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. I think the supplementary appropriation, that is to come out and the particular issue that we are considering are two different matters and I would like to remind the Members to try and stick to the topics which are on the table. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. I am sorry, I did not quite hear the last part of the Minister's response. Too many side discussions here, we can not hear very

good. Did he say that there if certain things happen there is a possibility that he would not have enough people to participate properly?

**CHAIRMAN (Mr. Ningark):**

Thank you. In respect to Mr. Erasmus' concern, I would like to remind all the Members that we are discussing a matter that is of importance to this committee, and if you wish to have a side conversation, there is a couple of doors here around the back and, without kicking the Members out, please bear in mind that we have some very important items here and I would remind the Members to respect what is happening here. Mr. Minister, thank you.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. In response to the honourable Member in regards to whether this ministry has enough resources to carry out its work, I did say that in the area of self-government negotiations, if certain things fall into place, I think that we will have enough resources and people at the table in self-government. But in the case of a land claims issue, at the present time we have the different claims that are going on covered fairly well by the ministry, but if certain things evolve and develop, such as the Treaty 8 negotiations, get on stream and if the Deh Cho, for example, down the line gets into commitment to negotiate land claims, then we will probably require additional resources at that time, but at the present time, we have sufficient resources. Thank you.

**CHAIRMAN (Mr. Ningark):**

Qujannamiik. Aboriginal Affairs, operations and maintenance. Total operations and maintenance is \$2,377,000. Mr. Steen.

**MR. STEEN:**

Thank you, Mr. Chairman. Mr. Chairman, under Aboriginal Affairs it says the ministry manages and co-ordinates GNWT participation at comprehensive aboriginal land claims. I wonder if the Minister could explain what this particularly means. I understand participation, manages, and co-ordinates, but I am wondering, is it clear the ministry's mandate is clear, is that we manage and co-ordinate, rather than sponsor?

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Steen. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, the ministry manages and co-ordinates the Government of the Northwest Territories' participation at these comprehensive claims. This one, for example, in the Dogrib claim, the GNWT is involved, and if we need other resources from other departments then we manage and co-ordinate the GNWT team as they sit and negotiate the Dogrib claim. We are involved as taking a lead role at the negotiating tables. Our negotiators have mandates and instructions and they carry the work out on our behalf. We are more or less taking the lead role at the table. Whatever resources we need, whatever additional lawyers or different experts we need at the table, then we co-ordinate that. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Steen.

**MR. STEEN:**

Thank you, Mr. Chairman. Mr. Chairman, the second part of that statement says it monitors western constitutional development. I wonder if the Minister can indicate to me whether his department monitors the constitutional development, or whether it co-ordinates the constitutional development?

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, the Constitutional Working Group co-ordinates the western constitutional development. As the western Caucus, we have made a partnership arrangement with the aboriginal leaders, and now we also have the women's organizations involved, NWT Association of Municipalities, and we have other interest groups that are also very interested. Generally the constitutional working group co-ordinates this whole process. We, on the other hand, as GNWT, are monitoring this process on behalf of the GNWT and so hopefully that clarifies the question. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Aboriginal Affairs. Mr. Steen.

**MR. STEEN:**

Mr. Chairman, does the department also sponsor constitutional development?

**CHAIRMAN (Mr. Ningark):**

Qujannamiik. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, we are sponsoring the process through funding arrangements with GNWT. We are providing funding towards the next phase, which is the consultation phase. We have also been approaching the federal government in securing some funds for their share of this process. We have also provided in client help, there is lack of funding in this process so we provide that. The only type of sponsorship we are providing here is in terms of resources and we would like to see the Constitutional Working Group itself do the actual work and at the same time, we monitor that whole process. Thank you.

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**CHAIRMAN (Mr. Ningark):**

Thank you. Operations and maintenance. Total operations and maintenance is \$2,377,000. Mr. Steen.

**MR. STEEN:**

Thank you, Mr. Chairman. Mr. Chairman, does the Minister agree then, that the responsibility of the territorial government is to, not only monitor, but sponsor constitutional development and also, is the territorial government also then responsible for settling outstanding land claims?

**CHAIRMAN (Mr. Ningark):**

Thank you. Perhaps, a partnership would be a term to use. Mr. Minister.

**HON. JAMES ANTOINE:**

Yes, this ministry here monitors the western constitutional development. We represent the government in that whole process by providing and trying to find the funds to make this thing work. The only sparse sponsorship that we have to provide the funds. At the same time we have in kind support. We have people on staff that have certain expertise such

as constitutional lawyers and different people that have expertise in this area. So we are sponsoring it in that sense. In regards to settling outstanding lands claims, the land claims is initiated between the aboriginal organization, the aboriginal First Nations and the federal government. That is the land claims. They are dealing with land and resource issues and trying to bring certainty to that. We, as the government, know these territories. We have been part of that whole process. It is mainly between the federal government and the aboriginal people to settle these outstanding claims. We are encouraging that process. We are encouraging, we are supportive of the whole land claims process. We try to facilitate it. At the same time we also have to protect the interest of the NWT at the table, so real major discrepancies to the GNWT and the Northwest Territories do not happen. So we are there representing the interest of the NWT at this table. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. Total operations and maintenance. Mr. Steen.

**MR. STEEN:**

Thank you, Mr. Chairman. Mr. Chairman, there seems to be a fine line between this government's responsibility to settle outstanding land claims versus the federal government's responsibility. The suggestion by the Minister it is up to this government to bring the two groups together, the federal government and the aboriginal groups. Now in the first instance, it is the aboriginal group that puts forward a claim to the feds. It can be, therefore, assumed that they will follow through with that and the feds will respond. Now, I can understand where this government gets involved in regard to territorial responsibilities and how the negotiations are going to affect those responsibilities, but I have a problem with the Minister suggesting that it is the responsibility of the territorial government to bring these two groups together. I am under the impression that started from the first place. Are you suggesting that we put forward money in order to bring these two groups together?

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman, I am not suggesting that we put money forward to get the

groups together. According to our policies, we support the land claims process in the Northwest Territories. We have done that all along with Inuvialuit, the Inuit with the Nunavut claims. You name it. All the claims that were settled. This government was instrumental in making sure that this came about. We provided the support in the form of encouragement and facilitating and to make sure that things moved along. So you need to have that type of environment for claims to be settled. That is what I meant. We are there to try to get the groups together and to facilitate it. If there was total opposition from the government for any claims, I do not think that we would see the type of claims that we have today. I think we would be still probably negotiating a lot of them, but then the direction here from the people and all the different interest groups in the north is that the people in the north see finalization of all the land claims in the Northwest Territories. So that once we have certainty to who owns the land then we could move along and so forth. I think, just to recap and simplify my answer, is that yes we are there in the form of facilitators. I am not talking about providing funds to get the groups together.

**CHAIRMAN (Mr. Ningark):**

Thank you. Total operations and maintenance, \$2,377,000. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Ningark):**

Thank you. Total expenditures for this page, \$2,377,000. Agreed. Do I hear agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Ningark):**

Thank you. That is better. Page 02-47, details of grants and contributions. Grants, total grants is \$225,000. Agreed. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regards to the grants of \$225,000, I would like to put a motion forth to increase it to the previous funding which was \$250,000. In regards to the Metis Nation, as a lot of you may not know, it was established in the 1970s in

relation to the Dene Nation and the comprehensive claims process which proceeded from the 1970s to the late 1980s in which the main purpose was to represent Metis people in the Northwest Territories. There is a difference between a treaty Indian and a status Indian and a Metis which myself, I will use as an example. I am presently enrolled in the Gwich'in claim, yet I am associated with the Metis Nation because of my status because I am a Metis and I am not a status Indian. I do not receive benefits as treaty Indian or an Inuit. Yet, I am recognized as an aboriginal person under section 35 of the Canadian Constitution. But, in order for me to receive benefits in relation to health and dental, those benefits as a Metis, presently the Metis Nation carrying out the health benefit program for Metis such as myself, yet I am enrolled in a comprehensive claim. I do not at the present time have the same rights as other Gwich'in members who may be treaty members which they receive benefits as a treaty Indians. But as a Metis we do not receive those. As it sits right now, the Metis Nation presently is carrying out that program for Metis people such as myself to receive dental, medical and also insurance through a program that they have worked on through this government. Also with the settlement or the downfall of the Dene/Metis claims process, a lot of the Metis organizations have taken the initiatives to negotiate claims on their own outside the umbrella of the Metis Nation. The Metis Nation's main role is to preserve their culture and the program delivery on behalf of their membership which at the present date consists of 14 locals up and down the

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Mackenzie Valley from Inuvik or Aklavik all the way to Fort Liard over to Fort Smith and also in Yellowknife.

There is also the cultural side of the Metis culture which has presently been preserved through the Metis Cultural Institute which is another arm of the organization. People have to realize that there are Metis people anywhere across Canada that are recognized as aboriginal people in the context of the constitution, section 35, but yet they are still treated differently as other aboriginal people especially in relation to programs and services. My motion will address the question, similar to the motion that passed in relation to the Status of Women and the Native Women's Association to establish the same amount of funding that they have been receiving over the last two years, to increase it by \$25,000 to the previous mark \$250,000.

**CHAIRMAN (Mr. Ningark):**

Thank you, Mr. Krutko. Do you wish to proceed with the motion, Mr. Krutko?

**MR. KRUTKO:**

Do I have a quorum?

**CHAIRMAN (Mr. Ningark):**

We do not need it right now. But if you want a quorum at this time, I will ring the bell. But, you do not need the quorum at this time to make the motion, but we will need a quorum once a motion is read into the record. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. I move that the committee strongly recommends that the government reconsider its decision to reduce funding to the Metis Nation and further that the government amend Bill 8, Appropriation Act, 1997-98 by adding \$25,000 to the 1997-98 grant to be identified for the Metis Nation. Thank you.

**CHAIRMAN (Mr. Ningark):**

Thank you. We will need to circulate the motion. Is it circulated already? It is translated. It is written. I am informed that the motion is circulated and is translated into appropriate languages. The motion is in order. To the motion. Are we ready for question here? Yes, we are. Thank you. We have a quorum. I will read the motion, that this committee strongly recommends that the government reconsider its decision to reduce funding to the Metis Nation and further that the government consider amending Bill 8, Appropriation Act, 1997-98 by adding \$25,000 to the 1997-98 grant now identified for the Metis Nation. This is a motion moved by Mr. Krutko. All those in favour of the motion please raise your hand. Down. Opposed. Thank you, you put me in a difficult position a third time this week. In order to maintain the status quo the chair will have to vote against the motion. But that does not mean that the item is not on the table anymore. In order to allow the committee to resolve the issue so that people can discuss the item that is of importance to Mr. Krutko and other Members, it will be on the table, but I vote against the motion. The motion is defeated. Thank you. We are on page 02-47, detail of grants and contribution. Grants. Total grants is \$225,000. Agreed. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. I would like to state my dismay with this whole bureaucratic nightmare that we are in. When it comes to aboriginal people, it seems like the constitutional process is being kicked around from all sides and aboriginal issues, in regards to one of the items that we put forth in regards to this government, is the settlement of aboriginal claims and dealing with aboriginal issues, self-government, yet we agreed to 24 principles when we got into this House. It seems like every time an aboriginal organization wants to make an effort do something, it seems like it gets ripped apart, kicked around and put down by this government and people in this House. I think we have to stand up for what we state as our principles or change our mind every second day. In regards to the \$1 million that they are putting forth, I would like to ask the Minister exactly how many aboriginal people do you have within the Aboriginal Affairs portfolio. How many positions are presently not filled, yet we are trying to settle the treaty entitlement process with Treaty 8, we are trying to settle the Dogrib claims process, we are trying to settle the self-government process and also we are dealing with a pretty intense aboriginal community out there, who are seeing their rights deteriorated by these budget cuts that are coming down in this government. We support those initiatives but when it comes to an aboriginal organization making an attempt to step forth or deal with their issues, I think, sooner or later the aboriginal community is going to step forth and make clear where they stand because with the amount of cuts we are taking, it is the aboriginal people in the smaller communities who are feeling those cuts and also the bands are having to carry those extra costs, yet this government spends a lot of money from the federal government on aboriginal programs and services. Yet that is where the majority of those cuts are being taken. My question to the Minister is, how many aboriginal people does he have within his portfolio? Also how many positions are presently unoccupied? Yet we are dealing with a whole slate of aboriginal issues.

**CHAIRMAN (Mr. Ningark):**

Thank you. The honourable Member for Mackenzie Delta, the question you are asking is on page 2-46, Aboriginal Affairs. You will need the consent of the committee to ask that question. Mr. Krutko.

**MR. KRUTKO:**

I believe, Mr. Chairman, my question is in relation to the grants to aboriginal organizations and funds at the present time, and how they tend to deal with the

outstanding issues of claims, treatment entitlements, programs and services. I believe that under grants is the item that I am talking about. I would like to ask the Minister exactly what resources and people we have in place to assist the aboriginal organizations in dealing with these outstanding issues.

**CHAIRMAN (Mr. Ningark):**

Thank you. Mr. Minister.

**HON. JAMES ANTOINE:**

Thank you, Mr. Chairman. Mr. Chairman in regards to this item, Aboriginal Affairs and the specific item that we are dealing with is the Metis Nation grant which was \$250,000 last year and we are reducing it to \$225,000 and it is a 10 percent cut. I know the Metis Nation locals depend on this assistance and they were spared any reduction in the funding during last year's business planning, budget reduction processes. The standing committee recommended a review of the contribution policy with the objective of fostering a greater self reliance for all aboriginal people. In looking at the contribution policy, we looked at it, and we are currently consulting with the Metis organization on the proposed changes to this contribution. In this year's business plan, 1997/98 resulted in a 10 percent reduction as the ministries tried to minimize the impact by evenly distributing reductions. As I said at the beginning, this ministry is small but very key. It is dealing with a lot of sensitive key

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issues. However in this budget reduction exercise that we have all been involved with, everybody takes a cut, including this ministry, and the cut here is 10 percent and this is part of our budget reduction exercises. In regards to what type of resources this ministry has in helping and supporting aboriginal organizations, we have 19 approved positions in the ministry, 17 of them are filled, seven employees are aboriginal, including the deputy minister and we have also indigenous and long-term. We have five employees in that category. So we have a couple of vacant positions currently and soon, we hope it is in the supp, we are not supposed to talk about it yet, but there are going to be additional ones there. The policy of this ministry is to try to get people in there that comply with the affirmative action policy. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Antoine. Total grants, \$225,000. Agreed? Total contributions, \$95,000. Agreed? Total grants and contributions, \$320,000. Agreed? Thank you. Page 2-48. Information item, active positions. No comments? Page 2-49, details of work performed on behalf of third parties. Page 2-50, total department, \$581,000. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

I would now return to page 2-45, program summary, Aboriginal Affairs. Operations and maintenance. Total operations and maintenance, \$2,377,000. Agreed? Total expenditures, \$2,377,000. Does the Committee agree that consideration of the department's estimates is concluded?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

I would like to thank the Minister and his witness, Mr. Bannon. We will now return to page 2-5, Executive, department summary in Executive. Department summary. Executive. Operations and maintenance. Total operations and maintenance, \$53,445,000. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. What page is that on, please?

**CHAIRMAN (Mr. Steen):**

2-5. Okay, for information to the Members, this summary includes the Executive Offices, Financial Management Board Secretariat and Aboriginal Affairs. Total operations and maintenance, \$53,445,000. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regards to the grants and contribution, should that be increased in regards to the motion that was passed, in regards to the Status of Women and the Native Women's Association, to recognize that?

**CHAIRMAN (Mr. Steen):**

Mr. Krutko. There is no question on the program summary. If you would like to return to a certain activity, we would have to get consent from the other Members. Mr. Krutko, do you wish to follow up?

**MR. KRUTKO:**

Yes, Mr. Chairman. My question was in regards to grants and contributions. Will the increase that was passed through the motion for the \$25,000 for the Native Women's, and I believe it was \$30,000 for the Status of Women, show up so it should be almost \$8,610,000? Should that be what it reads?

**CHAIRMAN (Mr. Steen):**

Mr. Todd. Mr. Krutko, perhaps I would let Mr. Todd respond to that.

**HON. JOHN TODD:**

Thank you, Mr. Chairman. All recommendations that are received by my honourable colleagues will be considered by the Cabinet but would not be reflected in any fiscal changes on this budget. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Does that answer your question, Mr. Krutko?

**MR. KRUTKO:**

Yes, maybe the chair can help me out on here. What is the use of passing a motion if it does not show up? We approve a number in the program, how come it does not show up in regards to the actual costs at the end of the day?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd, can you respond to that?

**HON. JOHN TODD:**

Thank you, Mr. Chairman. I am sure that there will be other motions, as some independent MLAs who have spent the last eight months putting this budget together want to change at the last minute. We need to take a co-ordinated approach to it. I need to seek counsel from the Cabinet, and the Cabinet and the FMB will decide whether or not these changes that are being recommended by the Members are consistent with our budget elimination strategy and

adjustments, if agreed to, would be made then. We cannot make them right now. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Todd, just for clarification, could the Members be looking forward to something in writing from the Cabinet then in that sense?

**HON. JOHN TODD:**

Not at this time, no.

**CHAIRMAN (Mr. Steen):**

Thank you. Mr. Krutko.

**MR. KRUTKO:**

Mr. Chairman. I would like to know when did I as a Member have a say in exactly what these expenditures are? As far as I am concerned, from my riding, I practically received zilch in this budget, I do not see it here, yet he says that I had input into this budget. I do not believe I was involved in the drafting of this budget. A lot of these issues came out after the fact, and then we come here we find out that we cannot change anything? What is the purpose of our involvement if he states that basically we are the ones that were involved in drafting this? I do not believe that we were.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Is that a question or a statement?

**MR. KRUTKO:**

It is a question in regards to what role we have in regards to the process of this document being put together?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd, would you like to respond?

**HON. JOHN TODD:**

It is beyond me, Mr. Chairman, what the honourable Member is talking about. Absolutely beyond me. We have spent eight months going through this budget through a variety of committees. We have gone through it in committee on numerous occasions. My colleague is a co-chair

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**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. For the benefit of Members, the questions from Mr. Krutko are not really directed towards program summary or department summary, Executive. They are actually directed to the overall budget and the process for making changes to the budget. I would have thought that the proper time to do that would have been at the budget response. However, I am advised that Ordinary Members do not have the power to add to the budget. Cabinet puts forward all expenditures. Ordinary Members, committee of the whole can make recommendations to Cabinet, but that is all they are, they are recommendations. I believe last year, the Clerk explained to us that in order to give Cabinet direction it would have to be a motion in the House. At this point in time we are only making recommendations to Cabinet. If Members do not mind I would like to return now to department summary of the Executive and I will entertain questions to the overall Executive budget. Mr. Krutko.

**MR. KRUTKO:**

Just in response to the remarks by Mr. Todd in regards to having input, I believe that there has been reports put forth in the last couple of days and also one today in regards to the seniors' fuel subsidy that we have been dealing with for the last year. It has come out of reports which were tabled in this House last year, and yet we are dealing with these reports being tabled again, where a lot of these are concerns by committees, yet they do not show up in the budget. If that is our input into the budget, what is?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Krutko, I have to rule you out of order. That is nothing to do with the subject Executive department summary. Generally, there are no questions on program summary. You have to ask the questions when you get to the activities sections, so therefore I call again, total operations and maintenance, \$53,445,000. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Capital. There is no capital. Zero. Total expenditures, \$53,445,000. Agreed.



**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

The committee agrees. Consideration of the department's estimates is concluded.

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Agreed. Mr. Krutko.

**MR. KRUTKO:**

Mr. Chairman, maybe you can explain to us again exactly what the purpose of this whole process is in regards to having input into the budget review, since you said you cannot change it. What can we do then?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Although this is off the subject, I will let Mr. Todd respond.

**HON. JOHN TODD:**

Thank you, Mr. Chairman. The honourable colleague can make recommendations to change, as he has done. The government would then respond. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Krutko, you have a further question?

**MR. KRUTKO:**

Thank you, Mr. Chairman. What is the process for change?

**CHAIRMAN (Mr. Steen):**

Thank you. I think for the benefit of the Members and for clarification purposes, I will ask the Clerk if he can help clarify to Mr. Krutko's question.

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

Thank you, Mr. Chairman. The authority for, with regards to estimates of this Legislature, a committee, Members have the right, have the ability, and the

authority, by motion, to reduce or delete any estimate that is in front of the committee for consideration. If there is to be any increase to any of the estimates that is before the committee, that can only be done and be offered by a motion to amend the main bill, which is Bill 8 in this case, by the government. The government are the only ones that can increase the estimates before the committee, but Members do have the authority, by motion of the House, to reduce or delete any estimates in front of you. Any recommendations, the committee can make recommendations for increases or moving money around within the estimates, but that can only be a recommendation to the Cabinet, and the Cabinet would then duly consider it and can come forward with an amendment to the bill, if that is the wish of the Cabinet. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Hamilton. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. What assurances do we have, what is the process to ensure that they are considering looking at it or if they took care of the, say there was a motion passed for an increase, how do we know that those things have been taken care of, or if they have not been? Is there a way to monitor that?

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**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Krutko, I think that Mr. Todd already explained the process, that Cabinet will consider recommendations and that is where it sits. I believe Mr. Hamilton also explained the other half of it, in regards to reducing or removing expenditures in the budget, but he also explained how to add to the bill in the House. I do not know what you are looking for here, what more information you are looking for at this point? Mr. Krutko.

**MR. KRUTKO:**

I would like to make a motion to report progress.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. There is a motion on the floor to report progress. The motion is not debatable. All those in favour. I cannot see your hand unless you raise it. Those opposed. The motion is defeated. I believe the direction I received this afternoon from Mr.

Ootes is that we now proceed to Department of Finance. We have Finance program summary. Before I enter the Department of Finance, I would like to address the committee. Before we proceed with the consideration of the main estimates of the Department of Finance, I wish to take a few moments to remind Members of the process for reviewing departmental estimates here in committee of the whole.

As you know, we begin with opening comments by the Minister and follow that with the report of the appropriate standing committee. The next step is general comments. As the title indicates, Members are to limit their remarks to comments that are general in nature. Comments that apply to the overall mandate of the department. Members are to save their specific comments or questions until the appropriate activity is called by the chair, as we proceed page by page.

Your chairs of the committee of the whole have been lenient in past days in allowing Members to address issues, not only of a general nature of the department, but also to pose questions. We cannot permit this to continue.

General comments will be allowed by each Member for up to 10 minutes. In making these comments, Members may pose questions, but they are to be contained in the general comments. Also, I will not permit the Minister to respond after each Member's general comments, but I will allow the appropriate Minister to respond, if she or he wishes, once all Members have made their general comments.

I would encourage Members to take a little time to review the main estimates detail book in advance, so you will know when the appropriate time will be to ask your questions on each activity and pursue your issues as we proceed page by page. Your chairs of the committee of the whole do not wish to limit your abilities to examine or question the proposed budget. However, we do wish to facilitate the review of these estimates in a logical and orderly manner. We would very much appreciate your co-operation in this regard and we will assist committee Members in recognizing how best to address your concerns and needs with this process. Thank you.

Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. For the interest of Members who may not have had an opportunity to catch all your comments. I would suggest you make a copy of that available for all Members.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. I believe we will be doing that. May I return to Finance Department. Agreed.

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

I invite the Minister for his opening comments on the department. Mr. Todd.

**HON. JOHN TODD:**

Thank you, Mr. Chairman. Very brief. The proposed expenditure budget for the Department of Finance for '97/98 is \$9,351,000, which is 9.5 percent less than the revised budget in '96/97. The revenue budget is \$1,011,639,000. The Department of Finance has four principal roles. First, the department is responsible for the management of over 85 percent of the government's revenues including negotiating and administering the formula financing agreement with Canada. The department develops and analyses tax policies, administers tax legislation, regulations and agreements and collects property, payroll and tobacco and fuel taxes for the GNWT. A second departmental responsibility is the management and preservation of the government's financial assets. The department carries out the activities of comprehensive cash management borrowing, banking and insurance. Third, the department develops, interprets and distributes statistical data about the Northwest Territories. Comprehensive statistics are critical to establishing and evaluating the program of the government to meet the needs of the people of the Territories. Fourth, the department represents the government in federal and interprovincial discussions and negotiations relating to fiscal tax and the statistical matters. The 1997/98 main estimates of the Department of Finance included two responsibilities which were transferred from the Department of Safety and Public Services during the year. First there is the responsibility for insurance registries and the collection of insurance premium taxes and insurance license fees and second, Mr. Chairman, is the responsibility for the Liquor

Licensing Board and the Liquor Commission. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. I now invite the chairman of the Standing Committee on Infrastructure for the committee's comments on the department's estimates. Mr. Picco.

**MR. PICCO:**

Thank you, Mr. Steen. Mr. Steen, the committee members were glad to see that the Minister had put on hold any plans to amalgamate the Department of Finance and the Financial Management Board Secretariat. Should this option be raised again in the future, the committee looks forward to discussing it again with the Minister. On the payroll tax, the standing committee and the Minister of Finance discussed issues related to the payroll tax in great detail. During the review of the business plans, committee members discussed the possibility of eliminating the tax and the associated costs of living tax credit due to the relatively small return compared to the administration costs of the tax. However, the potential increase of fly-in and fly-out workers which would occur with increased mining activities in the Northwest Territories is a development which merits further analysis. The standing committee understands that the Minister and the department are reviewing various revenue-generating options and look forward to discussing any possible initiatives that might arise from that review.

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Discussion also took place on the continued non-payment of the tax by the Dene Nation. Committee members will continue to monitor these with the Minister. Borrowing costs. With the revelation that the deficit for 1995/96 is lower than was forecast, the Department of Finance will show a significant reduction in borrowing costs from previous estimates. Revenue forecasts for 1996/97 are up both from taxation and from the grant from Canada. This will help off-set any expenditure slippage. So is the report on the Department of Finance for the Standing Committee on Infrastructure. Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Picco. I would like to ask the Minister if he would like to have a witness present?

**HON. JOHN TODD:**

Agreed.

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Did I hear a nay? I would like to ask Mr. Todd, the Minister of Finance if he would be good enough to introduce his witness?

**HON. JOHN TODD:**

Yes. Thank you, Mr. Chairman. With me is Miss Margaret Melhorn, who is the director of fiscal policy. Mr. Nielsen, I believe is indisposed -- not feeling very well -- so Miss Melhorn of course is very active in the fiscal policy of this government. I am sure the questions I am unable to answer, she will be able to do so. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Welcome to the committee. We are now in general comments on the departmental estimates by Members. Are there any general comments by Members? Mr. Picco?

**MR. PICCO:**

Thank you, Mr. Chairman. Mr. Chairman, just after doing the response we did, the department, the Infrastructure Committee, I just have a quick question or comment basically, on the federal cutbacks. For 1995/96 the formula financing grant was frozen at its 1994/95 level. For 1996/97, the formula's gross expenditure base was reduced by a further 5 percent. I guess these unilateral federal decisions are expected to cost the Government of the Northwest Territories about \$170 million over the four year term of the agreement. In addition, the cost of the provincial government spending will also have a negative effect on the grant through formula financing and the escalator. The federal fiscal situation will require close monitoring of the Formula Financing Agreement to maximize the GNWT's entitlements. I would like to know after Mr. Todd's recent meeting with Mr. Martin, can he update the House and the people of the Northwest Territories on any further meetings he is going to have and basically where we are now with the gross expenditure base for this Territory as we head into division and for the two Territories and beyond? Thank you. Just a general comment on the formula financing gross expenditure base. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Picco. General comments? Any further general comments? The committee agrees that we can move on to activity summaries, Directorate?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Operations... maybe I should first ask Mr. Todd if he would like to respond to any comments?

**HON. JOHN TODD:**

Yes, thank you, Mr. Chairman. Good question, very statesmanlike by my colleague, Mr. Picco, in his new glasses and suit. There was a meeting January, 9th, 1997 with respect to the formula and, of course, the issue we have really is the floor, not so much the ceiling, trying to ensure any future cuts to provincial and local government spending does not impact on our formula until 1999. I felt reasonably assured that Mr. Martin was sympathetic to our position and in fact did instruct his department to once again discuss this issue with our department officials and one meeting has taken place. While no arrangement has been made, I think there is a political understanding that an accommodation has to be made. As those negotiations proceed, I will only be too happy to keep the house involved or advised and of course, my good friend from Iqaluit, will keep him abreast of this important issue as we move on. I indicated in the House, as you know when I returned, that we have not signed off the agreement which gets concluded in 1999 because of the floor. As I say, we are moving expeditiously to seek an appropriate resolve in compromise so we can sign off this agreement and protect the base that is in place at the present time. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. I believe Mr. Picco has further questions. He can address them under activities summary, fiscal policy. Does the committee agree that we are on finance activity, directorate?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Operations and maintenance. Total operations and maintenance, \$713,000.

**SOME HON. MEMBERS:**

Agreed

**CHAIRMAN (Mr. Steen):**

Did I hear an agreed?

**SOME HON. MEMBERS:**

Agreed

**CHAIRMAN (Mr. Steen):**

Thank you. Total expenditures, \$713,000.

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. Page 3-9, treasury, operations and maintenance. Total operations and maintenance, \$7,381,000.

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Mr. Roland

**MR. ROLAND:**

Thank you, Mr. Chairman. Just a quick question here on the treasury. With all the reductions that this government has been making and employee numbers, has that been looked at when it comes to impacting on the amount of taxes we collect as a government? Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Mr. Todd?

**HON. JOHN TODD:**

Yes, Mr. Chairman. When we are projecting revenues that are required for our overall budgetary

requirements, the reduction in staff, the reduced, if you want, reduction in taxes, is the same as we anticipate a growth in taxes, for example, in the mining industry. That is all taken into consideration when we look at our revenues.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. Would the Minister have available the number or the effect that we have a result of the second year of our budget reduction plan?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Mr. Todd.

**HON. JOHN TODD:**

Would that be the overall tax impact? Is that what my colleague is saying? I do not have that detail in terms broken out. We look at a revenue package as the taxes collected rather than taxes not collected. I think it is an important question. If my colleague asks me in the House later on this week, I will only be too happy to try to find the ways and means to break that down if he so requires it.

**CHAIRMAN (Mr. Steen):**

Thank you.

**HON. JOHN TODD:**

It is not something we would normally do. What I am looking at is what are the total revenues we expect to get based upon the fact that there is activity going on, that there are reductions, et cetera, so if my honoured colleague would bear with me, if he asks me in the House, I will try to answer it that way. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Total operations and maintenance, \$7,381,000. I have Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. Under the total O and M there is only \$1 million that is for salaries and the rest of the O and M is \$6,000,334. I would think this is an area that would need a lot of manpower or person

power, but yet only one seventh of the budget is for that. What is all this other \$6 million go towards?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Erasmus. Mr. Todd.

**HON. JOHN TODD:**

Yes, Miss Melhorn advised me that, that is primarily in the area of insurance costs, interest payment on our borrowing costs and there are some odds and ends of transfers. It is primarily in the field of insurance and borrowing costs.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. Can we get an indication of how much is interest and how much is insurance?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Erasmus. Mr. Todd.

**HON. JOHN TODD:**

If the borrowing costs this year will be somewhere around the range of \$2 million, I can probably get the exact number, if I may just for a moment. But I think it is somewhere in the \$2 million range. Hang on a second. Yes, about a \$2,500,000 in borrowing costs I think we had originally projected when I went to the committee earlier in the year, \$4 million. It would be about \$2,700,000 and then the rest would be in natural, the other costs would be....(background talking)...Yes, \$2,700,000 About \$700,000 for the Power Corporation and the balance would be, what did we call it? Insurance costs.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Total operations and maintenance, \$7,381,000. Mr. Picco. Mr. Ootes.

**MR. OOTES:**

Thank you, Mr. Chairman. I understand that the Government of the NWT made arrangements with one bank and I am wondering if that is correct? Then the question I would have is the borrowing interest rate fixed or does it float according to the Bank of Canada rate?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Ootes. Mr. Todd.

**HON. JOHN TODD:**

Okay, our current bank, I believe we put out the proposals calls under the previous finance minister, is the CIBC and it is based on competitive rates and the kind of service that they would deliver to the constituency of the GNWT.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Ootes.

**MR. OOTES:**

Thank you. I wonder if the Minister could tell us, do they provide a floating rate then according to the Bank of Canada rate or is it a fixed rate that is set a year ahead of time?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Ootes. Mr. Todd.

**HON. JOHN TODD:**

Well, all our borrowing of course, as Miss Melhorn has aptly told me, is all short term. There is no long term borrowing at this stage of the game and we are trying to avoid any borrowing. That is why we have this Deficit Elimination Strategy. Most of that would be on some kind of floating rate.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Ootes.

**MR. OOTES:**

I wonder if the Minister, he may not have it there, but I wonder if he could find out for me, if it is a competitive floating rate provided. In other words, if they went to another bank today, would they get a lower rate?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Ootes. Mr. Todd.

**HON. JOHN TODD:**

Yes, with the volume of money that we use, I would only make the assumption that we are a major player in the banking business. I would only be too happy to provide my colleague, later on this week, with the

details of it but I want to assure him that we look for competitive rates in our borrowing and in our money management, same as we do in everything else that we do. I will provide my colleague later on this week with the rate, if you want, that we are currently paying. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Ootes.

**MR. OOTES:**

Thank you, Mr. Chairman. One other area that I am interested in and that is the insurance coverage. Could the Minister tell us if all the government-owned assets are insured? For example, this morning this fire in Fort McPherson where the temporary units were burned. Are

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schools insured? Are all of our buildings insured and the contents?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Ootes. Mr. Todd.

**HON. JOHN TODD:**

It is my understanding that all our assets are covered and of course, if I remember looking at my notes, we will just double check it, there is a million dollar deductible, as they say. I will just double check it in a moment. Okay. All properties are covered. Deductible is \$100,000 Each and every loss with an annual aggregate of a million dollars. Therefore \$100,000 each and every loss except for flood.....So what we have is a deductible of \$100,000. Each and every loss within an annual aggregate of a million dollars and thereafter \$100,000.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Ootes.

**MR. OOTES:**

I take it that the insurance costs a substantial amount of this \$6 million. Will that increase over the next year? Apparently I read here somewhere that you were concerned about the cost of insurance. I wonder if the Minister could explain to us what his concerns are, specifically.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Ootes. Mr. Todd.

**HON. JOHN TODD:**

Yes, we are concerned about it. It is \$2 million plus on an annual basis and my concern is primarily in the last short while, the last 2 years seems to have been a considerable amount of claims that were, historically, not there before. We have had some big ones, of course. Fort McPherson, and of course, burden them again. So there is that large \$7 million school loss. There is a concern within the market place of insurances that, an overriding concern of cost versus claim. So we are very cognisant of the fact that we have got to get as competitive a rate as possible on our insurance policies so that is how we were alluding it to costs. So we are in the market place very aggressively, the same as we are in our banking, trying to get the best rate possible. There has been as I have said, well I will give you an example, it is right here. For example, in 1991/92 our overall losses were \$871,000, in 1995/96 it was \$8,396,000. The year before that it was \$2 million. The year before that it was a million and a half. So any insurance broker looking at that and he sees this trend, I mean, your amount of claims reflects on your amount of your costs. Whether you are driving a car, owning several houses or of course, the government with its large asset base, and the need to protect it. So that is really where I am coming from, if I may, Mr. Chairman. It is more an overriding concern about the volume of claims going in at an ever-increasing rate. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Ootes.

**MR. OOTES:**

Thank you, Mr Chairman. One final area is the payroll tax. Perhaps the Minister could repeat for us, my understanding of how the payroll tax is, it is really a flow through for territorial residents, but for those who reside outside of the Territories, it provides revenue to the NWT. Could the Minister tell us what today is the amount of revenue that, the amount of, what would I call it? The profitability of this system, I suppose or the amount of excess we get out of it?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Ootes. Mr. Todd.

**HON. JOHN TODD:**

Payroll tax forecast for 1997/98 is \$12,966,000, so roughly \$13 million. As you know, to all territorial employees there is a balancing tax credit and we are anticipating, if my numbers serve me right, and believe that that actual overall net benefit before we deduct, if you want, our overall costs. It cost the living tax rate, the living tax credit, is \$11,900,000. Oh dear. So \$11,900,000 minimum the \$12,900,000. I am told that there is roughly about 3 PYs run that \$300,000, so a net benefit, I suppose to the Territories to save some aggravation, would be somewhere around \$700 thousand. Now, as I said to you before, I was a bit of an advocate earlier on. I was trying to remove this tax, but given the activity that is going on, and quite frankly, the lack of political will and support, we maintained it so I think our best guestimate in this stage of the game is probably somewhere in the range of \$1 million before our costs. Would that be right, Margaret? Yes. That is what it would be.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. We are on Bill 8, Appropriation Act, 1997/98. Finance, treasury, total operations and maintenance, \$7,381,000. I know you may have another question, Mr. Ootes, but I will have to recognize Mr. Roland at this time.

**MR. ROLAND:**

Thank you, Mr. Chairman. Question on taxes. What does the Territory, this government and the level of taxes, I guess the revenue we raise from our taxes, what does it rate in comparison to the rest of Canada?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Mr. Todd.

**HON. JOHN TODD:**

Our corporate taxes are very competitive in the corporate side, in terms of, for the business community, I think it is the second lowest or the third lowest in Canada. On the personal income tax side, I think it is the lowest in Canada.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Ootes. Ah, Mr. Roland.

**MR. ROLAND:**

I am not getting that grey... Thank you, Mr. Chairman. Because we are the lowest or considered the lowest

in personal income taxes and we are quite competitive in our corporate, does that have an impact on how the federal government views our funding situation? Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Mr. Todd.

**HON. JOHN TODD:**

Oh, I think that it would, you know. Depends on your political ideology. It all boils down to that. I think the federal government, I suspect, would probably like to see us raise the taxes. My position has been and will stay, as long as I am in the job, that given the cost of living and the cost of operating, I am not prepared at this time to raise taxes to generate, at least certainly on the corporate or personal income tax to raise revenues. I think we need to maintain and run government more cost effectively. That is the first way in which to bring our fiscal position in order, our house in order.

If there is a requirement down the road that certainly we would not close the door. If there is a requirement down the road to look at how we would do that, I would be prepared to consider that. You know if I increased personal income taxes, by five percent that gives me roughly about \$1.3 million, so that is five times 1.3 so I am going to get \$8 million. Of course, I am going

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to aggravate every single person there is in the Northwest Territories working for a living and the cost of living associated with working for a living. So I do not think, as we move into 97/98 it would be appropriate at this time. The other thing is the volume of dollars associated with it are not significant enough to have an overall impact on our fiscal position. I think it would impede growth, not add to it. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. So there it is, the Minister said it is how you look at it politically, but I am just wondering if the federal government views it in a certain way and do they penalize us for it? Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Mr. Todd.

**HON. JOHN TODD:**

Not since I have come to office.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Total operations and maintenance, \$7,381,000. I recognize Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. Following up on Mr. Roland's comments, last year and in this proposed budget when it is passed, the Territories will have eliminated approximately, for round figure's sake, 900 positions. The related positions in each community that will also disappear will have a substantial reduction in the amount of taxes received by the federal government. The Minister has confirmed in this House that the reduction in taxes going to the federal government does not impact the formula financing. We still get the full amount of formula financing. My question is, at what time or what point does the federal government say, okay look we have a formula financing in place, we were collecting this amount of taxes, we are not collecting this amount of taxes now, we are going to cut back again?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Mr. Todd.

**HON. JOHN TODD:**

It does not work like that. You make an arrangement between two governments for a formula based upon some formula, determining what the level of funding is. Revenue is a part of it, I agree. But once you sign off on the deal, you sign off on the deal and we are close to signing off on a deal right now, when we determine an appropriate floor in the formula that I was discussing with Mr. Martin on January 9. So it is not a question when you go talk to the Finance Minister and say that your revenues, when you are getting 74 to 76 percent of your revenues from the federal government, and then the federal government recognizes some of the difficulties that arise from running a constituency like the Territories. It is more a concern to ensure that there is adequate money within the formula and as the previous Finance Minister did get provision within the new formula arrangement for a 20 percent tax window that would not impact on our formula financing arrangement. Correct? And that is applauded to the previous



Finance Minister and of course the able staff like Margaret and Mr. Nielsen. So that is the way it is viewed. It is viewed, if you have not collected "x", we are not going to give "y". Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. Well I guess I still have concerns that the Minister has communicated to us that in fact, the federal government have not signed off on the agreement and that he is trying to negotiate a floor in there. I support that. I think you need some form of certainty, but I am a little concerned that the federal government will look at the situation because it is not signed and they are looking for ways to save monies for themselves. I am a little concerned that they are going to look at it and say, well, you tried to put a floor in here, but your revenues are going down, too. I still have that as a concern, that they are going to be drawing that to our attention. That the funds that we were generating and contributing to the federal coffers are not there, as they were in the past. Thank you.

**CHAIRMAN (Mr. Steen):**

I take that as a statement, Mr. Henry. Mr. Todd, would you like to respond?

**HON. JOHN TODD:**

I think it is important to clarify that it is not the federal government that does not want to sign off, it is myself. The federal government would like to sign off, but I spoke to Mr. Martin, explained the difficulties that this Legislature is under, the unprecedented change that we have made to our fiscal policy, the cuts that we have made, and asked him for some leniency and some consideration for a floor, just in case there are additional, massive, unprecedented cuts in the provincial and local government spending. Mr. Martin, the federal Minister, agreed that we would go back to the table, see if we can establish a floor that would protect any further erosion of our base funding that we have until 1999. I am very pleased, if I can say publicly, that the federal Finance Minister was prepared to make that concession for us at this time, and negotiations are under way at the officials' level to try to reach an appropriate compromise or arrangement, so that we can sign this thing off and all live happily until 1999, fiscally.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. I have treasury, operations and maintenance, total operations and maintenance, \$7,381,000. I recognize Mr. Ootes.

**MR. OOTES:**

Thank you, Mr. Chairman. I had a question earlier about the payroll tax and wondered if the Minister has taken into consideration that the payroll tax may be a deterrent for people to live in the south, and what we are facing here in Yellowknife is a problem of getting people to stay in the Territories. When they work at a mine, for example, like BHP, they are given an \$800/month living allowance, northern allowance, they call it, but it is basically a living allowance, which permits them to travel south. The payroll tax would be one small deterrent, but I am wondering if the Minister has considered increasing the tax so that we can raise more money, but secondly this would provide a deterrent to people to live in the south?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Ootes. Mr. Todd.

**HON. JOHN TODD:**

You have to bear in mind that if you raise the tax, you have to raise the tax credit. The net gain, if I moved the payroll tax from A to B, if it is one percent and we change it to two, we are netting \$700,000. We are just going to net double that because the reality is that, my position is that you cannot, at this stage of the game, for us to get our budgetary fiscal house in order, we have to contain spending, not increase taxes, particularly as it relates to payroll and to

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corporate taxes at this time. That is not to suggest that that cannot change, but to increase the payroll tax means that I would then have to increase the tax credit to protect northerners. The net impact would be marginal. But I would be prepared to consider if somebody wanted to put forward a recommendation.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Total operations and maintenance, \$7,381,000. Agreed? Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regards to the whole idea of raising taxes, there was a question raised by Mr. Picco in regards to VLTs, lotteries, things such as that, but I think that it is great to advertise that we are the lowest tax jurisdiction in the country, yet everyone else is seriously looking at raising taxes to raise that extra revenue. We cannot continue to depend on the federal government for our funds and that is one other area we could look to raising taxes. Has the Minister of the department looked at ways of generating new revenues in regards to specific programs? Since he does not want to tax lotteries and look at VLTs, are there other mechanisms that you are looking at to generate revenues?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

My first objective, the last 12 months, was to work closely with this House and many Members to bring our spending under control, to try to move towards a balanced budget based on fairness, on equity, and in as caring a way as possible. An inordinate amount of effort has gone into trying to manage the changes that we have to make on the fiscal side, the last 12 months. Now, I am prepared to, once this budget is approved and we have the difficult decisions behind us, that I am prepared to work closely with the committees, Mr. Picco's committees and others, at looking at revenue-generating initiatives. But frankly, the amount of energy and the time we put into trying to manage our way through this difficult fiscal period, very little time was put into the generation of revenues. I think we are prepared to work closely with the committees if there is a will there and a desire there for us to look in certain areas. I have said, and I will say again, categorically, I will not support taxation as it relates to charities and bingos and things of that nature. I would caution everybody on the VLTs. There is considerable opposition, for example, in Alberta right now to VLTs, et cetera. But there may be other areas besides that we can look at in terms of generating revenues that may have an impact on this government and I will make a concerted effort, once this budget is through, to stimulate debate and discussion with the committee on looking exactly at that. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. There was a bunch of ideas that were thrown forth last year in regards to the Mortgage Investment Corporation, the foreign exchange fund, that they were looking at foreign dollars. What has happened in relation to that type of initiatives that this government was looking at to find new ways of stimulating the economy and also find new revenues. Maybe the Minister could tell us where that is at.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

We are moving quickly on the Aurora Fund, which is an off-shore investment fund and that is well underway and I am cautiously optimistic that we will be able to meet some of the targets of the Immigrant Investment Fund, which will bring new capital into the Northwest Territories. I am a little behind in terms of analyzing some of the other recommendations that came forward. We are trying to finalize that right now and I think that is an area that we need to pursue a little more aggressively once this budget is done. That is in relationship to the recommendations that came from my colleagues who travelled with me in the Maritimes and looked at some of the other options out there, whether it was in RRSPs, whether it was in some tax concessions. I am fairly confident that that is an area that we need to get into a little more aggressively and see what else we can do. But the only real serious initiative that has moved forward in a concrete way has been the Aurora Fund initiative. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Krutko.

**MR. KRUTKO:**

In regards to the whole idea of taxes and also being the jurisdiction whose taxes are the lowest in the country, maybe it might be suffice that we can be tied to the lowest and that we do not have to be the lowest in order to generate those revenues. I think it is great to promote being the lowest but also the highest expenditure, our social envelope, would seem to be looming out of the overall budget. Sixty-five percent of the money is being spent in that envelope yet there is no real initiative to generate revenues to offset the cost of cuts that we are going to take probably from

the feds in regards to that. And is there a possibility... you mentioned that you are willing to look at it but you know we only have another two years and there is one more budget session after this one and I do not think we really have the time to but I believe that we have to have the initiative to look at seriously taking a look at the taxes and looking at that one way of generating revenues. So will you tell us when do you intend to do that and how soon because I do not believe that we have the time.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

I would be only too happy to commit now, publicly, to work closely with the committees once this budget is approved, to look at initiatives that we think we can bring forward and put them into effect in the May/June session of this year.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. I am on total operations and maintenance, \$7,381,000. Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Chairman. The Minister had indicated that he is willing to look at revenue-generating ideas in the future and I know that video lottery terminals, or VLTs, have been brought up in the past and I believe that we have enough social problems in the north. We have been hearing about Alberta and other places where people are losing their homes, their cars, their businesses, because of addictions to VLTs. Just leads to social problems, arguments at home, family break ups, that sort of thing. Also, you hear of people who were not drinking, and then started going to bars just to gamble and I do not think we need that type of thing in the Northwest Territories and I would hope that the Minister would not be considering this type of thing in the Northwest Territories. Can we get an indication of the Minister's views on this please?

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**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Erasmus, Mr. Todd. Do you wish to respond?

**HON. JOHN TODD:**

I think my position has been consistent on this issue. I have said it publicly in the House and I will say it again. I am not an advocate of this kind of activity. What I did say to my honourable colleague, Mr. Krutko, and to others, once this budget is approved, that I would work with the committees to determine, to take a hard look at additional revenue initiatives that we can move forward on. The question was asked, "could we put them into place in a timely manner", and I would suggest to you, with a considerable effort between committees and myself and my Cabinet colleagues, that if there is a will there to do some revenue initiatives that make some sense, that are socially and morally acceptable, that we could move quickly to do that in May and June. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. We are on total operations and maintenance, \$7,381,000. Agreed? Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regards to the taxes or also looking at lottery licensing, I see that there has been a real increase in that portfolio. What was the reason for that?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

I am sorry, Mr. Chairman, I did not have my ear plugged in and I did not hear the question. Sorry, like yourself, I occasionally have a hearing problem.

**CHAIRMAN (Mr. Steen):**

Mr. Krutko, could you repeat your question?

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regards to the budget, there is a real decrease in the amount of revenues that we have received in lottery licensing. Can you tell me exactly why is that?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

What, I do not see it in the budget here. Could my honourable colleague be more specific, I am not quite sure what he means?

**CHAIRMAN (Mr. Steen):**

I think, Mr. Krutko, you have to be a little bit more specific there.

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regards to the whole idea of revenues that there are, there has been a decrease in regards to amount of revenues that we were bringing in. What is the reason for that?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

Yes, I do not have lottery licensing revenues in my budget, Mr. Chairman. That usually belongs to MACA I believe. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd for clarifying that. Mr. Krutko does that answer your question?

**MR. KRUTKO:**

Thank you, Mr. Chairman. Okay, in regards to treasury, there is received revenues and what not. There is a decrease in regards to O and M, 14 percent. What was the decrease for?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. I think you are on the wrong page. I am still on treasury, activity summary. Treasury, total operations and maintenance, \$7,381,000. Agreed? Mr. Krutko.

**MR. KRUTKO:**

Yes, in regards to O and M, 97/98 was \$7,335,000. This year it is \$6,334,000. It has decreased by a million dollars. Where was that decrease? Why was it?

**CHAIRMAN (Mr. Steen):**

Yes, I understand your question now, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

Yes, that was a decrease in borrowing costs and insurance premiums. My apologies. That reduction, (I need glasses too, never mind the hearing aid) was in borrowing costs, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regards to borrowing costs, is that the money you mean you borrowed from financial institutions that we lost a million dollars or it cost us?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

Yes, well it is the cost of borrowing money, Mr. Chairman. We borrowed less money so we have less costs.

**CHAIRMAN (Mr. Steen):**

So I understand that it cost you 14 percent less because you borrowed less money.

**HON. JOHN TODD:**

Interest rates of course, as my colleague here, Miss Melhorn, has indicated have gone down but borrowing costs are less than they were the year before. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Total operations and maintenance, \$7,381,000. Agreed? Total expenditures, \$7,381,000. Agreed? Now we are on Bill 8, Appropriation Act. 1997/98. Finance, fiscal policy, operations and maintenance. Total operations and maintenance, \$701,000. Agreed? Mr. Krutko.

**MR. KRUTKO:**

In regards to the policy, do you monitor exactly the expenditures that are spent in say, communities such as, distribution by community by community, to ensure that there is a fair equitable distribution of funds to each community? Is that part of the policy?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

Yes, we do not have community expenditures in this budget, Mr. Chairman. We just look after revenues. Expenditures are in the departmental and other budgets. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Total operations and maintenance, \$701,000. Mr. Krutko.

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**MR. KRUTKO:**

Well, since you monitor revenues and taxes, each community pays taxes in regards to, do you monitor the amount of taxes are paid, in particular communities, across the Territories? So you know exactly which community is wealthy and which ones are poor and cannot afford to pay taxes?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Do you want to answer that, Mr. Todd?

**HON. JOHN TODD:**

Yes, I will try, Mr. Chairman. We monitor our revenues and taxes on a territorial-wide basis. I do not know if we monitor it by the communities and say this community contributed this amount. I would have to check into that but certainly I do not have that information available here today.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Total operations and maintenance, \$701,000. Agreed? Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. Is there chance in getting a copy of that breakdown so we can see exactly where the taxes are coming from and exactly who is paying taxes and who is not and who cannot afford to pay taxes and who can?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

If that information is available, I would provide it to my honourable colleague. If it means that we have to go out and do a whole bunch of work, the answer is no. We have got enough to do just to keep above water and if it is available, yes we will provide it but I am not going to ask the department to start analyzing community by community by community. You know, our job is to project the overall revenues for this government. To provide you with as accurate picture as we can. If it is available, I will provide it to my colleague. Yes.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Total operations and maintenance, \$701,000. Agreed? Thank you. Total expenditures, \$701,000. Agreed. Thank you. Page 311, Bureau of Statistics, operations and maintenance. Total operations and maintenance, \$556,000. Agreed? Thank you. Total expenditures, \$556,000. Agreed? Thank you. Page 3-12, information items, active positions. No comments. Questions? Agreed. Information item, page 3-13, Liquor Commission Revolving Fund. Agreed. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. Has the government looked at the possibility of this? Has it come up in committee in regard to putting some of these revenues that we do get through Liquor Revolving Fund back into the social envelope, since they have had such a major cut to all the social programs, especially alcohol and drug programming in the north. Finding a mechanism, since we have something like a \$25 million revolving fund. Is there any way the department has looked at the possibility of looking at some of these revenues going into the treatment side of alcohol in regards to the alcohol and drug programs, since that is one area that seemed to be really taking a hit? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Mr. Todd.

**HON. JOHN TODD:**

Yes, Mr. Chairman. This question has been asked by a number of legislators and I tried to answer the question in response to an oral question by Mr. Floyd Roland earlier last week. You know, we do not say that there is \$31 million spent in liquor over here.

There is \$16 million worth of surplus, that is where we are going to move it, over there. You know, the revenues are generated by the Liquor Commission as a revolving fund. Anything else that we do as it relates to revenues, goes into revenues. So we vote on monies associated with alcohol and drug care based on a departmental request not based upon, well we are spending this amount of money over here, so, therefore, we are going to spend that money over there. I think, if my memory serves me correct and my response to the question asked by Mr. Roland, who asked a similar question, I think it was fairly clear, if we go back to Hansard, that the number of dollars being spent directly and indirectly as it relates to drug and alcohol, the whole issue of drug and alcohol, preventative action was far greater than the surplus and the excess that we have here. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Information item, Liquor Commission Development Fund. Further questions, Mr. Krutko?

**MR. KRUTKO:**

Yes, in regards to subsidizing food and everything else, I mean why are we, in this day and age, still subsidizing liquor. I mean, we cannot afford to treat people and we should find a mechanism where those people that are purchasing alcohol, why are we subsidizing them in this day and age when there is no money there to treat people but there is money there to subsidize the substance of the source of the alcohol problems we have in the north? So when are we going to look at the those people that want the alcohol, take the subsidy off and use it for something that can be used such as treatment facilities, since we do not seem to have any money for that right now?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. I am just trying to evaluate whether your question is in relation to the Liquor Commission Revolving Fund, but I guess it is. Mr. Todd, do you want to answer?

**HON. JOHN TODD:**

Well, I mean as I said, I tried to address the question and I think if my honourable colleague goes back to Hansard and looks at my response to Mr. Roland's comments earlier last week, he will find that this government expends a considerable amount of its fiscal resources in the drug and alcohol area. That is

how a proper budgetary process takes place. You do not say, we are going to generate so much in gravel, so let us put that money into digging ditches. That is just not the way you budget. Governments request dollars as it relates to the targets set for them for specific programs and drug and alcohol programs are one of them. It comes from a variety of programs. Mr. Ng's department, Miss Thompsons' department, et cetera. The revenues that we generate, whether it is through taxation, whether it is through permits or whether it is through liquor, are all part of a revenue approach. I want to assure my colleague that I am fairly confident that I will not be contradicted, that our resources that we put into drug and alcohol programs, through the variety of things that are out there, is far in excess of the surplus that exists within this revolving fund. Thank you.

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**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd. Any more questions on Liquor Commission Revolving Funds? Mr. Krutko?

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regards to the cuts and everything that we have taken in the social envelope and the costs of the social envelope, all of it is basically related to the alcohol and drug problem that we have in the Northwest Territories. Is this government going to stand up and going to take the bull by the horns and do something about it? Basically we are putting money into an area that generates problems that we are trying to solve in other areas at a cost to this government. Yet there is an increase in the amount of funds that are received versus cutting programs out in other areas. Maybe this is one area that we can seriously look at cutting in this budget. I suggest we consider putting a motion forth cutting revenues to this portfolio.

**CHAIRMAN (Mr. Steen):**

I recognize the clock and report progress. Mr. Todd?

**HON. JOHN TODD:**

I certainly would not want to put you on the spot, but I was going to ask to extend sitting hours to conclude this item. I guess I cannot. I stand down and agree with you that session is concluded.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Todd and I would like to thank the witness as well for attending. I will now read the report for progress.

**MR. SPEAKER:**

The House will come back to order. We are on item 20, report of committee of the whole. Mr. Steen.

ITEM 20: REPORT OF THE COMMITTEE OF THE WHOLE

**MR. STEEN:**

Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 8 and Committee Report 3-13(4) and would like to report progress. Mr. Speaker, I am going to report progress. Mr. Speaker, I move that the report of the committee of the whole be concurred with.

**MR. SPEAKER:**

Thank you. Seconded by Mr. Ng. Motion is in order. To the motion. Question being called. All those in favour? All those opposed? The motion is carried. Item 21, third reading of bills. Mr. Clerk, item 22, orders of the day.

ITEM 22: ORDERS OF THE DAY

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

Mr. Speaker, meeting of the Nunavut Caucus immediately after adjournment tonight. Meetings for tomorrow morning at 9:00 a.m. of Caucus, at 9:30 a.m. the Standing Committee on Government Operations, at 10:30 of the Ordinary Members' Caucus and at 12:00 noon of the Management Services Board.

Orders of the day for Tuesday, February 11, 1997:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions

8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
  - Bill 10, Supplementary Appropriation Act No. 3, 1996-1997
  - Bill 11, Loan Authorization Act, 1997-1998
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
  - Bill 8, Appropriation Act, 1997-1998
  - Committee Report 2-13(4), Standing Committee on Government Operations, Report on the 1997/98 Main Estimates
  - Committee Report 3-13(4), Standing Committee on Infrastructure, Report on the 1997/98 Main Estimates
  - Committee Report 4-13(4), Standing Committee on Resource Management and Development, Report on the 1997/98 Main Estimates
  - Tabled Document 20-13(4), Report of the Joint Working Group on the Business Incentive Policy
20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

**MR. SPEAKER:**

Thank you, Mr. Clerk. This House stands adjourned to Tuesday, February 11, 1997, at 1:30 p.m.

-- ADJOURNMENT