



**NORTHWEST TERRITORIES
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The Honourable **Samuel Gargan**, Speaker

MEMBERS PRESENT

Honourable Goo Arlooktoo, Mr. Barnabas, Honourable Charles Dent, Mr. Enuaraq, Mr. Erasmus, Mr. Evaloarjuk, Honourable Sam 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 Manikot 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 the constant recognition of the dignity and aspirations of those whom we serve. Amen.

SPEAKER (Hon. Samuel Gargan):

Good afternoon. I would like to thank the Member for Natilikmiot, Mr. Ningark for serving in my place during my absence. I understand you are pretty happy to see me back.

--Applause

Orders of the day. Item 2, Ministers' statements. Mr. Morin.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 33-13(6): Ministers Absent From the House

HON. DON MORIN:

Mr. Speaker, I wish to advise Members that the Honourable Jim Antoine will be absent from the House for the remainder of the week to attend the Council of Ministers of Transportation meeting in Regina, Saskatchewan.

Mr. Speaker, I also wish to advise Members that the Honourable Stephen Kakfwi will be leaving the House later today and will be absent for the remainder of the week to attend the Fisheries Ministers meeting in Victoria, British Columbia. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Ministers' statements. Mr. Kakfwi.

Minister's Statement 34-13(6): Diamond Manufacturing In The Northwest Territories

HON. STEPHEN KAKFWI:

Mr. Speaker, I would like to provide this House with an update of the government's progress on developing a diamond manufacturing industry in the Northwest Territories.

framework establishes the Diamond Review Committee. This is interdepartmental group which will review, assess and provide recommendations on all diamond value added proposals. This will ensure a coordinated approach to the allocation of funding. The creation of this policy framework and the review committee also establishes the transparency required for industry and government to deal with each other in good faith.

The Diamond Review Committee has assessed a number of proposals. As a result, I am pleased to announce that our government will be supporting Sirius Diamonds in establishing the Northwest Territories' first diamond cutting and polishing facility.

--Applause

The government has agreed to provide a five-year loan guarantee to Sirius Diamonds. The initial amount is up to \$5 million. Depending on production, the amount increases on a graduated basis up to \$10 million. In addition, we will provide training contributions and wage subsidies totalling \$690,000, and \$250,000 towards the purchase of diamond manufacturing equipment.

The cutting and polishing plant will be located at the Yellowknife airport, adjacent to the BHP sorting and valuation centre. Initially, Sirius Diamonds NWT will hire and train 25 northerners. They will recruit more northern candidates next spring, and eventually the company plans to have as many as 50 trained personnel within five years.

Mr. Speaker, I would like to take this opportunity now to recognize the efforts of my colleagues Mr. Dent and the Department of Education, Culture and Employment regarding the training and wage subsidy component. Mr. Todd and the Financial Management Board Secretariat regarding matters concerning the loan guarantee and Mr. Antoine and the Department of Transportation for assistance regarding the airport location.

In addition, the support from the Yellowknife MLA's, Mr Ootes, Mr Henry and Mr. Erasmus and from Mayor Lovell and the City of Yellowknife was helpful and encouraging as we worked towards the finalization of the agreement.

Page 186

The Government of the Northwest Territories has a vision for the north, Mr. Speaker. We see the NWT as the "Diamond Centre" of North America. We see the NWT being recognized worldwide for its rough and high quality polished diamonds, as well as its unique northern jewellery.

The GNWT will continue to work toward that vision with BHP Diamonds, other diamond manufacturers and future NWT diamond producers. We will continue to work toward developing a strong, viable diamond industry in the Northwest Territories. Thank you.

--Applause

MR. SPEAKER:

Thank you. Ministers' statements. Mr. Dent.

Minister's Statement 35-13(6): Partnership in Training for Diamond Secondary Industry

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, good afternoon. I am pleased to announce a partnership between the Department of Education, Culture and Employment, Aurora College and the Diamond High Council of Antwerp and the Belgian government's Department of Education. We will work together with these partners on two initiatives. The first is the development of standards and certification for occupations in the secondary diamond industry. Those standards outline the knowledge, skills and attitudes a person needs to be certified as a brillianteer, blocker or bruter. The second initiative is pre-employment training. As my colleague, Mr. Kakfwi, said earlier today, Sirius Diamonds will soon open the north's first diamond manufacturing plant. This new partnership will help ensure that we have a skilled northern workforce ready to fill new jobs in the secondary diamond industry. By using the expertise of instructors from the Diamond High Council of Antwerp as well as other diamond experts from around the world, we will train our workers to meet world standards of excellence in the secondary diamond industry.

A key component of the partnership will be the delivery of the pre-employment program for the diamond industry by Aurora College. The Diamond High Council of Canada, together with the college, will deliver this 16-week program in Yellowknife starting in January 1999. Instructors from the Diamond High Council, who are experts in the world of diamonds, will deliver this program in conjunction with Aurora College instructors. Students will have the opportunity to become internationally recognized and accredited to cut and polish diamonds.

There is a great deal of excitement these days about the new jobs and opportunities for northerners which will follow on the heels of the opening of the Ekati Diamond Mine next month. We are planning to be ready to fill those jobs with Northerners and keep more benefits in the North. Thank you, Mr. Speaker

MR. SPEAKER:

Thank you, Mr. Dent. Ministers' statements. Mr. Arlooktoo.

Minister's Statement 36-13(6): Report on Crime and Corrections in the Northwest Territories

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. Mr. Speaker, I rise today to inform this House that I have received the Report on Crime and Corrections in the Northwest Territories, prepared by Management and Policy International. I will be referring to this document as the Evans Report, after its lead writer, John Evans. I will be tabling the Evans Report later today.

My colleague, the Honourable Kelvin Ng, commissioned the Evans Report in September 1997 when he was the Minister of Justice and Health and Social Services. I am indebted to my colleague for his dedication and foresight in recognizing the challenges facing the Northwest Territories in the areas of crime and corrections and for commissioning this report. I am also indebted to all MLAs whose questions and concerns both inside and outside this House have, in no small part, contributed to the debate concerning crime and corrections in the Northwest Territories.

The terms of reference for the Evans Report called for an examination of four sets of issues:

- First, to provide a statistical description of crime and criminal justice in the Northwest Territories;

- Second, to provide an independent review of corrections in the Northwest Territories;

- Third, to examine community tolerance of crime and community willingness to take on more of the challenges in justice and corrections;

Finally, the report was to provide recommendations on how corrections might be organized and delivered, now and following the creation of two territories in 1999

Mr. Speaker, the Evans Report does not paint a rosy picture of crime and corrections in the Northwest Territories. In a realistic and straightforward fashion, the Evans Report chronicles the challenges of both the unacceptably high crime rate and how the corrections and community justice systems are coping with this situation. The Evans Report notes that the Northwest Territories has the highest rate of violent crime of all provinces and territories in Canada. This includes a rate of sexual assault which is eight times the national average. By a wide margin, the NWT has the highest incarceration rate in Canada. The Evans Report notes that if the NWT population grows in the way it is expected to we can expect substantial increases in the number of young offenders admitted in the next ten years, especially in Nunavut.

The Evans Report concluded that the NWT faces a serious overcrowding problem, this is more than just a matter of too many prison inmates. Rather, it is a major challenge with respect to risk management, security, programming, planning, capital shortfall and resourcing issues. The Evans Report concluded, and I quote: "The correctional institutions in the NWT are at a crisis in their ability to deliver correctional programming to inmates. This crisis is due in part to the current overcrowding, which has taken resources from programming to deal with the increased number of inmates."

Page 187

The Evans Report is both realistic and timely. I believe that we have to respond to the challenges presented by this report and action must be taken on the recommendations made. Mr Speaker, the time to take action is now. To this end, as Minister of Justice I have, submitted a comprehensive plan for community justice and corrections I am pleased to announce to this House that the Financial Management Board has approved funding and will seek the necessary supplementary funding from this House to breathe life into the plan. I will be seeking

the support from this House and indeed all MLAs for the implementation of this plan.

The comprehensive plan outlines a two-part approach to addressing the challenges outlined in the Evans Report. The plan focuses on community justice and corrections. As I noted in my Minister's statement concerning the Rankin Justice Retreat, it is imperative that all communities be involved in the justice system to a much greater degree than they are now.

Funding for more on the land camps will be increased so that all regions can provide offenders with traditional programming based on community values.

Expansion of wilderness camps is necessary to alleviate overcrowding in our institutions. Community justice committees play a vital role in the criminal justice system. These committees are made up of concerned community members. The department will be revising the funding formula to allocate additional funding for the hiring of coordinators, and for additional crime prevention activities such as on the land programs. The additional funds will also allow committees to enhance the honoraria of the justice committee members.

I propose to overhaul community corrections. The NWT is the only jurisdiction in Canada without a dedicated probation service in its communities. This service is currently being provided by social workers. They have enough to do already without this extra burden. A stand-alone probation service will allow social workers to concentrate on the needs of victims. This is only right.

Once an effective community corrections option is in place, it is likely that more community sentences will be used for offenders who now go into custody and there will be more after-jail support to help avoid more criminal behaviour. In the east and west, a minimum of 35 positions are required to operate community corrections in both jurisdictions. While the positions slated for the east must, at this stage, be in recommendation form, it is my hope and strong recommendation that the new government of Nunavut will look closely at this option, and follow through with it.

Mr. Speaker, I have not forgotten about victims of crime in this context. While we hope that all the initiatives targeted at reducing the re-offending rate of offenders will result in fewer victims of crime, victims of crime require special attention that the Evans Report was not mandated to comment on. To this

end, I have asked my officials to continue working with the Department of Health and Social Services to rationalize their respective roles in order to maximize the delivery of victims services.

The plan calls for improvements to the Yellowknife Correctional Centre which are, Mr. Speaker, long overdue. Severe overcrowding in aging and substandard facilities and the lack of offender programs do not prepare offenders for release. Mr. Speaker, we have to face the facts that the Yellowknife Correctional Centre is, to put it mildly, a substandard institution which requires upgrading. While the present building has a capacity of 132 inmates, it is consistently housing 200 inmates. What was to be program space is used to bunk inmates in virtually the entire building.

An expert recently interviewed on CBC Radio stated that good programming in correctional institutions can eliminate up to 50 percent of the recidivism. That is the rate at which offenders re-offend and continue to commit crimes after being released from jail. The comprehensive plan calls for adding modules to the existing YCC building with an eye to having the new construction allow for delivery of specific programs to target recidivism. It is also important that program space be provided for higher security inmates. This would allow more offenders to be kept in the north.

The Evans Report identified a need for the department to develop programs for varying types of offenders in our facilities and develop programs for each individual inmate. Mr. Speaker, I will be seeking funding for the development of a Corrections Rehabilitations Programs and Information Database so that the individual programming needs of inmates can be determined. Once needs have been assessed, aboriginal healing and pretreatment, family violence, sex offender and other programs will assist in the rehabilitation of inmates instead of simply warehousing them, which is, in reality, what we do today.

In closing, Mr. Speaker, this bold and timely response to the Evans Report has as its goal an integrated corrections system that provides appropriate community and facility programming. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Ministers' statements. Mr. Ng.

Minister's Statement 37-13(6): Capital Projects/Public, Private, Partnerships (P3)

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, today, I would like to provide Members with an update on the Public Private Partnership or P3 projects that are underway to develop and construct health and social services facilities. For some time, a number of health and social services boards have been actively involved in the assessment and documentation of the health care needs of the people in their respective service areas in anticipation of major capital projects being initiated.

As Members know, on March 31, 1998, the Chairman of the Financial Management Board announced that 12 projects had been selected to pilot a new way of undertaking capital projects, the Public Private Partnership or P3 model. Five of those 12 projects are aimed at providing health and social

Page 188

services facilities. As Members are well aware, governments the world over are searching for new ways to live within their means while maintaining services for the public. Public Private Partnerships are a new way for governments to obtain and utilize infrastructure to meet the demands of their growing populations.

By partnering with the private sector, governments can better focus on the quality of their programs and services and put the responsibility for the infrastructure, whether it be a hospital or a student residence on the private partner.

The Government of the Northwest Territories has developed and is nurturing a strong commitment to the P3 process. Multi-sectoral committees and P3 implementation teams have been established to monitor all GNWT P3 projects. Workshops have been held in various communities to educate the potential stakeholders.

Mr. Speaker, the Department of Health and Social Services' five P3 projects include the following;

- two hospitals, one each in Iqaluit and Inuvik;
- two regional health complexes, one in the Keewatin and one in the Kitikmeot; and finally
- one health centre in Arviat.

Functional programs that outline the health care needs of people in the service area and describe a facility that meets these needs, have been completed for all five of the health and social service pilot projects.

Each of the functional programs envisions a better future by including telehealth and telemedicine as part of the infrastructure requirement. Two of the projects, the Inuvik hospital and the Arviat health centre, have finalized their functional programs with the department and are ready for ministerial approval. The functional program for the Kitikmeot regional health complex has received conditional approval. The remaining two projects, the Baffin hospital and the Keewatin regional health complex have functional programs still under review.

In four of the projects, some technical aspects of project development work are in progress. These include topographical survey, geo-technical report, legal and environmental assessment and furniture, fixture and equipment planning. In Arviat, this work is complete. Once the functional programs are approved, the responsible P3 implementation team will invite bidders to submit proposals for the next stage of work.

For the Inuvik hospital project, the P3 project team are preparing to issue a request for qualifications (RFQ) to parties interested in forming a P3 partnership to design, construct, own, operate and finance the facility. Once I approve the functional program for the Arviat health centre, the P3 implementation team will issue a request for proposal (RRP) for the design, build, operate and finance of the project. For the remaining three Nunavut projects, a request for proposal for the preliminary design work will be issued upon approval of their functional programs.

In May 1997, a proposal was forwarded by the three Nunavut birthright development corporations and the three eastern health and social services boards for the development of the health and social services facilities in Nunavut. The initiative was pursued with the GNWT throughout the summer and fall of 1997 and a memorandum of agreement was signed between the boards, development corporations, myself as Minister of Health and Social Services and the Minister of Finance.

Mr. Speaker, we believe that with the infrastructure provided by these five projects, both new territories will be better positioned to deliver much needed

health and social services to their citizens. Leasing arrangements for all projects will have to be approved by the Government of the Northwest Territories' Financial Management Board. For the four Nunavut facilities, the critically important final approval for entering into long-term operating leases prior to March 31, 1999 is totally dependent on acceptance by the Nunavut Interim Commissioner. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. The time for Ministers' statements is over. Ms. Thompson.

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. Mr. Speaker, I seek unanimous consent to waive rule 34(6) so that all Ministers' statements filed with the Clerk can be delivered today.

MR. SPEAKER:

Thank you. The Member for Aivilik is seeking unanimous consent to waive rule 34(6). Do we have any nays?

SOME HON. MEMBERS:

Nay.

MR. SPEAKER:

Sorry there is no unanimous consent. Item 3, Members' statements. Mr. Evaloarjuk.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement 86-13(6): Overlap of Responsibilities within Nunavut Organizations

MR. EVALOARJUK:

(Translation) Thank you, Mr. Speaker. Mr. Speaker, I rise today to inform the House of the successful meeting of the Baffin Leaders Summit, held July 1998. I am very proud of the Baffin region organizations as they are able to work well with one another and with very little conflict. Hamlets and other groups and organizations in the Baffin including corporations and the Members of the Legislative Assembly, are also respectful of one another and must be commended for that.

However, we are seeing a trend where these representative bodies in Nunavut are covering the exact same items at every annual assembly. For example, all the bodies have one sort of social programs or another, perhaps this is due to a lack of communication amongst these bodies. I would strongly suggest that they follow certain channels to avoid overlapping

Page 189

on issues. Nunavut Tunngavik has delegated a committee to deal with certain issues. Issues dealing with social concerns and programs, healing, should be directed to that committee. Similarly the Baffin leaders should appoint a steering committee that would delegate certain issues of general concern.

Will we allow this situation to continue in the same way? Where can we make changes for improvement? If we can obtain some funding prior to April 1999, we would like to reassess the mandate of the Baffin leaders and see if they need to be assigned differently. Thank you, Mr. Speaker. (Translation ends)

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Ningark.

Member's Statement 87-13(6): Intention Not to Seek Re-election

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, I would like to make public what I told my wife at the beginning of my term of the 13th Assembly. To make sure she agrees, I talked to her over the phone last night and she agreed. Mr. Speaker, my colleagues and the public I will not be seeking re-election in the upcoming elections. Thank you.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Miltenberger.

Member's Statement 88-13(6): Western Governance Issues

MR. MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, today I would like to continue to address the issues raised by the Premier and Minister Antoine yesterday in regard to western governance. There are just three key areas I would like to touch on quickly that require more discussion I believe and pose a lot of questions. The way I understand this process, it is a Constitutional Working Group and the whole constitutional process which will define eventually the role of the territorial government. The partnership approach and the parallel approach will be defined through negotiations with the aboriginal governments and relate specifically to regional and community governments.

These processes are linked Mr. Speaker, it is critical for the negotiators right now at the tables negotiating with the aboriginal governments to have a clear idea of what is on the table and what is not. That requires definition by the territorial government as to what constitutes a central public government, in terms of ability to raise revenue, taxation, setting of standards, ability to redistribute wealth so, in fact, there is no huge regional disparities. It is critical our negotiators have a clear mandate so that we can address these concerns and address the concerns raised by the aboriginal summit about the lack of clarity with the direction provided to our negotiators.

On the issue of the partnership approach, discussed briefly in this House yesterday, it is a process that also requires definition. The way I understand that approach there is a potential for most municipal governments to disappear. That is a very serious step. In the community I represent, where we have the band, Metis nation, as well as the town council, I believe a central public government at the community level is also critical that represents all of the people. I am not sure what is meant by the government as we look at that very major step. If it is a partnership approach, the way I read it we have gone back to a combined model that was initially proposed by the Constitutional Working Group. That gets to the issue of guaranteed representation and I recollect very clearly and painfully the response we got from the public on that particular issue.

Finally, Mr. Speaker, on the issue of the parallel approach, once again it is a definition, it is a label that needs significant definition. Mr. Speaker, I seek unanimous consent to conclude my statement.

MR. SPEAKER:

The Member for Thebacha is seeking unanimous consent to conclude his statement. Do we have any

nays? There are no nays. Mr. Miltenberger, you have unanimous consent to conclude your statement.

MR. MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, to conclude, the issue of the parallel governments or the parallel approach as well, has many questions that go with it. If I use the community that I represent as an example with the band, the Metis and the town, are we looking at three triplicated systems with health, social services and education. Is it affordable? Will the level of service be effected? I am not sure what that means, I am not sure our negotiators know what that means. It is a issue, this one and the other two I mentioned requires serious discussion by the people. I hope that the government in fact, has its best people trying to address these questions because as we learned when we did the initial document from the Constitutional Working Group, if you put out a document that poses more questions than you have answers, it will go down faster than the Titanic. It would be unfortunate if something this important suffers the same fate because we have once again brought out too many generalities and not enough answers. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Mr. Roland.

Member's Statement 89-13(6): Inuvik Young Offenders Facility

MR. ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, before I start I would like to send greetings back to my wife and children.

--Applause

Mr. Speaker, today I rise to report on an information session

Page 190

which was held in Inuvik on October 22nd. This information session was put on for the public on an issue I have worked on since being elected with the Ministers, Mr. Ng and Mr. Arlooktoo. Mr. Speaker, the information was regarding the young offender's facility announced in June by Minister Goo Arlooktoo and the work that has been done to date. This facility will give a definite boost to the economy of Inuvik. Not only during the construction phase, but also with the long-

term employment. Approximately 21 jobs will be created as a result of this facility being built in Inuvik.

Mr. Speaker, approximately 15 people attended the information session and had questions regarding location and operation of the facility. I was informed that the questions were answered and the people reassured that their opinions would be taken into consideration when the final site for the building is chosen. Mr. Speaker, as I stated earlier, this will bring much needed jobs to my community and just as importantly, it will allow us to deal with our problems closer to home. Families will be able to be more closely involved with the recovery of those who are placed in the facility. This I believe, is a positive example of community empowerment.

In closing, Mr. Speaker, I must say I am pleased as punch that the young offender's facility will be built in Inuvik and that the Ministers have recognized that Inuvik is in need of infrastructure and new jobs to help keep us a viable part of this territory. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Ootes.

Member's Statement 90-13(6): Transfer of Federal Positions to the North

MR. OOTES:

Thank you, Mr. Speaker. For some time now, I have been pursuing the issue of the transfer of federal jobs to the North. In June of 1997, I made a motion and it was supported and passed in this House, calling on the Premier to communicate with the Prime Minister to request a comprehensive listing of all federal civil service positions dedicated to NWT programming and/or policy development and that discussions also be undertaken with the appropriate federal Ministers to facilitate the relocation of federal positions to the north. This past spring, the Department of Indian Affairs and Northern Development took up this request and assigned the consulting firm of KPMG to assess the potential transfer of program responsibilities to the North. The consultants report completed in July, states there is solid rationale in support of a transfer of federal positions. I want to complement the Department of Indian and Northern Affairs for pursuing this initiative and would urge that

DIAND's next phase be conclusive in recommending the transfer of positions as soon as possible.

It is an encouraging development, but we also need to pursue other federal departments such as natural resources, Fisheries and Oceans and Heritage Canada et cetera. We need to persuade those departments to take action to transfer positions to the north. We can all benefit from this effort and we need to get on with it. Devolution of federal positions to the North provides an opportunity for improved services to Northerners.

We know that decision making and service delivery are most effective when carried out as close to home as possible. Decentralization would eliminate any overlap in work between federal offices here in the north and those stationed in Ottawa and elsewhere in the country. Finally and most importantly, devolution to the North would bring jobs to the North at a time when jobs are needed in all our communities. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Rabesca.

Member's Statement 91-13(6): Rae-Edzo Municipal Funding Issue

MR. RABESCA:

Thank you, Mr. Speaker. As you heard earlier in the House that I pledged to resolve my communities' problems regarding the municipal funding issue. Today, I again would like to comment on this. Currently the Hamlet of Rae-Edzo is finalizing its position on the draft report received from the municipal funding review committee. I have been fortunate to get a copy of their draft response. Clearly, the Department of MACA has not listened to our arguments. One example I would like to use is that of the two separate communities, Rae and Edzo. We have stated over and over that there is not the necessary funding in place to operate the two separate communities. Both communities have above ground pool programs, fire departments and maintain two fire stations, both communities have their own water and sewage systems, and must be maintained daily by staff who travel the 15 kilometre between each community. Everything in our community is duplicated. However, we do not get funded accordingly.

Currently there are at least five incorporated hamlets in the NWT that have less population than that of Edzo. All receive full funding, as any other municipality would get. Why is it then, that Edzo really receives no funding? Simply because it is united at the governments suggestion with Rae.

As stated many times previously, we are not asking for the world. We are only asking for what we feel is our fair share. This issue must be settled, we cannot delay this any longer. I hope the Minister will continue to press her staff to get this report completed and recognize the anomalies of Rae-Edzo corrected. Later today, I will be asking the Minister further questions on this matter. Thank you, Mr. Speaker.

MR. SPEAKER:

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

Member's Statement 92-13(6): Capital Project Construction in the Arviat Constituency

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, many times in the House we often criticize this government by giving

Page 191

credit where credit is due. Mr. Speaker, I would like to thank the government and also the Nunavut construction company for the many projects that are being carried out in my riding over the past number of months. Mr. Speaker, it has been stated by a number of business people that in Arviat, for example, this is probably the busiest year in ten years for construction. Mr. Speaker, this is certainly welcome news in the community where we have most of the time, between 75 and 80 percent of unemployment. Thank you.

MR. SPEAKER:

Thank you. Members' statements. Mr. Krutko.

Member's Statement 93-13(6): Devolution of Authority to Aboriginal Organizations

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, my statement is in response to the Minister's statement yesterday regarding the agenda for change in the new Western Territory. Mr. Speaker, the statement deals a lot with aboriginal groups and aboriginal rights and processes

that are already in place, but Mr. Speaker, it is my experience being involved in the Dene Metis claims process along with the Gwich'in and the Sahtu, is that the fundamental principle for these negotiations is for the aboriginal communities and aboriginal people to ensure that they have a place in society and take control of their lives and run programs and services on their behalf.

The same thing with claim settlements, the claims have been settled on the basis that there was going to be a land deal and an economic deal and resources so they can be independent in the future. What I see in this statement by the Premier is exactly what aboriginal people have been asking for, forever and a day. Mr. Speaker, there are times in this House where I find myself dealing with aboriginal issues to know that there is nothing that can be done by this government. It either has to be dealt with by the federal government through Indian Affairs or through Ottawa.

Mr. Speaker, every aspect of society and programs and services this government delivers are the exact programs and services that aboriginal people have been asking for to ensure that they have control and also have the right to deliver those programs and services themselves. It is when a chief calls myself, as a Member of this Legislature, with a problem that should be resolved through the Department of Social Services or Education where a member of a band goes to the chief and says I need money to go to school down south, I am not getting program dollars from the Department of Education in the Northwest Territories as a status Indian, what do I do?

I think it is those types of problems that the aboriginal people have been saying they need to be resolved. I think the first commitment this government should make to aboriginal people and aboriginal organizations in the Northwest Territories is exactly the principle that aboriginal institutions, band councils, Metis locals, tribal councils are recognized as an institution of government before we even move anywhere. Thank you, Mr. Speaker. I seek unanimous consent to conclude my statement.

MR. SPEAKER:

The Member for Mackenzie Delta is seeking

unanimous consent to conclude his statement. Do we have any nays? There are no nays. Mr. Krutko, you have unanimous consent.

MR. KRUTKO:

Thank you, Mr. Speaker. Thank you, colleagues. As I was stating, Mr. Speaker, there has to be a new way of dealing with government. What I see happening is we are developing more public institutions in light of existing institutions that were in place long before the Government of the Northwest Territories established the NWT Act, in which there are institutions that aboriginal people fully support and recognize in our communities. Band councils, Metis locals and tribal councils that presently exist. Yet, somehow we cannot get ourselves to see the light at the end of the tunnel and realize those institutions are alive. They are recognized in the Indian Act, established through elections. They are also a recognized body by delivering programs and services from Ottawa. If Ottawa is able to carry these activities out, why is this government not in support of recognizing public institutions and band councils today? We have to somehow change the concept of looking at municipal councils as the only level of government in the Northwest Territories. In order to get past that hurdle, we have to change the legislation to enact legislation to allow band councils, Metis locals, tribal councils, public institutions which are recognized as aboriginal institutions to be enacted in this House.

We talk about sharing our lands and resources and benefiting from those lands and resources. Those same lands and resources we are talking about as a government to get royalties, getting monies and getting revenues from the forestry products, minerals or whatnot from Ottawa, is the same item you are dealing with when you talk about land claims. There is a process that is in here called the Northern Accord process. This government is obligated to sit down with the aboriginal organizations and negotiate, once and for all, how resources are going to be dealt with in the Northwest Territories and how aboriginal organizations and people will benefit from those resources. Since we have been elected, that has been one of the priorities of this government, yet today nothing has happened in that area.

When the Minister of Finance stands up and he says we have to go to Ottawa and get more control of our resources, he forgets there is a fundamental principle and process that has to be completed before we get to that stage. Unless we sit down with aboriginal people and treat them on the same basis as we treat any business person or business sector in this economy and that we have to treat them as equals, I believe in that. With that, Mr. Speaker, I would like to have an opportunity to deal with this statement, either

in committee of the whole or through another public process so that we can enlighten ourselves on exactly how we intend to complete those negotiations with the aboriginal organizations. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Barnabas.

Page 192

Member's Statement 94-13(6): Decentralized Government Structures

MR. BARNABAS:

(Translation) Thank you, Mr. Speaker. First I would like to state that it is my eldest son, Robert's, birthday today. I would like to wish him a happy birthday.

Mr. Speaker, I stand today to speak about decentralized government in Nunavut being developed. We can really see it because of the buildings that are being built to house the office for decentralization of some services from the departments. We were told that when we were having a meeting in July, at the Baffin Leader's Meeting, when the decentralization is in the process that it would help the local people from the communities. The buildings would be built to house the new services being transferred to the communities. Local people can acquire some jobs from the decentralization process. In smaller communities, they have always been sidetracked by other communities that are in larger communities acquiring some contracts. I think it is possible to transfer some of the offices to even smaller communities. When we can discuss the possibility of transferring some of these offices to smaller communities, I think it is possible to open up some offices to smaller communities, departmental offices. I will be speaking to this later today. Thank you, Mr. Speaker. (Translation ends)

MR. SPEAKER:

Thank you. Members' statements. Mr. Steen.

Member's Statement 95-13(6): Impact of Water Subsidy Program Reductions

MR. STEEN:

Thank you, Mr. Speaker. Mr. Speaker, in the past two days, I have been bringing to the attention of this house medical problems being experienced in Tuktoyaktuk by the residents. Mr. Speaker, I would like to expand a little more on that and I take this opportunity to do so. Mr. Speaker, the community is experiencing major outbreaks of contagious diseases such as rashes on their arms and legs of school children. As well, the children are experiencing an outbreak of fever blisters in their mouths. As a result, this has served to put an extra workload on the two remaining nurses in Tuktoyaktuk. As well, Mr. Speaker, we have confirmed a meningitis case in Tuktoyaktuk. Mr. Speaker, the hamlet council believes these outbreaks of these contagious diseases are directly related to the reduction of the water subsidy program administered by MACA. A reduction of 30 percent for the community of Tuktoyaktuk, Mr. Speaker.

Mr. Speaker, over the last three years, the hamlet council has unsuccessfully lobbied MACA to have this subsidy increased for the community of Tuktoyaktuk. The hamlet council still cannot understand the logic behind the subsidy program, which allows a person in a large centre, such as Inuvik or Yellowknife the luxury of 190 litres of water per person per day, while small outlying communities are limited to 90 litres of water per person per day. Later on today, Mr. Speaker, I will be questioning the Minister of MACA on this particular item. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Ms. Thompson.

Member's Statement 96-13(6): Baffin Conference on the Sealing Industry

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. My constituents of Coral Harbour, Chesterfield Inlet and Repulse Bay and all of Keewatin residents, I would just like to make an announcement. I had also talked about this last spring in Inuktitut on the radio. After I made a trip to China. I reported on all the issues we were dealing with over there. Just recently, there was a press release and announcement on sealskins being harvested in Baffin Island. I feel that this is a very important issue for all Nunavut region. There will be a meeting in Iqaluit regarding this issue with the Chinese businessmen, so I just wanted to notify the people of their area. I think they would be very interested in this upcoming meeting in Iqaluit. I want

the people of the Keewatin to be aware of this meeting. I am sure it will affect the people of the Keewatin region as well as Kitikmeot. I would like the people of Keewatin to try to check into this meeting, so they can attend some meetings if they are interested in the sealing industry. People should make themselves involved with this very important initiative and I just wanted my constituents to be aware of this . Thank you, Mr. Speaker. (Translation ends)

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Picco.

Member's Statement 97-13(6): Upcoming Iqaluit Conferences

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, I would like to speak about two important conferences occurring in Iqaluit this week. One is dealing with suicide prevention measures and counselling training. This workshop builds on previous conferences with many people participating from across Nunavut. I would also like to take this opportunity to wish the conference organizers and participants much success with this important topic. The second conference has brought approximately 400 delegates from all across Nunavut, Nunavik and the south for a Bible related meeting. Many Iqaluit residents have opened their homes to help billet the large gathering. I would like to take this opportunity to thank the residents who have helped house the approximately 400 people. I would also like to wish them well with their meeting. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Mr. Enuaraq.

Member's Statement 98-13(6): Clyde River Accumulated Debt

MR. ENUARAQ:

Thank you, Mr. Speaker. I rise today to discuss Clyde River's accumulated debt. The community has been incurring a deficit since 1982. The debt currently stands at over \$600,000. This debt is due to the hamlet delivering programs and services that are the responsibility of the territorial government. In many

instances, where territorial staff or infrastructure was not available, the hamlet was

Page 193

enlisted by the government to deliver those services.

As division fast approaches, the hamlet, myself and the future Nunavut government is concerned that this debt incurred by the current territorial government will remain unpaid. If this issue is not dealt with, it will be an issue that will be carried on past division. It is most likely that the hamlet, which has very limited resources of its own, or the new government will have to resolve this problem. Mr. Speaker, as the date for the formation of the two new territories becomes closer, this issue increases in magnitude. I strongly encourage the government to meet its financial responsibilities to the community of Clyde River prior to division. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Mr. Henry.

Member's Statement 99-13(6): Sirius Diamond Cutting and Polishing Plant

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, we have often heard comments that government moves slowly. If you tend to be like myself, I have been accused of being impatient. It seems to me that it moves a little slower sometimes. Last September, Mr. Krutko from Resource Management, Mr. Ootes, Mr. Erasmus, Mr. Dent and Mr. Todd and myself took a trip to what is now recognized as the diamond capital of the world, Antwerp, and we also visited London to get ourselves an education on what benefits the Northwest Territories could muster and obtain out of the new diamond industry that was starting in the Northwest Territories. It was not long, Mr. Speaker, before we all realized there was a dream to be had there. We had seen and heard from enough people that there were opportunities that could take place in the Northwest Territories by northerners, with some assistance, that we could be involved in a new industry that would start in the Northwest Territories. Today's announcement by Mr. Kakfwi is extremely good news for all the people of Canada, the Northwest Territories and, in particular, Yellowknife with the announcement that Sirius Diamonds will be setting up an operation here. It speaks well for this government and for the Members who encouraged this government along to

create and work on this initiative when there were so many nay sayers. We had come back from London and Antwerp and we had been told by DIAND officials, we had heard from the industry, we had heard from numerous experts, you cannot do that in the north. It is always done in Antwerp.

Mr. Speaker, I think today is a great day for the Northwest Territories and I would like to take this opportunity to welcome the president of Sirius Diamonds, Jim Ben-Oliel to the Northwest Territories and anticipate they will have much success here. In closing, Mr. Speaker, I would just suggest to Antwerp, move over, there is a new kid on the block. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Erasmus.

Member's Statement 100-13(6): Opening of the Ndilo Elementary School

MR. ERASMUS:

Thank you, Mr. Speaker. Mr. Speaker, I rise today to speak about the opening of a new school in the community of Ndilo. Mr. Speaker, on August 31st approximately 25 students began attending a community school in Ndilo. The classes are from kindergarten to grade three. The Yellowknives Dene First Nations have been working on this project for years and the foundation for the school is tradition and culture, with learning taking place in the context of their culture, heritage and language. To this end, a Yellowknife Teacher Education Program graduate teaches the Weledeh dialect language classes. Along with the regular curriculum, the Yellowknives Dene plan to provide the students with opportunities to learn technological skills. This project is a partnership with the Yellowknife School District #1, which supplies supervisory services through a contract. As such, the teachers in Ndilo belong to the Yellowknife #1 bargaining unit. The school is staffed by experienced aboriginal teachers. I might add that they have quadrupled the number of aboriginal teachers in Yellowknife. The school is presently located in the Ndilo education centre with physical education classes held in the community recreation centre. Mr. Speaker, this is the first step in the long-term goal of creating a new facility which house a kindergarten to grade 12 school.

I congratulate the community and the department on this project. I congratulate the community of Ndilo, first for recognizing the problem that students were largely dropping out because of the lack of culture based schooling. Secondly, for their perseverance for seeing this project through. Finally, Mr. Speaker, but not lastly, I congratulate the Minister and his department for listening and responding to the community needs. Thank you.

--Applause

MR. SPEAKER:

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

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

HON. CHARLES DENT:

Thank you, Mr. Speaker. As Mr. Henry has mentioned today, I would like to recognize Mr. Jim Ben-Oliel, who is the chairman of the board of Sirius Diamonds. With him is Pierre Alvarez, who is well-known to Members in this Legislature and is heading up Sirius Diamonds' northern office. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Welcome to the Assembly. Recognition of visitors in the gallery. Mr. Arlooktoo.

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. I would like to recognize two gentlemen in the audience, both of whom are waiting patiently to meet with me. Mr. Jerry Ell is our able President of Qikiqtaaluk Corporation. Qikiqtaaluk Corporation is the birthright corporation of which four of us Baffin MLAs belong to. He is also a very active member of the homeless

Page 194

shelter society in Iqaluit. Along with him is my friend Mr. Alain Carriere. A successful business man, former constituent, living in Iqaluit now, very active in the chamber of commerce and various important fronts in the formation of Nunavut. Thank you.

--Applause

MR. SPEAKER:

Thank you. Recognition of visitors in the gallery. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Speaker. It gives me great honour to recognize a colleague of mine who has been involved with the Porcupine Caribou issue and also a former member of the Yukon Legislature, Ms. Norma Kassi, who is also a member of the Gwich'in Land and Water Board. Welcome to the House Norma.

--Applause

MR. SPEAKER:

Thank you. Welcome to the Assembly. Recognition of visitors in the gallery. Ms. Thompson.

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. I would like to recognize Jerry Ell, who is my cousin. I want people to understand that they will be holding a conference and an important meeting. I want people to know that they can talk to Jerry if they are interested. Thank you. (Translation ends)

MR. SPEAKER:

Thank you. Welcome to the Assembly. Recognition of visitors in the gallery. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Speaker. I would like to recognize a constituent of mine and a person who has worked extremely hard on ensuring that the diamond industry is developed here in Yellowknife, and that is Mayor Lovell who joins us today.

--Applause

MR. SPEAKER:

Thank you. Welcome to the Assembly. Recognition of visitors in the gallery. Mr. Steen.

MR. STEEN:

Thank you, Mr. Speaker. I would like to recognize a well-known individual and resident of the hamlet of Tuktoyaktuk, the Mayor of Tuktoyaktuk, Mr. Eddie Dillon.

--Applause

MR. SPEAKER:

Thank you. Welcome to the Assembly. Recognition of visitors in the gallery. Mr. O'Brien.

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, I also would like to recognize a friend of mine, former co-worker and sometimes sparing partner in the days when I worked in Tuktoyaktuk in 1990, the Mayor of Tuktoyaktuk, Eddie Dillon.

--Applause

MR. SPEAKER:

Thank you. Welcome to the Assembly.

Recognition of visitors in the gallery. Item 6, oral questions. Mr. Ningark.

ITEM 6: ORAL QUESTIONS

Question 104-13(6): Quqshuun Ilihakvik School Maintenance

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, I received a letter dated September 18, 1998, from the chair person of the Gjoa Haven education council and signed also by the principal of Quqshuun Ilihakvik School. Mr. Speaker, the community of Gjoa Haven is concerned about the bad fumes coming out of the boiler system in that school. I have brought this matter up a few years ago. During the summer the school was shut down temporarily in the month of September alone, September 4th at 11:35 a.m.; September 10th at 11:42; September 10th at 1:00 p.m.; September 11th at 11:20 p.m.; September 14th at 9:14 a.m. and September 14th at 9:46 a.m. I think it deserves to get some serious attention from the Department of Public Works. I would like to ask the Premier of this government to direct his staff from Cambridge Bay regional office to once and for all find the cause of the bad fumes and deal with it as soon as possible. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Mr. Premier.

Return To Question 104-13(6): Quqshuun Iihakvik School Maintenance

HON. DON MORIN:

Thank you, Mr. Speaker. I will be pleased to bring that up with the Minister and ask him to look into the issue and see if it can be rectified as soon as possible. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Steen.

Question 105-13(6): Water Problems in Tuktoyaktuk

MR. STEEN:

Thank you, Mr. Speaker. Mr. Speaker, as I mentioned in my Member's statement, the Hamlet of Tuktoyaktuk has had some serious problems accepting MACA's explanations for reductions in water and sewage subsidy. As a result of these reductions, the hamlet is experiencing some serious outbreaks of diseases which they believe is directly related to the availability of water and the amount of water. As I brought up in this House, Mr. Speaker almost two years ago, whereby people who were down to borrowing water and the housing association responded to that concern, but apparently the shortage of water is still there.

Right now the council has a problem and I have a problem in trying to understand the logic of why a person in a larger centre is allowed 190 litres of water to stay clean and the person in the small communities is only allowed 90. There is no logical explanation for that. It has been suggested one is water, running water system versus a trucked system, but that is no logical explanation. Rather than get into a large debate here with the Minister on it, I would just like to ask the Minister of MACA if she would commit to going to Tuktoyaktuk to

Page 195

address this situation with the council? Thank you.

MR. SPEAKER:

The Minister of Municipal and Community Affairs, Ms. Thompson.

Return To Question 105-13(6): Water Problems in Tuktoyaktuk

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. Mr. Speaker, I do not know the reasoning behind the 190 litres for people on the utilidor and also 90 litres a day for each person with a trucked service. It may have to do with the size of the lake with the utilidor attached to it and the size of the tank on the truck. I am committed to go to Tuktoyaktuk in the very near future right after this session to deal with the issue. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Steen.

Supplementary To Question 105-13(6): Water Problems in Tuktoyaktuk

MR. STEEN:

Thank you, Mr. Speaker. Could I get a commitment from the Minister that she will be bringing some officials to help address the situation as well?

MR. SPEAKER:

Ms. Thompson.

Further Return To Question 105-13(6): Water Problems in Tuktoyaktuk

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. Yes, I will be bringing staff over to deal with this.

MR. SPEAKER:

Oral questions. Mr. O'Brien.

Question 106-13(6): Keewatin Medical Services

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, my question is directed to the Minister responsible for Health and Social Services. Mr. Speaker, I wonder if the Minister could update this House as to the status of the services that are being offered by the northern medical centre in Manitoba to the Keewatin. Thank you.

MR. SPEAKER:

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

Return To Question 106-13(6): Keewatin Medical Services

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, it is my understanding that an interim agreement between the northern medical unit and the Keewatin regional health and social services board has been reached and that agreement runs effective of September of this year until March 31, 1999. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. O'Brien.

Supplementary To Question 106-13(6): Keewatin Medical Services

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, can the Minister tell the House exactly what are these services and the length of the contracts involved.

MR. SPEAKER:

Thank you. Minister Ng. Two questions.

Further Return To Question 106-13(6): Keewatin Medical Services

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, I had indicated that the current interim agreement is from September of this year to March 31, 1999. Those services are for general practitioner services and for specialist services. At the same time, there are some ongoing negotiations that continue between the University of Manitoba, the GNWT and the Nunavut department of health along with the board in trying to reach a longer term contract of approximately three to five years. Thank you.

MR. SPEAKER:

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

Supplementary To Question 106-13(6): Keewatin Medical Services

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, I wonder if the Minister can update this House on the status of the

senior positions that have been vacant for the last number of months with the Keewatin Health Board? Thank you.

MR. SPEAKER:

Mr. Ng.

Further Return To Question 106-13(6): Keewatin Medical Services

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, the position of executive director for the regional health and social services board has now been filled and an offer has been made. The individual is not on site yet so we continue to have an interim executive there from the department. It is also my understanding that some of the other senior positions within the regional health and social services board and in particular the director of corporate affairs, director of social programs, manager of human resources and the senior nursing officer positions have been filled to date. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Krutko.

Question 107-13(6): Economic Development Studies

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Finance. Mr. Speaker, over the last ten years there have been numerous reports on the economic strategy, there has been a special committee established to look at the northern economy, the economy in transit, the agenda for action, building and strengths, committee based approach and finally just last year there was some economic framework concluded. These are just some of the reports I can remember and have been able to find in the library. I am sure there is a lot more that has been presented to this House. Can the Minister of Finance explain

Page 196

to this House what is the difference between last year's economic frame work and the economic strategy that Bailey and Associates are working on at the present time?

MR. SPEAKER:

The Minister of Finance. Mr. Todd.

Return To Question 107-13(6): Economic Development Studies

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, first of all let me clarify my honourable colleague it is this government that is doing the economic strategy and Mr. Bailey and Associates are the consultants we are using for one part of that study. The economic framework we outlined last year really was just explaining to northern peoples the impact of certain aspects of the economy. What we are doing here, is trying to put a coordinated approach and to build the case for a new fiscal relationship with the federal government that will allow a new Western Territory to generate more revenues as it relates to the non-renewable resource envelope. It is a significant initiative, Mr. Speaker, that requires a certain amount of substantiation that Mr. Bailey is working on that requires a certain amount of work Mr. Dent is working on that requires the involvement of Mr. Kakfwi and Mr. Antoine in all aspects of this important initiative we are doing. The difference here is that we are preparing the case for the discussion with our federal counterparts for renewed and different fiscal relationship with the federal government. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 107-13(6): Economic Development Studies

MR. KRUTKO:

Thank you, Mr. Speaker. I am concerned in regard to the economic strategy, especially other reports that have been filed in this House and concerning the Keewatin resupply and basically there was a rehashing of government reports that have been done by other departments. The economic strategy and reports that have been done within the last ten years, will this be a waste of tax payers money? Can the Minister assure this House that the economic strategy will contain specific recommendations on how to jump start the economy, especially in the riding I represent and the smaller ridings in the Northwest Territories?

MR. SPEAKER:

Thank you. Minister of Finance, Mr. Todd.

Further Return To Question 107-13(6): Economic Development Studies

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, I am confident as I said in this House on a number of occasions by questions asked by Mr. Ootes and Mrs Groenewegen, the strategy we are putting into place is both short and long-term. It is fundamentally necessary to do it. I am going to say again the long term revenue projections for the west flatten out into the year 2000. You simply have to find a new fiscal relationship with the federal government to ensure you are going to get the additional revenues necessary to deliver the kinds of services and economic activity that your constituents expect. That is what this initiative is all about.

Perhaps I should have called it an investment north strategy. We just happen to use the word economic strategy. That is what we are endeavouring to do here. All aspects of the territory west and east will be covered in this initiative. Hopefully, it will be a blue print that both this government can proceed with into March 31st, that the western government can proceed with until October 31, 1999 and the new governments can see the benefit after that. I am telling you now as the Finance Minister, you simply need a new fiscal relationship. You need to spend some time in determining where you are going to get new revenues. If you are going to maintain the level of services that our constituents have become accustomed to. That to some extent is what the strategy is all about.

At the same time there is clearly a need to re-examine the programs we are currently doing. I think self re-examination is a good thing. The primary focus for me, as Finance Minister, is to prepare the case for the discussions that will be undertaken with our federal counterparts the need to get into the revenue window to continue to increase the levels of service our constituents have come to expect from us. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 107-13(6): Economic Development Studies

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, can the Minister gives us an indication as to what has been

spent in the last ten years on these studies and reports that have come forward to this government? Can the Minister give us an actual break down on exactly how much money has been spent on economic strategies and initiatives by this government through committees or other reports that have been filed on the economy.

MR. SPEAKER:

Mr. Todd.

Further Return To Question 107-13(6): Economic Development Studies

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, I do recognize my honourable colleague's frustration as he has expressed it many times in this House. I do appreciate it and I am trying to explain to the best of my ability what we are trying to do here. I am sure there are all kinds of reports out there, the scone report, this report, that report, et cetera the previous governments have put forward. I do not see what we are doing here in that light. I see it as an over all initiative, to build the case for a new relationship with a federal government because you simply must have it.

You simply need to find a way in the long run to find new revenues to maintain and increase the level of services to your constituents. Thank is what this is all about. I do not have today the cost of previous governments' expenditures in economic

Page 197

strategies. I do not have that. I am sure the previous governments as other governments have done these kinds of things. What I am trying to do is to put together a blue print, a road to new revenues. To build the case, to defend and to discuss with Mr. Martin the Finance Minister and Ms. Stewart the Minister of Indian Affairs the fundamental need for a new fiscal relationship with the territories so that we can get into the revenue window as they say and do something constructive about it.

If I may Mr. Speaker, I want to remind everybody 75 percent of the monies we spend come from the federal government. Seventy five percent, we need to find a way in which to be less dependent. That is what this is all about. Nothing more, nothing less. Now I cannot answer my colleague's question today about how much money has been spent by previous

governments on previous economic strategies. Thank you.

MR. SPEAKER:

Oral questions. Final supplementary, Mr. Krutko.

Supplementary To Question 107-13(6): Economic Development Studies

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, can the Minister give this House an actual break-down of the expenditures that have been spent to date by this government in regard to the economic strategies that have been concluded so that we know what the government has spent on previous studies so that we can have an idea exactly how much money it is costing us for all of these studies?

MR. SPEAKER:

The question has already been asked and answered. Oral questions. Mr. Miltenberger.

Question 108-13(6): Components of a Strong Central Government

MR. MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, my question is addressed to the Premier and it is in regard to his statement yesterday. Could the Premier specifically outline some of the exclusive jurisdictions that are going to be within the purview of a strong central government to ensure that there is consistency of service and the glue that we talked about to help bind the new Western Territory together. Thank you.

MR. SPEAKER:

Thank you. Mr. Premier.

Return To Question 108-13(6): Components of a Strong Central Government

HON. DON MORIN:

Thank you, Mr. Speaker. Mr. Speaker, like I said yesterday in the Legislative Assembly what the new vision for the Western Territory is for a strong central government and a government that works in partnership with aboriginal governments. Also, the Member is well aware we are presently at different negotiation tables and we are negotiating. We know

for sure that we have to have a government that represents all people in the Northwest Territories in setting standards and enforcement, accounting

and making sure that citizens have the ability to move freely throughout the Northwest Territories. As well making sure that our citizens whether they are aboriginal or non-aboriginal all continue to enjoy the same level of services we have today.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Miltenberger.

Supplementary To Question 108-13(6): Components of a Strong Central Government

MR. MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, could the Premier indicate whether two very critical areas, that of taxation and the ability to redistribute wealth to ensure there is no have and have not regions are also going to be fundamental authorities that are critical to a strong central government? Thank you.

MR. SPEAKER:

Mr. Morin.

Further Return To Question 108-13(6): Components of a Strong Central Government

HON. DON MORIN:

Thank you, Mr. Speaker. Mr. Speaker, the Member is absolutely correct. In order for northern residents to continue to enjoy the levels of services and programs we have today the central government has to be able to tax people and redistribute wealth. We cannot move ahead with blinders on. We have seen the experience of southern Canada. All you have to do to see what happens in southern Canada is walk into one reserve that has oil and one that does not. You will see clearly what the problem is with that system. We believe strongly that there should be a strong central government that has the ability to redistribute wealth throughout the regions in the Northwest Territories and the communities, so all of our residents enjoy the same level of services we have today. That does not say that aboriginal governments do not have the right to tax as well. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Miltenberger.

Supplementary To Question 108-13(6): Components of a Strong Central Government

MR. MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, in regard to the partnership approach discussed by the Premier. Could the Premier indicate the type of consultation that is going to take place as we look at this very fundamental shift and approach with regional and community governments. Thank you.

MR. SPEAKER:

Mr. Morin.

Further Return To Question 108-13(6): Components of a Strong Central Government

HON. DON MORIN:

Thank you, Mr. Speaker. Mr. Speaker, as we speak today our staff are working on a communication strategy and as well, as part of that strategy we believe that we should be out in basically the majority of the communities in

Page 198

MR. SPEAKER:

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

Supplementary To Question 108-13(6): Components of a Strong Central Government

MR. MILTENBERGER:

Mr. Speaker, my final supplementary to the Premier is in regard to the issue of parallel approach and the islands possibly that the Premier referred to. The concern if you take the parallel approach to an extreme or to an extension down the road a fair ways, there is potential for a proliferation of governments and administrations and duplication and triplication of resources and services at a community level. Could the Premier briefly address the issue of affordability and level of service if that approach is contemplated? Thank you.

MR. SPEAKER:

Mr. Morin.

Further Return To Question 108-13(6): Components of a Strong Central Government

HON. DON MORIN:

Mr. Speaker, we have made it very clear that as we move ahead after April 1, 1999 in the new Western Territory, we want the same level of services. We also want an affordable and workable government. That does not say that yesterday what we said in this House is that we recognize the inherent right of aboriginal people to govern themselves. In order for aboriginal people to express their inherent right, they have to have choices. They have to make those choices. If they choose to take a parallel system, that is completely up to them. That is their choice, their inherent right. What we are saying is we prefer a partnership arrangement. Everybody should make their decision with the clear facts on the table. That is most important. The clear facts have to be on the table so their people fully understand what their leaders choose. We as well, if partnership is our choice, we have to go and talk to the people and say these are the reasons we think partnerships should work. Aboriginal governments, the MLAs, the leaders in the community all have the responsibility to put the facts on the table. One thing is very clear to me, Mr. Speaker. Regardless which way the aboriginal governments choose to go, I want to see a clear path from the start to the end, and where we are going to end up, in the end. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Erasmus.

Question 109-13(6): Assistance to Stanton Hospital Foundation

MR. ERASMUS:

Thank you, Mr. Speaker. My question is for the Minister of Health and Social Services. Mr. Speaker, yesterday I had spoken about the Stanton Regional Hospital Foundation and its efforts to raise money for equipment, including a CT scanner, which is used to diagnose and follow up on various forms of diseases of internal problems such as cancer and for determining the cause for stroke and traumatic injuries. I also indicated in a typical year over 17,000 patients from communities outside of Yellowknife in the western Arctic and Kitikmeot region, are seen in Stanton. At this time, Mr. Speaker, I would like to ask the Minister if he has been approached by the Stanton Regional Hospital Foundation to inquire about assistance for obtaining a CT scanner?

MR. SPEAKER:

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

Return To Question 109-13(6): Assistance to Stanton Hospital Foundation

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, the Stanton Regional Hospital and the Stanton Foundation, I guess on two different fronts have approached both myself through Members of the Foundation and through their Chairperson, Ms. Ehaloak on the issue. In addition, they have also presented a proposal to my senior staff within the department. At this time, there are some questions it has raised. We have asked for some economic substantiation on some of the savings and the increases in the quality of service that are being projected, prior to reaching a final decision on this. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Erasmus.

Supplementary To Question 109-13(6): Assistance to Stanton Hospital Foundation

MR. ERASMUS:

Thank you, Mr. Speaker. Could the Minister indicate how soon he expects to receive this information from the foundation? Thank you.

MR. SPEAKER:

Mr. Ng.

Further Return To Question 109-13(6): Assistance to Stanton Hospital Foundation

HON. KELVIN NG:

Thank you, Mr. Speaker. The information I speak of is actually being driven by the Stanton Regional Health Board right now in conjunction with officials within my department. It is my understanding, it has only been as I recall, about two or three weeks since the proposal was first presented. We have asked, as I said, for some additional information from the Stanton Board. It is my understanding they are putting that together for us now. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Erasmus.

Supplementary To Question 109-13(6): Assistance to Stanton Hospital Foundation

MR. ERASMUS:

Thank you, Mr. Speaker. The claims that the Stanton Hospital and the foundation, should their information prove to be qualified, would the ministry be prepared to look at funding or at least partially funding the CT scanner? Thank you.

MR. SPEAKER:

Mr. Ng.

Further Return To Question 109-13(6): Assistance to Stanton Hospital Foundation

HON. KELVIN NG:

Thank you, Mr. Speaker. As we know now, the Stanton Foundation has targeted that piece of equipment in conjunction with the board as one of the priority funding areas that they have identified and asked us to be a participant in contributing towards the purchase of that piece of equipment. That premise of what we are looking at right now. If it does prove to be effective in respect to cost efficiencies and also in respect of quality of care, then certainly we would be more than prepared to look at assisting the hospital acquire that piece of equipment. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Rabesca.

Question 110-13(6): Inequitable Funding to Rae-Edzo

MR. RABESCA:

Thank you, Mr. Speaker. During my Member's statement today, I referred to the continued frustration both the Hamlet of Rae-Edzo, and myself have experienced regarding the inequitable and the way the Department of MACA has treated the hamlet funding problems. It is our hope that this issue would be solved for the release of the municipal funding review report that is currently being developed, however this report is still not tabled and probably does not consider the problem my community is experiencing. With this in mind, I would like to ask the Minister of MACA when will this report be available? Thank you, Mr. Speaker.

MR. SPEAKER:

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

Return To Question 110-13(6): Inequitable Funding to Rae-Edzo

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. I know the municipal financing review working group and the task team have been meeting a number of times on this issue. We have had to do a lot of consultation on this finance review. In May of 1998, we presented two discussion documents on this municipal finance review and the building concepts, two books on that. We have had comments that says, why not wait until land claims and self-government negotiations are settled in the west?

As a government, we have been very fair with Rae-Edzo. During the Member's statement, he said they have two above ground pools, two fire departments, two fire stations, two water

and sewage systems. We have been pretty fair with the two communities. The report is going through consultation. That is why it is taking quite a long time. I am hoping the recommendations will be presented in the 1999 annual meeting at the NWTAM in Cambridge Bay, which is happening in March. That is the process we are following. Thank you.

MR. SPEAKER:

Oral questions. Mr. Ootes.

Question 111-13(6): Accessing the GNWT Switchboard

MR. OOTES:

Thank you, Mr. Speaker. My question will be for the Premier. It concerns a phone call I received today from a constituent and business person who is having difficulty or did have difficulty getting the government's central telephone exchange number. Apparently the service went into effect June 1st and when this person phoned, he could not get it from NorthwesTel, nor could he get it anywhere else, from any other government official.

I made a phone call to NorthwesTel. The operator told me there is no such number. I was able to trace the fact that the contract for handling this central

telephone exchange was let on June 1st and it has been operational throughout the summer. It seems to me very important. People in the public and this business person are very knowledgeable of how to access government, yet he had difficulty trying to reach a specific individual within the government.

It seems to me to be very important that people be able to know what that number is, so they can access the number. Especially in the area such as Health and Social Services, Education and so forth. The public out there does have difficulties. The concern I have with it is, where do people get the number? I am told in Public Works they have distributed it to the government offices, but not to the general public. Could the Premier tell us if he will get his officials to contact, one, NorthwesTel to ensure they have this telephone number? I have confirmed they do not have the telephone number and I know it exists. Thank you.

MR. SPEAKER:

Mr. Premier.

Return To Question 111-13(6): Accessing the GNWT Switchboard

HON. DON MORIN:

Thank you, Mr. Speaker. As he spoke, I knew my executive assistant was dialling the Deputy Minister of DPW to ensure that he calls NorthwesTel. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 111-13(6): Accessing the GNWT Switchboard

MR. OOTES:

I would just like to state that the number, by the way, for those who are viewing is 873-7500. That is the central number. My question to follow up on that is, will the Premier also ensure there is more done than just a telephone call to NorthwesTel. It is important for the public to know this, across the territory, and we should have an advertising

Page 200

program of some sorts. I mean we are spending all sorts of money on advertising in other ways, surely

we could spend some money to let the public know how to access the government. Will the Premier undertake this initiative to get it done? Thank you.

MR. SPEAKER:

Mr. Morin.

Further Return To Question 111-13(6): Accessing the GNWT Switchboard

HON. DON MORIN:

Thank you, Mr. Speaker. Through the government and the government system, I will ensure the communities have the phone number. The majority of the communities do not get the Yellowknife newspapers or anything like that. I am not going to put an ad in the newspaper. My briefing note says the cost is too costly. I will ensure that NorthwesTel has the correct number. We will ensure it is in their directory so when people call, they can get that number and I know that every person in the Northwest Territories watches the Ledge, so they have got the number today.

MR. SPEAKER:

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

Supplementary To Question 111-13(6): Accessing the GNWT Switchboard

MR. OOTES:

I do not think the number is going to be published in the telephone directory until the release of the new book, which will be in march. It is important and I want to again, ask the Minister if perhaps if they are not going to do paid advertising, perhaps they could get NorthwesTel to put it on their telephone bills to Northwest Territories residents or somewhere, so we do get this out. Just simply sending it to the government offices, I do not think is adequate, Mr. Speaker. Thank you.

MR. SPEAKER:

Mr. Morin.

Further Return To Question 111-13(6): Accessing the GNWT Switchboard

HON. DON MORIN:

Thank you, Mr. Speaker. I will look into that. Thank you.

MR. SPEAKER:

Oral questions. Mr. Roland.

Question 112-13(6): Future of the NWT Power Corporation

MR. ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, my question at this time would be directed to the Minister responsible for the NWT Power Corporation. Mr. Speaker, concerns have come my way regarding a statement believed to be made by the Minister, regarding the Power Corporation and its plans for division. Could the Minister inform us here in the House what the process is and where it lies today. I believe the main concern is the focus is on the coalition and the Interim Commissioner's office and whether there was agreement or not and where it is proceeding to date. Could the Minister inform us to where the whole process lies? Thank you.

MR. SPEAKER:

The Minister of Northwest Territories Power Corporation, Mr. Dent.

Return To Question 112-13(6): Future of the NWT Power Corporation

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, in talking to the Western Coalition, to Members of this House and in statements I made earlier this week at Prospects North, I tried to indicate the process is still continuing to unfold, and I still hold some hope we will be able to keep the corporation together. Although I have indicated I am not optimistic, given the positions that have been taken. The position of the Government of the Northwest Territories is in line with that of the Western Coalition, when it comes to governance of the corporation: that being done at arms length. That does seem to be at odds with the position taken by the Office of the Interim Commissioner, which sees the corporation being used for economic and social purposes, as well as providing power. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Roland.

Supplementary To Question 112-13(6): Future of the NWT Power Corporation

MR. ROLAND:

Thank you, Mr. Speaker. Could the Minister inform us the timing left remaining for a decision? I know we have gone through a number of periods where we have tried to work out an agreement. So what does the timing look like and when as the Minister responsible for this corporation, do you need to make a decision? Thank you.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 112-13(6): Future of the NWT Power Corporation

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, next week there will be a tele-conference of officials, from all of the parties. I would expect at that point that if there is not a change in heart by those who are at the table, the parties will agree to start work on a transition agreement to lead to the orderly division of the corporation. Expecting that is probably what is going to happen and given the time that is left for this government to deal with this issue, I have already issued instructions to our officials to start work on the transition document. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Roland.

Supplementary To Question 112-13(6): Future of the NWT Power Corporation

MR. ROLAND:

Could the Minister inform us in whatever the decision would be, on the document, whether it be a transition or a partnership agreement, or separation agreement, who would be signing it and who would have the authority to sign

Page 201

it? Thank you.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 112-13(6): Future of the NWT Power Corporation

HON. CHARLES DENT:

Thank you, Mr. Speaker. The parties would be the Government of the Northwest Territories and the Office of the Interim Commissioner who would have to be the ones actually signing the agreement. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Mr. Enuaraq.

Question 113-13(6): Clyde River Report to MACA

MR. ENUARAQ:

(Translation) Thank you, Mr. Speaker. I would like to direct this question to the Minister of MACA, Honourable Maniok Thompson. I stated earlier today in the Legislative Assembly the Clyde River local government have made a report starting from 1982 on, for the consideration of the Minister. Have they reviewed this report we presented to the government? Thank you. (Translation ends)

MR. SPEAKER:

Ms. Thompson.

Return To Question 113-13(6): Clyde River Report to MACA

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. In regard to the Clyde River review of the budget that was presented to us, I do not have it with me at this time. I will take this question as notice and I will inform my officials to work with the Hamlet of Clyde River. I will get back to this question after I consult with my officials. Thank you. (Translation ends)

MR. SPEAKER:

The question is taken as noticed. Oral questions. Mrs. Groenewegen.

Question 114-13(6): Economic Strategy

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, my question today is to the Minister of Finance and it is with regard to the economic strategy. I have a number of

questions on this subject. Mr. Speaker, since there was no specific consultation prior to the request for this economic strategy, Members are seeming to have difficulty grasping the scope and the context of what the Minister is trying to achieve. Is the Minister still committed to tabling the proposal in the House to give Members a better understanding of what this strategy entails? Thank you, Mr. Speaker.

MR. SPEAKER:

The Minister of Finance, Mr. Todd.

Return To Question 114-13(6): Economic Strategy

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, I believe that, and in checking, that when I made that comment I believe that I sent the terms of reference and the proposal to everybody but I will check with my deputy this afternoon. If I

can table it I will, if not I will provide it under confidential cover to the Members. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 114-13(6): Economic Strategy

MRS. GROENEWEGEN:

Thank you, Mr. Speaker and thank you, Mr. Todd. Mr. Speaker, another question which continues to nag me is with the wealth of corporate knowledge and history of past initiatives in the various departments of senior management, was the option of coordinating this strategy in-house ever considered? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Todd.

Further Return To Question 114-13(6): Economic Strategy

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, in developing this strategy, which I see partly as a technical one, but primarily as political. It was determined by myself that we would use some internal people to help us with gathering some of the substantiation necessary to

argue the case, for what we are trying to do I felt at the same time, it required some external expertise to re-evaluate if, in fact, and if you want a self-examination of some of the programs that we are doing. Some of that expertise is not only just north, I already indicated I am also working with Mr. Mike Robinson and others in Ottawa.

It was sort of my intention at the time, as it is now, to put a collaborated effort together both internally and externally to put this new investment north proposal forward to the federal government. Maybe, Mr. Speaker, what I should have done is outlined in a Minister's statement where we were going earlier in the House. I simply did not. I will try to do that tomorrow and try to outline why, who and the reasons for what we are doing.

MR. SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 114-13(6): Economic Strategy

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, on a specific component of this strategy that the Minister has referred to today, that of a new fiscal relationship with Ottawa which would involve taxation, royalty regimes specific to non-renewable resource sectors, in light of the Premier's statement yesterday on the cooperation that we need to develop in the west amongst the various groups. Would it not be necessary to have some formal commitment from all affected parties in the Western Territory, something perhaps such as the Northern Accord which had been attempted previously and had not succeeded?

MR. SPEAKER:

Mr. Todd.

Further Return To Question 114-13(6): Economic Strategy

Page 202

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, let me start off by saying that I have said the same thing consistently over the last three or four months while I am out there campaigning and trying to sell this new economic fiscal relationship to the federal government. We

want nothing different than Mr. Tobin wants in Newfoundland because of Voisey Bay. Let me say that first of all, we do not want anything different than Mr. Klein has in Alberta with respect to the tar sands. What we are trying to do here is develop the case to show that we can be less dependent if we are allowed into the tax window. The tax window is only one part of it, but it is a critical part.

I want to say again if you look five years out, in terms of where your revenues are going to come from based upon the studies we have done, it ends up being flat. We have to look for where we are going to get the new revenues. You cannot tax the syntaxes anymore than they are already taxed, you cannot personal income tax due to the cost of living in this country. Corporate tax, as I have said many times, is somewhere between 75 and 80 percent and four corporate clients in the NWT pay that.

We need to find a new method and new means in which to generate new revenues and that is what this initiative is all about. Certainly, we are going to need to ensure that there is some part of the northern constituency, including this House, is behind the objective that we are trying to achieve. That is not going to be an easy task. It was a difficult one for me in my previous life and it will be an equally difficult one in the one I am in right now, but I am not about not to do anything. I have a responsibility and obligation before I leave office to ensure that there is some fiscal well-being both east and west and that is what I intend to do before March 31st.

MR. SPEAKER:

Oral questions. Final supplementary, Mrs. Groenewegen.

Supplementary To Question 114-13(6): Economic Strategy

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, I have heard the number of \$50 million tossed about, which I believe the Minister is hopeful, that as a result of this new economic strategy that we could perhaps bolster our revenue figures by. I get the impression this is just in relation to the issue of royalties and taxation. Is there any other funding from Ottawa that might be garnered which is contingent on how this strategy that is being produced is received? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Todd.

Further Return To Question 114-13(6): Economic Strategy

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, it is pretty clear to me, if I may step back for a moment and just take some time to try and answer my colleague's serious question. Let us step back. The formula financing agreement we had with the federal government was cut back \$240 million over a four year period; \$60 million on an annual basis. The forced growth aspects, and I will remind everyone of this

government, is somewhere around \$30 million to \$40 million a year that we have no control over.

It was clear to me early on that we need to take the time and the energy to try to develop a strategy and to spend more time on trying to determine where we can get revenues. Governments find it easy to spend money, but that is the easy part of governing. The hard part of governing is managing money in this part of the country and more importantly, trying to find new ways in which to generate revenues.

When you investigate and look real close at where we can get revenues, it is clear to me and to my colleagues that the non-renewable resource industry is the one that can give you the kind of levels you require if you look five or ten years out.

The current ability for us to find new revenues is very limited. Twenty four to 26 percent of the revenues we get in our overall budget, come from the territories such as alcohol, cigarettes, gasoline, et cetera. The large impact is in the non-renewable resource site. If you have some faith in this country, as I do, that we can actually move it forward in an aggressive strategy to be able to access our resources and ensure both aboriginal and non-aboriginal people benefit from it. If the diamond mine has done nothing else, it has demonstrated to us the magnitude of dollars that are involved.

We need to move in a very comprehensive way to develop this strategy to encourage and support the industry and parallel with that, discuss with our federal colleagues the need to get into the window that they currently have to make us less dependent on the \$834 million we currently get on an annual basis in

the grant. That is what this strategy is all about. Thank you.

MR. SPEAKER:

Oral questions. Mr. Picco.

Question 115-13(6): Basic Functional Program Review

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, earlier today Mr. Ng made a statement concerning the update on the P-3 projects and the hospital facilities. I would like to follow up on that statement and ask some questions concerning the functional program review. I am wondering if the Minister could give us some clarity on exactly what is involved with the functional programming?

MR. SPEAKER:

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

Return To Question 115-13(6): Basic Functional Program Review

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, the functional program review is a review of the outlines of what the facility services is expected to provide for their service area. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 115-13(6): Basic Functional Program Review

Page 203

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, the functional program has been submitted by the Baffin Regional Health Board to the Department of Health. I understand they have had it now for some time. I am wondering if the Minister could update us exactly what is the expectant time-line of the review by the Department of Health would be completed?

MR. SPEAKER:

Mr. Ng.

Further Return To Question 115-13(6): Basic Functional Program Review

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, in trying to advance these programs in as timely a fashion as possible, our department's review of that functional program provided by the Baffin Regional Health Board has already been done and we have advanced back to the Regional Health and Social Services Board our initial discussions and position on that functional planned review. Now the next step is awaiting what their response would be to that, Mr. Speaker. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 115-13(6): Basic Functional Program Review

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, the response that the Minister speaks about getting back to the Baffin Regional Health Board, if in the best circumstances that response came back in the next two weeks let us say, would that mean that indeed the P3 project for the Baffin Regional Health Board or the Baffin Regional Hospital would be moving forward? Within the next couple of weeks, a month or what type of time-frame are we looking at?

MR. SPEAKER:

Mr. Ng.

Further Return To Question 115-13(6): Basic Functional Program Review

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, we are ready to proceed with it if we can sign off on a functional program that is acceptable to both parties. Right now, I must advise the Member, there is a huge discrepancy between what the Baffin Regional Health and Social Services Board is expecting in the tune of approximately \$48 million which is what it has been costed out as. We are willing to provide \$25 million so there is a big spread between \$25 million and \$48 million of programming and that is where the expectations have to become more realistic before we

can proceed in a timely manner. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Final supplementary, Mr. Picco.

Supplementary To Question 115-13(6): Basic Functional Program Review

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, as the Minister explained earlier, the functional program design is indeed to see what is needed in the facility to be constructed and what that price tag would be. The Minister has referred to the \$25 million envelope that has been originally outlined. I am wondering where the consultations with the health board are right now within the \$25 million envelope and indeed to move it forward. Have there been discussions about maybe phasing the facility over the next couple of years to allow for the scope of the project that was called for in the program function design?

MR. SPEAKER:

Mr. Ng.

Further Return To Question 115-13(6): Basic Functional Program Review

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, it has been quite clear right from day one in respect to discussions and the offers made to the Baffin Regional Health and Social Services Board that \$25 million was what we were looking at initially. There were some discussions about phasing in some additional requirements and we are quite receptive to that idea as well, but quite frankly the functional program that was provided to us did not have any type of implementation plan in stages on how we could achieve this. That is where the difference between \$25 million and \$48 million has occurred and where it stands right now. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Mr. Steen.

Question 116-13(6): Inuvialuit Wildlife Amendments

MR. STEEN:

Thank you, Mr. Speaker. Mr. Speaker, yesterday in this House Mr. Krutko asked questions in regard to wildlife legislation being put in place to complement the Gwich'in and Sahtu claim. The Minister responded by saying that he was prepared to introduce legislation to complement these claims, however, he made no reference to the Inuvialuit claim. Mr. Speaker, the Inuvialuit claim has been in place for 14 years now and there is still no amendments to the Wildlife Act of this government to reflect the requirements to meet that claim. In the 12th Legislative Assembly, the Second Session, a bill called Bill 27, Wildlife Conservation Act was tabled in this House which specifically addressed Inuvialuit claim. I would like to ask the Minister why he has not introduced legislation that would, in fact, complement the Inuvialuit claim. The Wildlife Conservation Act, Bill 27, I understand, died on the order table but it is, in effect ready to go if it was re-tabled. I would like to ask the Minister why he had not addressed the Inuvialuit claim yesterday and would he consider re-tableting Bill 27? Thank you.

MR. SPEAKER:

The Premier.

Return To Question 116-13(6): Inuvialuit Wildlife Amendments

HON. DON MORIN:

Thank you, Mr. Speaker. Mr. Speaker, in order to supply the Member with a detailed answer, I will take

Page 204

that question as notice. Thank you.

MR. SPEAKER:

The question is taken as noticed. Oral questions. Mr. Ningark.

Question 117-13(6): Service to Transient Patients

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, my question is directed to the Minister of Health and Social Services. Mr. Speaker, the Minister has indicated about building hospitals in three regions. My question to the honourable Minister is, how important is the services provided to in-transit patients like boarding homes and so on? Thank you.

MR. SPEAKER:

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

Return To Question 117-13(6): Service to Transient Patients

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, all services are important and I would anticipate that the support for individuals who require boarding when they are out for medical care is equally as important as supporting them during their time out. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Ningark.

Supplementary To Question 117-13(6): Service to Transient Patients

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, perhaps the Minister will recall that a ladies' group in Taloyoak wrote a letter to me and the Minister asking that if there was a plan to build a hospital in Cambridge Bay. If yes, one of their concerns was providing an adequate boarding home for patients from other communities in the region. Will the Minister ensure people of the Kitikmeot region that once the hospital is there, there will be a boarding home provided to the patients from other communities in that region? Thank you.

MR. SPEAKER:

Thank you. Mr. Ng.

Further Return To Question 117-13(6): Service to Transient Patients

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, I would love to be able to make that commitment at this time, but I am not able to. First of all, we have to make sure that the regional health facility is, hopefully, signed off by the Interim Commissioner, to allow it to go ahead, certainly be taken on by the new Nunavut government. The onus certainly would be on us to provide adequate accommodations for any individual, no matter where they might be, when they go out for treatment. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Ningark.

Supplementary To Question 117-13(6): Services to Transient Patients

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, perhaps it was an oversight when the plan to build a hospital was taken into consideration to allow the government to build a boarding home for patients at the same time when the hospital would be built in the community of Cambridge Bay, for the people of the Kitikmeot Region. Will the Minister commit to include a boarding home for people when the hospital is being planned to be built? Thank you.

MR. SPEAKER:

Thank you. Mr. Ng.

Further Return To Question 117-13(6): Services to Transient Patients

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, certainly I could commit to trying to address that issue of boarding for patients. I would like to say, it might not necessarily be in the form of a distinct separate boarding home, provided there is home boarding opportunities and, if that is not able to be accomplished using that, then obviously other support services for accommodations would have to be looked at. As I indicated earlier, the first priority is trying to get the facility up and established off the ground so we will be able to provide those expanded services, hopefully, to allow individuals the opportunity to go to regional centres for their medical. Mr. Speaker, thank you.

MR. SPEAKER:

Oral questions. Mr. Henry.

Question 118-13(6): Expenditures Not Budgeted For

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Finance regarding initiatives that have been created in this present fiscal year. I believe in February this House had passed a balanced budget and, since that time, we have had a

\$2 million initiative started in grading roads, all good economic initiatives, we have had half a million dollars awarded to an economic framework, we have had an additional \$9 million in fire fighting that we have to deal with. Could the Minister maybe take a couple of moments and explain to the House and the public, I believe there is some misunderstanding there. Where does this excess money come from? I know it is not excess money, but these particular items that have been not budgeted for in the particular document we did approve here in the House? If the Minister could explain to the House and the people of the territories how these other initiatives come about? Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Question period is over. Mr. Todd.

Return To Question 118-13(6): Expenditures Not Budgeted For

HON. JOHN TODD:

Thank you, Mr. Speaker, and I appreciate the question asked by my honourable colleague. I think any government, when it has to develop its balance sheet and its income statement, has to make provision and contingents for spending that is unforeseen or additional spending that is necessary. What we have done consistently was develop what

Page 205

we call a reserve, and in the balance sheet, as I have said to many of you, and I have demonstrated to you, we have put aside, if my memory serves me correctly, \$25 million in reserve, but show it as anticipated expenditures when you put it to the balance sheet so we can ultimately develop a deficit strategy, which we did accomplish. You show the expenditures of government and the revenue of government and, in simple language, in showing the expenditures of government we show what we anticipate historically we have had to spend over and above the budget. So what we do is we bank, a \$25-million reserve and that is where that money has come from. Thank you.

MR. SPEAKER:

Thank you. Question period is over. Item 7, written questions. Item 8, returns to written questions. We will take a 15-minute break.

--Break

MR. SPEAKER:

I would like to call the House back to order. We are on item 9, replies to opening address. Mr. Roland.

ITEM 9: REPLIES TO OPENING ADDRESS

Reply 1-13(6): Roland

MR. ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, the Northwest Territories as we know it will be changed forever come April 1999. Nunavut and the west will end a chapter in the book of northern Canada. We will go forward into a new era with much history between us and a future yet untold. We look out to a new horizon, with a new day before us. In the west, we begin a new chapter with a history yet to be written. Much work and many challenges lie ahead and the people are waiting to see what path we choose. Many question, what will we look like after the dust settles, once division is complete.

Mr. Speaker, in Nunavut, they have a picture of what their government will look like. They have set their boundaries and they know how many will be elected to their first Assembly. In the west, we have much yet to be decided. The constitution of the north is undergoing review. Many changes are being looked at and have been considered. The Premier announced, the work being done on western government is in the statement on a new agenda for the new Western Territory.

Mr. Speaker, I have often looked at the map of the Western Territory and compared it to a quilt. I draw this comparison because a quilt has many colours sewn together carefully by those who have shown the patience to put piece-to-piece and used a common thread to pull it together. I often ask myself, what will the common thread be in the new Western Territory? Is it the people or is it the needs of the people? Could it be the need to be successful as a new territory, to be self-sufficient, to care for our own, so to speak? Whatever it is, we need to show stability in the upcoming months. We need to show the people of the west that opportunity is still abundant for those who show the initiative to try and make a contribution to the north.

Mr. Speaker, I believe that it is time to move ahead. Let us not stand still and let the world leave us in its wake. We must be prepared to take advantage of the changes that come our way. The people of the west

need to know that with all the changes that will come there will be stability, that standards will be maintained. For example, Mr. Speaker, elders throughout the territories who qualify should be eligible for the fuel supply subsidy. A student should be able to transfer to another school without concern of losing a grade. A driver's licence should be good throughout the territory. A health care card must be recognized, no matter what region you are in. A plumber's or mechanic's ticket should be recognized in any region of the territory. A social worker, a nurse, a teacher should be able to apply and qualify in any part of the territory.

Mr. Speaker, in a recent Member's statement, I spoke of change and I used the example of my father. It has been through watching the people of the Delta, like Sam Lennie, Edward Lennie, Billy Day, Hugh Rogers, Danny Sidney, Joe Teddy, Victor Allen and many others, including my dad, David, that I gained an insight of how people handled the change. Mr. Speaker, the change that these people endured, in my eyes, was much more difficult than what we face today. I have often listened to the stories of their days growing up in the north, before the days of power boats and snow machines or, as they would say, ski-doo's. When their livelihood depended totally on the resources that the land and animals provided. When the accepted level of education was between grade two and four. Mr. Speaker, this was before the days of income support or social housing. In those days, if you needed a house, you built it with what you had available.

Yes, Mr. Speaker, they had hands on experience with a changing lifestyle. They witnessed, along with their parents and grandparents, the change from a subsistence lifestyle to a lifestyle that was driven by a wage economy. Along with this came new rules and regulations and new people with new tools and technology and a new set of values. It meant they had to learn a new way of providing for their families. In many cases, making a living was made easier. After all, not many would argue going from a schooner to an 18-foot Lund and 80 horsepower motor was a bad thing. Yes, in many cases, life was made better or at least easier. This change, however, did not come without problems and new pressures. Much cultural history and knowledge was put aside and with that many of the values one based life on.

Mr. Speaker, it is these people that faced the most difficult changes. They faced an uncertain future, but they met the challenge head on. They adapted and moved forward, many carrying with them the values

taught by their parents and today still teach those values to another generation. It is unfortunate that the changes they faced came at such a pace and with a new set of values attached that it was difficult to carry forward the values of, some would say, a past generation.

Mr. Speaker, they faced the changing times in their homes on a daily basis. The people I speak of were involved with many different organizations, like the hunters and trappers, northern games organizations, traditional knowledge studies and most importantly they used, and continue to use, their skills when it

Page 206

comes to the land and animals.

Mr. Speaker, the winds of change are once again coming our way. As we heard in the Premier's statement on September the 23rd, this time the change is being driven by groups and government much closer to home. My hope is that we will take the time to listen to those who have dealt with past change. We might find that we are not too far from where they want to be.

In closing, Mr. Speaker, I would like to leave you something to think on. Like the big river at spring thaw, as the ice carves a new path in the ground and river bottom, change is inevitable. Thank you, mahsi cho.

--APPLAUSE

MR. SPEAKER:

Thank you, Mr. Roland. Replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. Item 11, reports of committees on the review of bills. Mr. Erasmus.

ITEM 12: REPORTS OF COMMITTEES ON THE REVIEW OF BILLS

MR. ERASMUS:

Thank you, Mr. Speaker. I wish to report to the Legislative Assembly that the Standing Committee on Government Operations has reviewed Bill 7, An Act to Amend the Education Act and the Property Assessment and Taxation Act. We wish to report that Bill 7 is now ready for committee of the whole. Mr. Speaker, I seek unanimous consent to waive rule 70(5) and have the bill ordered into committee of the whole for today. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. The Member for Yellowknife North is seeking unanimous consent to waive rule 70(5). Do we have any nays? There are no nays. Mr. Erasmus, you have unanimous consent. Bill 7 will be ordered into committee of the whole for today. Report of committees on the review of bills. Mr. Picco.

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, yesterday the Infrastructure Committee reported that Bill 8, An Act to Amend the Property Assessment and Taxation Act was ready for committee of the whole. I would like to now seek unanimous consent to waive rule 70(5) and have Bill 8 ordered into committee of the whole consideration for today.

MR. SPEAKER:

Thank you. The Member for Iqaluit is seeking unanimous consent to waive rule 70(5). Do we have any nays? There are no nays. Mr. Picco, you have unanimous consent. Bill 8 will be put in committee of the whole for today. Reports of committees on the review of bills. Item 13, tabling of documents. Mr. Todd.

ITEM 13: TABLING OF DOCUMENTS

Tabled Document 16-13(6): Government of the Northwest Territories Interim Financial Report for the Year Ended March 31, 1998

HON. JOHN TODD:

Mr. Speaker, I wish to table the following document entitled, Government of the Northwest Territories Interim Financial Report of the Year Ending March 31, 1998. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Tabling of documents. Mr. Dent.

Tabled Document 17-13(6): Report on Crime and Corrections in the Northwest Territories

HON. CHARLES DENT:

Thank you, Mr. Speaker. On behalf of Mr. Arlooktoo, I wish to table the following document entitled, Crime and Corrections in the Northwest Territories. Thank you, Mr. Speaker.

Tabled Document 18-13(6): Legislative Assembly Retiring Allowances Fund Financial Statements for the Year Ended March 31, 1998

MR. SPEAKER:

Thank you. Tabling of documents. In accordance with the provision of Section 21 of the Legislative Assembly and Executive Council Act, I would like to table the Financial Statement for the Year Ended March 31, 1998 for the Legislative Assembly Retiring Allowance Fund.

Tabling of documents. Item 14, notices of motion. Item 15, notices of motions 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. Bill 7, An Act to Amend the Education Act and the Property Assessment and Taxation Act; Bill 8, An Act to Amend the Property Assessment and Taxation Act; and Bill 9, Supplementary Appropriation Act, No. 2, 1998-99. With Mr. Ningark in the chair.

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

CHAIRMAN (Mr. Ningark):

I would like to call the committee to order. We have a number of items to be dealt with. Bill 7, An Act to Amend the Education Act and the Property Assessment and Taxation Act; Bill 8, An Act to Amend the Property Assessment and Taxation Act; Bill 9, Supplementary Appropriations No. 2, 1998-99. What is the wish of the committee? Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I recommend that we proceed with Bill 7, 8 and 9, in that particular order.

CHAIRMAN (Mr. Ningark):

Thank you. Do we agree that we will deal with Bill 7, 8 and 9 consecutively? Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd, do you have any opening remarks?

HON. JOHN TODD:

Indeed I do, Mr. Chairman. Today I am introducing Bill 7, which amends the Education and Property Assessment and Taxation Act in order to restore the authority of the Minister of Finance to set education and property tax

Page 207

rates in municipal taxation areas. It has been brought to our attention by the Department of Justice that the authority of the Minister of Finance to set education property tax rates in municipal taxation areas was inadvertently removed when the new Education Act and related amendments to the Property Assessment and Taxation Act were passed in 1996. Prior to the changes brought about by the 1996 Education Act, the Minister's authority to set education tax rates was established by Section 76 of the Property Assessment and Taxation Act. Under that provision, the Minister had the authority to set education mill rates where there is no board of education established in respect of the municipal taxation area. This meant that the Minister could set education mill rates in all NWT municipalities except Yellowknife, since Yellowknife was the only municipality that had its own boards of education.

In the new Education Act, boards of education became district education authorities. The Property Assessment and Taxation Act was then amended, so that all references to boards of education became district education authorities. However, the definition of district education authority in the new Education Act included other kinds of education bodies that did not have the power to receive money raised through local property taxes. Since the Minister's authority to set education tax rates in municipal taxation areas is limited to areas where there is no district education authority, his authority had effectively, though inadvertently, been removed.

The amendments I am introducing today would ensure the Minister's authority to set education mill rates is the same as it was prior to July 1996. The amendments include a provision in the Property Assessment and Taxation Act that would specifically state that the Minister may set education mill rates in municipalities where there is no education body that has been allocated the power to receive money collected from education property taxes. The amendments would be deemed to be effective as of July of 1996, by making the legislation retroactive we would be legalizing the 1997 and 1998 mill rates

orders that have already been signed. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Todd. Chairman of Government Operations, Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. On September 24, 1998, the Standing Committee on Government Operations reviewed Bill 7; An Act to Amend the Education Act and the Property Assessment and Taxation Act. The committee would like to thank the Minister of Finance and his officials for presenting the bill and responding to issues raised by the committee. Bill 7 would amend the Education Act and the Property Assessment and Taxation Act to correct an error when the Education Act came into force in 1996.

The new act inadvertently removed the authority of the Minister of Finance to set education property tax rates in municipal taxation areas. Before 1996, the Minister of Finance had the authority to set education mill rates in areas where there was no board of education. The new Education Act removed the term "board of education" and replaced it with new "district education authorities" and "divisional education councils".

Both the former boards of education and other types of education bodies were continued as district education authorities. Under the new act, a district education authority may have the power to receive money raised through education property taxes, but only if that power is delegated to it by the Minister. If the authority does not have the power to receive money raised through education property taxes, it does not have the power to determine the amount that must be raised.

In these cases, it was intended that the Minister would continue to have this authority. This bill will correct errors and incorrect references in both acts and provide that the Minister will be able to establish an education mill rate for each property class in a municipal taxation area where there is no education body with the power to receive money raised through education property taxes.

These amendments would come into force retroactively, as of July 1, 1996, when the new Education Act came into force. The bill would also set the 1998 Iqaluit education mill rate and deem

previous orders and regulations made under the act to have come into force July 1, 1996.

Mr. Chairman, committee members may have questions or comments on the bill as we proceed. This concludes the Standing Committee's comments on Bill 7; An Act to Amend the Education Act and the Property Assessment and Taxation Act. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Erasmus. Before we get into general comments, I would like to offer the Minister an opportunity to bring in the witnesses, if the Minister so wishes.

Agreed? Thank you. Proceed.

Thank you. For the record, Mr. Minister, would you kindly, introduce your witnesses to the Committee.

HON. JOHN TODD:

Yes. Thank you, Mr. Chairman. On my immediate left is Ms. Rebecca Veinott, who is involved with the Justice Department, Legislation, and next to her, of course, is Mr. Munro, who is the Manager of the Taxation Department, and on my immediate right is Ms. Margaret Melhorn, who is the deputy minister of Finance. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, and welcome to the committee. General comments.

SOME HON. MEMBERS:

Detail.

CHAIRMAN (Mr. Ningark):

Detail. Clause-by-clause. Bill 7; An Act to Amend the Education Act and the Property Assessment and Taxation Act. Page 1. Education Act. Clause 1. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. On page 3, Property

Assessment and Taxation Act. Clause 2. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. On page 4, Miscellaneous. Clause 3. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Clause 4. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Clause 5. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Commencement. Clause 6. Agreed?

CHAIRMAN (Mr. Ningark):

Thank you. Bill as a whole. Agreed? Does the committee agree that Bill 7 is ready for third reading?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Bill 7 is now ready for third reading. I thank the witnesses. We are dealing with Bill 8; An Act to Amend the Property Assessment and Taxation Act. I believe Madame Thompson will have opening remarks. Ms Thompson.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I am pleased to have this opportunity to speak to the committee about the Act to Amend the Property Taxation and Assessment Act. This bill proposed to alleviate any potential liability

that might be caused by technological or human resource problems while completing the 1998/99 Certified Assessment Roll for all properties within the General Taxation Area on October 31, 1998.

Even though the Department of Municipal and Community Affairs does not anticipate that such an event will occur, the amendment provides a welcome level of security. The bill proposes to change the "nine years" to "ten years" in Section 12 of the act. This simple change removes an undue liability on this government. Mr. Chairman, with this change, all of the safeguards which ensure timely and effective assessment of property remains intact.

Finally, Mr. Chairman, I am satisfied that the proposed change to ten year will ensure that the GNWT does not find itself in the difficult position of potentially losing millions of dollars in tax revenue solely because we are the victims of an unforeseen event. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Madam Minister. On behalf of the Standing Committee on Infrastructure, I believe Mr. Picco, the honourable Member for Iqaluit, has an opening remark. Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. Mr. Chairman, the Standing Committee on Infrastructure reviewed Bill 8; An Act to Amend the Property Taxation and Assessment Act, on September 23, 1998. The committee would like to thank the Minister of Municipal and Community Affairs and her deputy minister for presenting the bill. The bill extends the time period from nine to ten years within which a reassessment or a revision of the assessed value of assessable property must be carried out before the assessed value lapses. For properties within the General Taxation Area, the nine-year period ends October 31, 1998. Although the department has stated that assessments will be completed on time, there would be serious consequences if unforeseen events were to delay the completion. Bill 8 provides an extra level of comfort by extending the nine-year period to ten years.

The committee agrees that an extension will provide an extra degree of security, but stresses that regular and timely assessments are needed. The committee was also concerned that there were some communities within the General Taxation Area that

may have not been assessed or have not paid any portion of property taxes due. Mr. Chairman, the department explained that all properties have been assessed and, although the collection rate is low in comparison to the total amount payable, the Department does adhere to accepted overdue collection procedures.

Mr. Chairman, following the committee's review, a motion was carried to report Bill 8; An Act to Amend the Property Assessment and Taxation Act, to the Assembly as ready for the committee of the Whole. Additional comments or questions of Members may be posed as we proceed. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Picco. We shall proceed. Madam Minister, do you wish to bring in the witnesses before we get into questions, general comments?

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. Yes, I would like to bring in my deputy minister.

CHAIRMAN (Mr. Ningark):

Thank you. Do we agree?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Proceed.

Thank you. For the record, Madam Minister, would you please introduce your witnesses to the committee?

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. To my left is my deputy minister, Bob McLeod.

CHAIRMAN (Mr. Ningark):

Thank you. Welcome, Mr. McLeod, to the committee. General comments. Detail. Clause-

Page 209

by-clause. We are dealing with Bill 8; An Act to Amend the Property Assessment and Taxation Act. Page 1, clause 1. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Bill as a whole. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Does the committee agree that Bill 8 is ready for third reading. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Bill 8 is ready for third reading, and I would like to thank the honourable Minister and her witness for appearing before the committee. Thank you. Does the committee agree that we proceed with Bill 9; Supplementary Appropriation Act, No. 2, 1998-99?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

Thank you, Mr. Chairman. Supplementary Appropriation No. 2 requests authority for additional appropriations of \$22,726,040 made up of \$14,943,410 for operations and maintenance expenditures and \$7,783,050 for capital expenditures. These supplementary funding requirements include approximately \$4.4 million that will be offset by new revenues or other means. As a result, the net funding requirement is \$18.3 million. A number of inter-department transfers and transfers between operations and maintenance, and capital appropriations are also included in the supplementary appropriations which do not require additional funding.

The additional appropriations have been partially provided for in the estimated supplementary

appropriation requirements included in the 1998-99 main estimates. The total supplementary appropriations, year to date, to exceed the original reserve; however, as a result of the revised revenue forecast and revenue offsets included in the supplementary appropriations, we do forecast yes, a balanced budget for 1998-99. The operations and maintenance appropriation requirements include: \$9 million to address the shortfall in the fire suppression budget. This is the result of the extreme forest fire season with significantly more fires than in the previous three years. The capital appropriation requirements include \$2.9 million to lease and renovate temporary facilities and establish a new capital project to replace the Cambridge Bay high school recently destroyed by fire. This funding will be offset by a recovery from the government's insurer that requires \$2.1 million to address a shortfall in capital projects undertaken by Education, Culture and Employment. The department has been directed to negotiate with the Government of Canada for the recovery of \$900,000 in additional costs associated with the construction of a French school in Yellowknife. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. I am informed there was no committee report. This bill is referred right to the committee of the whole. Before we get into general comments, I would like to ask the Minister to bring in the witnesses.

HON. JOHN TODD:

Thank you, Mr. Chairman. I hope they are here, but if not I will be able to handle the bill until such time as they arrive. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. General comments from the membership. Do you want to go into the detail book, Supplementary Appropriation Act No. 2? Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In reviewing the bill, there were some concerns regarding the item under resource management and economic development, \$1.5 million in financial assistance to Royal Oak Mine in exploration and development. There was concern raised by myself in the committee, especially with this large amount of money being allocated as financial assistance and the precedent that it will set for other

major resource developers to come forth to this government for such assistance, yet we state we do not have funds available in this government to assist in our expanding costs in the social envelope, especially in the area of education. I would like to make that aware, I do have concerns on that. Also, regarding the large expenditure on the forest management side of \$9 million. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Krutko. I am informed by the clerk that we can get into detail when we get into the appropriations no. 2. This is more or less general comments at this time. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Just one quick question for the Minister. He touch on it in his opening comments that we still have not exhausted the reserve, but we have some large figures coming out in this appropriation. Can the Minister advise us what dollar amount is left in the appropriation for the present fiscal year? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Before you respond, Mr. Minister, would you please introduce the witness and respond to Mr. Henry.

HON. JOHN TODD:

I would like a little clarity. When we develop the balance sheet and the fiscal framework for the government we make provision for a reserve for supplementary appropriations. That reserve last year was \$36 million. Most of those reserves were taken up with the supplementaries and because we have had a better than normal fiscal overall picture, we can still maintain our desire to bring forward a balanced budget. Is my colleague asking, for clarity purposes, is there any additional reserves that we have placed within the balance sheet at the end of the fiscal year? Is that the question?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. That is exactly the question.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

No Mr. Chairman, we have not planned or banked any additional reserve funding to meet any unexpected and unanticipated expenditures that we have. What I am doing, and I have said this in the House to questions asked by other colleagues, we are working currently with the federal government and there is a distinct possibility we may get some additional one-time money, which still is not clear right now, which will give us at least in the short-term a reasonable fiscal picture. If and when that does occur, I will share that with my colleagues, as I will have to share that with Cabinet, and we will develop a strategy as to how we will determine what actions are necessary to spend or not to spend it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Before I forget, the witness with Mr. Todd is Debbie DeLancey. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Can the Minister advise the number of supplementary appropriations this government had in the last fiscal year? Are there any projections as to what the supplementary appropriations will be for the balance of this fiscal year? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

Last year our total supplementary appropriations were somewhere in the region of \$66 million. We are currently up to \$63 million to date and we are looking at revised numbers and looking at the business plans, et cetera and what may come up through unexpected expenditures. I am not in a position today to tell my colleague what I think they will be. I am saying that I have some confidence that our fiscal position will be a good one, that we will balance the budget, that we will get rid of the accumulated deficit and there may in fact be, at the end of the day, not many, but some additional dollars because of the current negotiations that are underway with the federal government as it

relates to some changes in the statistics that took place in the last couple of years. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. General comments. Details. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Regarding my earlier remarks, I asked the Minister about the \$1.5 million that has been allocated for Royal Oak, has this arrangement been done in the past and if so, with whom?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

I am not aware, Mr. Chairman, whether in fact we have contributed to any previous large industry like a mine, et cetera. Sorry, I would have to look into that matter. I do not think in my time. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Has there been any other financial assistance given to this company by way of grants or through other programs this government offers, such as the development corporation or grants through subsidies, power subsidies, is there anything regarding the amount of money that has been allocated in the past to Royal Oak or funds from this government?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

Mr. Chairman, not that I am aware of. I know there is a temporary loan guarantee that we have given to the NWT Power Corporation because of the Giant Mine expenditures for their power. It is not a subsidy, it is a loan guarantee and it is a temporary one until such time as they meet their fiscal obligations to the NWT Power Corporation.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Could the Minister tell us exactly how much that was for the guarantee?

CHAIRMAN (Mr. Ningark):

Mr. Minister.

HON. JOHN TODD:

I believe it was \$1.2 million, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

General comments. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. One of the other concerns I had Mr. Chairman was in the whole area of the environmental issue of Giant Mine and the arsenic contamination and arsenic stored underground and the potential it has in the future for cleaning the mine up when it is mothballed. Has the Minister checked to ensure that this government will not be held liable, in any way, for that clean-up in allowing this government giving monies to a mine at this time? Would it bind us legally by making such a grant available to any developer so that when we do go forth, say in a call for an environmental assessment and asking for a clean-up, we are not caught as a lender and also as an advocate to do the clean-up?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Krutko. I have been informed by legal counsel then the clerk. Your question is outside the scope of this bill, therefore it is ruled out of order. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. I will try to simplify my question regarding the whole aspect of this money being loaned. Will this legally bind us in any way from the environmental problems that are presently seen at this mine, especially in a future clean-up, so that we are not also held liable for that clean-up because we are looking at or lending money to such real estate? It is like, if someone wants to sue you, they can sue you if you are associated with a lending agency or a member of a board, director or whatnot. Can this government be held liable in that context?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

No, Mr. Chairman.

Page 211

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Has the Minister received a legal opinion on that or is that just his own opinion?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JOHN TODD:

Mr. Chairman, I am advised by the power that be and the people who work for us, this assistance program we have provided to Giant Mines, in no way, relates whatsoever, to any environmental liability that may or may not be determined at a future date when that mine closes down. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. General comments, Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Has the Minister received a written opinion on this matter?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister, Mr. Todd.

HON. JOHN TODD:

I am on public record today, which is as good as a written commitment, that this government is in no way being held liable whatsoever, because of the assistance that we are asking this House to vote on today, of \$1.5 million. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. General comments. Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. Just a general comment on the appropriation. This year there was a large appropriation in the bill for the forest fire fighting. I am wondering if there is some type of policy the government actually has in place when we are looking at expending those monies to fight fires do you target, for example commercial stands of wood first, before you would fight a fire? Do you look at cabins that might go down as private property? It seems like a large amount of money. How does the department decide which fire to fight, when you look at the budgeted amount? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Premier.

HON. DON MORIN:

Thank you, Mr. Chairman. The department works with all the communities in the western arctic to develop priority zones. You have priority one, which is life and property and then priority two, that may be certain areas of maybe commercial property or commercial harvest lumber as well as some trap lines and trapping cabins. Then you have priority three, which is further away from the community. The department develops those priorities with the communities and work in consultation with the communities on what fires to fight and which not to fight. We can not fight them all, it would cost too much money. Just for the Member's information, prior to this Legislative Assembly four or five years ago, we spent up to \$30 million a year on fighting fire. The dollars that are spent this year, are going to northern companies and northern people. I believe approximately \$3 to

\$4 million of those dollars requested are going directly into labour costs only. So there is a priority system and it is kept to strict controls and it just costs a lot of money to fight fire.

I think one quote one day was approximately \$400,000 a day, when we were burning up.

CHAIRMAN (Mr. Ningark):

Thank you. General comments. Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. Mr. Chairman, that was indeed good information from the Premier. In the appropriation it leaves about \$9 million in the appropriation special force fire fighting. I am wondering, maybe we could see with the Minister of

Finance or with the Premier, if he would like, to let us know indeed, what was expended on a level one, level two, level three, because a lot of jurisdictions, and Mr. Morin is correct, but this jurisdiction is not unique. Indeed a lot of jurisdictions where fire is not invading a commercial or private property or commercial stand of wood, then indeed, the fire is left to burn as mother nature allowed. Indeed the last figure I saw was about 80 percent of all fires in the Northwest Territories are caused by lightening or natural causes, so I am wondering if that breakdown is possible to see how that money was being spent. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. I have Mr. Picco and Mr. O'Brien. Mr. Premier.

HON. DON MORIN:

Thank you, Mr. Chairman. I do not know whether or not we will be able to get that specific breakdown but they will be, Renewable has committed to Cabinet and FMB to get a break down of actual expenditures of that \$9 million. Most of those breakdowns will be tied to fire numbers. Then Mr. Kakfwi could supply you with a map where the fires were and in what areas. In some cases it pays to fight a fire in area three, for example, a priority three area, because it then does not grow and come into priority two or priority one. In some cases it makes more common sense to jump on fires and get them out as quick as possible, when they are small, if possible.

CHAIRMAN (Mr. Ningark):

Thank you. I think we are getting into detail of the Supplementary Appropriation No. 2, 1998-1999. Shall we get into detail? Mr. Picco.

MR. PICCO:

Thank you. Mr. O'Brien, general comments.

MR. O'BRIEN:

Mr. Chairman, I had a question if I may?

CHAIRMAN (Mr. Ningark):

Thank you. If it is general in nature of the item we are reviewing. Go ahead with your question, Mr. O'Brien.

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, in relationship to the \$800,000 that has been committed to the Sirius Diamond Company for training, I am curious as to if there was any consideration given, to provide any additional training dollars for Nunavut. An example would be in light of the fact that the nursing program that was just cut in Nunavut?

Page 212

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JOHN TODD:

Well, I could answer that question now or I could answer it when we get to the detail of expenditure but I said to a question I believe in committee, Mr. Picco had asked if my colleague will, and I say this in the most positive way, will be patient, I think my colleague Mr. Ng, is working hard and Mr. Dent, to try to put forward a paper that will address long term, the need for a home grown nursing fraternity, similar to what we have done with the teachers' education program. I think that will unfold in the next little while. I think it will require, if I may be bold enough to say today, significant resources and I am optimistic we may be able to find them.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. O'Brien.

MR. O'BRIEN:

Thank you, Mr. Chairman. Mr. Chairman I just gave that nursing situation as an example, but the gist of my question was, was there any consideration given to provide additional dollars for training in general in Nunavut? Thank you.

CHAIRMAN (Mr. Ningark):

Mr. Todd.

HON. JOHN TODD:

Mr. Chairman, I believe just for clarity purposes, it was \$150,000 went to Sirius Diamonds in terms of training, not \$800,000 and I am not aware of any consideration given to any additional dollars in training dollars because of this initiative that Minister Dent and his colleagues took. Thank you.

CHAIRMAN (Mr. Ningark):

Yes, I called and there was a light. Mr. O'Brien are you okay on that? Shall we go into detail? Mr. O'Brien.

MR. O'BRIEN:

Mr. Chairman, I thought it was approximately \$820,000 in total?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

No, Mr. Chairman. Let me assure you, I know my numbers and the number was \$150,000. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. O'Brien.

MR. O'BRIEN:

Mr. Chairman, I still see this still adding up to over \$800,000. That is page 13, monies related to training.

CHAIRMAN (Mr. Ningark):

Thank you. Perhaps we are getting into detail of the appropriation. Mr. Todd.

HON. JOHN TODD:

May I suggest, Mr. Chairman, if we are going to get the detail, I can answer the question at that time, but I want to assure my colleague that he asked me the question, about specifically about Sirius Diamonds. It is in page 13, line 12, to provide funding for training assistance to Sirius Diamonds, NWT Limited, \$150,000.

CHAIRMAN (Mr. Ningark):

Thank you. I will recognize we are getting into detail. I am going to start ruling the question out of order if there is part of the item we are reviewing to give the detail. Mr. O'Brien.

MR. O'BRIEN:

Just a last comment, Mr. Chairman. I realize Mr. Todd is getting hung up on this figure that has been allocated toward the Sirius Diamond company but the gist of my comment is we indicate here and page 13, \$860,000 that is allocated for training dollars in the west and my comment was, was there any

consideration given to put any dollars for training in the east? Thank you, Mr. Chairman. No more questions.

CHAIRMAN (Mr. Ningark):

Mr. Todd.

HON. JOHN TODD:

Mr. Chairman, let me assure you the decision to invest money in training dollars had nothing to do with east or west, it had everything to do with where the diamonds happen to be allocated. This initiative is a good one and I can give the detail when we get to it on page 13 and the rationale for it, at that time. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We have Mr. Steen from Nunakput. Mr. Steen, general comments.

MR. STEEN:

Thank you, Mr. Chairman, my general comments are in relation to this government now taking on responsibility to fund the diamond industry, the mining industry. Considering the government just came out of the hole, just barely balanced the books and considering all the cuts we have put to the people in the communities, I am surprised we now have money to give to the diamond industry, to the mining industry, but we do not seem to have any money to help teachers salaries and benefits, and nurses salaries and benefits.

I have a hard time understanding how the department of transportation could feel it was their responsibility to supply land and a commercial/industrial area at the Inuvik airport for the diamond industry, when they cannot even keep the roads in shape. The other point I would like to make here, Mr. Chairman, is Yellowknife is complaining steadily about the lack of employment and opportunities, economic opportunities in this region, but Yellowknife is getting all the money. Yellowknife is getting all the big contracts, all the highway contracts. The roads are developed around Yellowknife.

Now we have to fork out money to keep them alive. I just do not understand that at all. I understand the principle the Minister is putting forward, putting money up front is going to come back later. I suppose when I reach this item, I am going to ask him a question in relation to that, is that does he expect to get it all back

in taxes? Something like that? I do not know but I just do not agree with the principle that is being put forward here is that we have to keep the big companies going while the poor are going without. I just do not understand that. That is my comment on this particular bill.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd has no response. I have Mr. Krutko on this list. General comments.

MR. KRUTKO:

Thank you, Mr. Chairman. I too have some problems seeing these large, expenditures, especially capital

Page 213

expenditures showing up in a supplementary. When we first got to this House, a lot of the communities a lot of the projects in their five year capital plans were cancelled yet this Financial Administration Act clearly states and we were told by the Minister of Finance to the departments if they wanted to develop any infrastructure, it had to be done through the main estimates. Yet we see all these multi-million dollar projects popping up through supplementary appropriations again. Why have these projects not been put forth in regard to the main estimates, through airports?

Other communities are looking at having their airports upgraded, to meet certain national standards, yet we do not have enough money to maintain our airports, yet we are spending \$800,000 to develop one airport. Yet there is 50 some odd airports that need just as much attention as this one. Yet all the communities that have airports, have to go through the planning process of the main estimates.

So my point is, Mr. Chairman, why have these projects not gone through the regular loop of the planning process in the five-year capital planning process that every one of us have to go through as Members and all our communities have to go through and prioritize what they want in their capital budget, but we do not see how these large ticket items are all of a sudden popping up. Especially regarding giving grants of \$1.5 million, upgrading the airports in the \$800,000 and yet we are still not out of the woods yet when it comes to our deficit.

We have to keep that in mind when we look at supplementary appropriations. Ensure it is not being abused by this government. My point to the Minister

is, has he looked at and why have these projects not gone through the formal process through main estimates?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

I will try to answer the question as systematically as I can. I frankly do not understand what my colleague is talking about. There was a school which was burned in Cambridge Bay. It requires \$2.9 million on the front end. That was not an anticipated expenditure. There was a short fall of money on the school in Yellowknife that we had negotiated 50 cent dollars with the federal government. We are going to negotiate, we are going to proceed with that one and we are going to negotiate the new \$900,000 recovery from the federal government. The expenditures at the airport are on a cost-recovery basis, so the government gets the money back. If the Member would like to be specific about which projects, I would be only too happy to answer.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. I have two areas in general. One is dealing with the \$1.5 million for Royal Oak and the other one is dealing with the \$800,000 for the airport. If he wants to be specific, we say we are getting the money back, but I believe in relation to the monies we are getting supposedly back through Royal Oak, it is based on the price of gold. I do not think we have seen gold at \$400 an ounce for quite some time. The same arrangement regarding the airport.

I would like to know exactly how we intend to get the \$800,000 back from that expenditure and how is it a benefit to all the communities in the north, not just one location?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Todd.

HON. JOHN TODD:

May I suggest, Mr. Chairman, that we proceed to detail and as these issues come up I will answer them

in a comprehensive way and will respond to any questions or supplementary questions that my colleagues ask in relationship to their concern as to where this money is being well spent and to some degree what the return on investment is. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Yes, Mr. Krutko.

MR. KRUTKO:

Mr. Chairman, it might be okay for the Minister, but for myself, I would like to consider maybe putting a few motions forth on these particular matters. That is why I believe that this is the time to ask your question, so you can have an opportunity to draft your motion, so when you do come to that item and you want to table a motion you can at least have an opportunity to draft one. I think to be fair to people who want an opportunity to consider a motion that we answer questions now.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. I would like to ask the Minister, at the time, regarding the \$800,000, what is the advantage to the City of Yellowknife regarding the taxes and what not and why are those revenues not coming to this government?

CHAIRMAN (Mr. Ningark):

Mr. Todd has indicated that he is not at this time willing to answer the detailed question until we get to the activity. Mr. Todd.

HON. JOHN TODD:

Mr. Chairman, you are in charge. You give me direction and I will take it, but the normal procedure is that we go to detail and we deal with it at that time. If you so wish me to respond to my honourable colleague, I will. You are in charge.

CHAIRMAN (Mr. Ningark):

Thank you. Shall we go into detail? Mr. Krutko.

MR. KRUTKO:

Motion to report progress.

CHAIRMAN (Mr. Ningark):

Thank you. The chair recognizes a quorum. There is motion on the floor to report progress. The motion is not debatable. All those in favour? All those opposed? The motion is defeated. We shall continue with the review of Bill 9, Supplementary Appropriation No. 2. Shall we now go into detail?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Supplementary Appropriation No. 2, 1998-99 on page 5, Executive, operations and maintenance, Executive Office, not previously authorized.

Page 214

Cabinet secretariat, \$490,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Page 6, Executive. Operations and maintenance, Financial Management Board Secretariat Directorate. Not previously authorized, negative \$267,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Just a question, Mr. Chairman. Regarding the economic strategy, is that money coming out of that particular budget? Where is that money coming from?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

Where is what money coming from, Mr. Chairman? I am trying to be civilized to my colleague in responding to his questions, but what money?

CHAIRMAN (Mr. Ningark):

Thank you. Would you please clarify your question, Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. I believe there is a contract that was just let for somewhere in the range of \$300,000. Is this where that \$300,000 came from? Where did that money come from?

CHAIRMAN (Mr. Ningark):

Thank you. On the directorate, Mr. Todd.

HON. JOHN TODD:

The economic strategy expenditure has no relationship to this expenditure we are asking be approved today.

CHAIRMAN (Mr. Ningark):

Thank you. Directorate, negative \$267,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Audit, budgeting and evaluation. Negative \$483,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Page 7, Executive. Operations and maintenance. Aboriginal Affairs, \$598,000. Agreed? Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Can the Minister tell us exactly how many positions and exactly what that money is going to be used for?

CHAIRMAN (Mr. Ningark):

Thank you. For the record, this is not previously authorized. Mr. Todd.

HON. JOHN TODD:

Yes, Mr. Chairman, as I said in committee, the Aboriginal Affairs department, given that there

was a variety of whole new tables out there respecting dealing with claims and dealing with aboriginal self-government, those incremental loan and funding are for establishing six new positions. Four assistant negotiators, one legal advisor, one implementation negotiator. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Aboriginal Affairs. Not previously authorized, \$598,000. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Can the Minister tell me exactly where these six positions will be located and which areas will they be working out of?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

I am sorry, Mr. Chairman, I do not have that level of detail right now, but I could have it for tomorrow or either the Premier, who will speak on behalf of any Minister absent could probably address that tomorrow. I do not have that information with me at this time.

CHAIRMAN (Mr. Ningark):

Thank you. The information requested will be provided at a later date. Aboriginal Affairs, \$598,000. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Can the Minister ensure me that this information will be done before we complete this item?

CHAIRMAN (Mr. Ningark):

Thank you. I think Mr. Minister has indicated. Mr. Minister, will you please respond.

HON. JOHN TODD:

I will provide the Member as quickly as I can with where these are at, I have provided him with the positions. The Minister responsible, unfortunately, I believe, left town today for a provincial/territorial ministerial meeting. I will provide the Member the information as quickly as I can, as I have in the past and will continue to do in the future. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Aboriginal Affairs. Not previously authorized, \$598,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Total department. Not previously authorized, \$337,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Yes, Mr. Krutko?

MR. KRUTKO:

Thank you, Mr. Chairman. Regarding the transfer of funds in the Department of Justice, single incomes. Is that a position that was transferred as a secondment or is that a new position regarding legal counsel? Is that someone from the Department of Justice or is that the new position?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

Page 215

HON. JOHN TODD:

It is a term position that was approved last year and is sunsetted in two years. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Total department. Not previously authorized, \$337,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Yes, Mr. Krutko?

MR. KRUTKO:

I did not hear the Minister regarding his reply. Could you ask him to restate his position?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister, would you please repeat the response?

HON. JOHN TODD:

Thank you. I am getting signals all over here. Thank you, Mr. Chairman. I want to assure my honourable colleague that I will repeat it again. It is a term position that we approved last year that will be sunsetted in two years. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Total department, \$337,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Page 8, Municipal and Community Affairs. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. I find it kind of odd, if we previously approved this last year, why was it not put in the Main Estimates?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

Yes, Mr. Chairman. This is a mere interdepartmental transfer that requires the paperwork to be done from one department to the other. Justice to Aboriginal Affairs, that is all, nothing else.

CHAIRMAN (Mr. Ningark):

Thank you. Total department, not previously authorized, \$337,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

On page 8, Municipal and Community Affairs. Operations and maintenance, emergency services. Special warrant, \$70,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Emergency Services, not previously authorized, \$44,600. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Regional Operations. Special warrant, \$242,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Not previously authorized, \$158,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Total department, special warrant, \$212,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Not previously authorized, \$202,600. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Page 9, Public Works and Services. Operations and maintenance. Directorate not previously authorized, negative \$4,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Assets management, negative \$317,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Total department is negative \$321,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

On page 10, Health and Social Services. Operations and maintenance, administration. Special warrants, \$699,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Not previously authorized, negative \$145,050. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Total department. Special warrants, \$669,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Not previously authorized negative \$145,050. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Page 11, Justice. Operations and maintenance, community justice and corrections, not previously authorized \$634,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Does the Minister

Page 216

have a breakdown of exactly where these wilderness camps are in these contributions?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

I do, Mr. Chairman and I can provide the House with a copy as I indicated I would provide the committee. If I may quickly indicate to him, there are nine in Nunavut and eight in the west: Iqaluit, Pond Inlet, Arviat, Kugluktuk, Kimmirut, Clyde River, Hay River, Hall Beach, Rae Lakes, Fort Smith, Fort Providence, Aklavik, Fort McPherson, Inuvik and Fort Simpson.

CHAIRMAN (Mr. Ningark):

Thank you. Community justice and corrections. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Can the Minister give us the actual amounts for each of these locations so we can see exactly how much money has been spent in these different locations so that we can compare the different camps?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister, do you have a detailed breakdown?

HON. JOHN TODD:

All I have at this time is the \$210,000 for the start-up costs. I want to remind everybody, if anybody listened as intently as I did, I am sure others did, to Mr. Arlooktoo's statement today, this is part of an overall plan that is multi-year in its nature and I indicate to committee, and I say again today, that we would be prepared to provide them with all the detail required as to where the expenditures would be over that multi-year period. This expenditure is the funding of wilderness camps of \$210,000. I do not have here today with me what communities it is for. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Mr. Chairman, the concern I have in the allocation of the \$210,000 which covers some 17 camps is the adequate funding for these operators to maintain a camp and also to carry out the programs on behalf of this government. As far as I am aware, it is insufficient that there is, one of the camps was mentioned in Aklavik, where an individual has approached me, who is a constituent of mine, had some real concerns in the way that he has been able to deliver a service to this government but he finds it awfully hard to maintain a business and be productive at it because of the uncertainty that you do not know one week to the next if you are going to have clients or if there is a regular cash flow where some months you may have someone, some months you may not. My question to the Minister is, what is being done to ensure that is being taken care of and that the adequate funds are made available?

CHAIRMAN (Mr. Ningark):

Thank you. Minister of Finance, Mr. Todd.

HON. JOHN TODD:

Thank you, Mr. Chairman. I am in a bit of an awkward spot. I am here to address issues related to the supplementary appropriations and the question goes beyond

that. I would suggest, if I may Mr. Chairman, that the overall question in relationship to where corrections is going in some ways was answered earlier today in I thought, a fairly long and detailed explanation by the Minister responsible for Justice in his Minister's

statement. The \$210,000 that you have before you today is additional dollars to assist the additional wilderness camps, it is not the total budget for the 17 camps. I would say to my colleague that where the department of Justice is going and what its overall fiscal requirements are and what it intends to do in the future, I am not really in a position to answer that, nor should I be. That question may be better left to question period with the Minister of Justice, tomorrow. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you for that clarification. Community justice and corrections not previously authorized, \$634,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Lawyer support services not previously authorized, \$5,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Total department not previously authorized, \$639,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Page 12, NWT Housing Corporation. Operations and maintenance, not previously authorized, \$260,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Total department, not previously authorized, \$260,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Page 13, Education, Culture and Employment. Mr. Steen.

MR. STEEN:

Mr. Chairman, I will wait for you to read the figure.

CHAIRMAN (Mr. Ningark):

Thank you. Education, Culture and Employment. Operations and maintenance, culture and careers not previously authorized, \$667,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

Mr. Chairman, could I get some clarification as to who is Sirius Diamonds NWT is?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

Thank you, Mr. Chairman. Sirius

Page 217

Diamonds is a medium-sized diamond company out of Vancouver that is prepared to come north and open up a value-added component to the diamond industry here in Yellowknife. It has sought the support of the government in a variety of areas: training, employment and some other areas, like what was announced earlier today by Mr. Kakfwi. It currently has a facility in Sydney, B.C. and its ownership was noted in the House earlier today. It did a joint press conference with Mr. Kakfwi this afternoon. Sirius is committed to relocating to Yellowknife and the Northwest Territories to provide support on the value-added side of the diamond industry and will be working in conjunction with the Department of Education in relationship to the training of trainees and the Vancouver Community College, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Culture and careers. Mr. Steen.

MR. STEEN:

Mr. Chairman, could we have some explanation as to where these trainees are going to be brought in? Are they being brought in from outside or are they to be local people who are going to be trained?

CHAIRMAN (Mr. Ningark):

Thank you. Do you have that detail, Mr. Minister?

HON. JOHN TODD:

I do. Mr. Chairman, the Premier and the Ministers insisted that any assistance given to this agency or this company had to meet the policies of this government. One of the important policies that we have debated in this House many times is, of course, the affirmative action program. The trainees and the appointment of trainees will be chosen in keeping with our affirmative action policy. That is a condition, that Sirius has signed, of the agreement that we have reached with them.

CHAIRMAN (Mr. Ningark):

Culture and careers, not previously authorized, \$667,500. Mr. Steen.

MR. STEEN:

Mr. Chairman, I notice that it is \$142,500 for training in the diamond industry through Arctic College. Is that related to Sirius Diamonds as well?

CHAIRMAN (Mr. Ningark):

Mr. Minister, Mr. Todd.

HON. JOHN TODD:

No, Mr. Chairman. It is important to point out the \$150,000 is a direct, on-the-job training course for northern trainees that will be held at the Sirius Diamonds Sydney, B.C. facility from October 1998 to March 1999. Sirius Diamonds will guarantee jobs in Yellowknife to all trainees who successfully complete the course. The course will be delivered in partnership with the Vancouver Community College and the Aurora College. The \$142,500 is money that has been allocated to the Aurora College for pre-employment training in the diamond industry. It is not directly related to the Sirius Diamond support that we are giving it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Culture and careers, not previously authorized, \$667,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Education development, not previously authorized, \$860,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Two, total department, not previously authorized, \$1,527,500. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

On page 14, Transportation, operations and maintenance. Airports, not previously authorized, \$1,018,860. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Total department, not previously authorized, \$1,018,860. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

On page 15, Resources, Wildlife and Economic Development. Operations and maintenance, resource management and economic development, not previously authorized, \$1.5 million. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Can the Minister tell us if there has been an agreement signed between Royal

Oak and this government at the present time for this money?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JOHN TODD:

There has been an agreement reached in principle as to the assistance we are going to give them and why. I do not know if anybody has signed on the dotted line, but an agreement has been reached between the two parties for the assistance and the conditions on which we have set for the assistance. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you. Mr. Chairman. Can the Minister tell me then if any of this \$1.5 million has been given to Royal Oak at the present time?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

Not at this time. No money has been transferred over at this time, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. My understanding is, that there has not been a final agreement signed by Royal Oak and this government to conclude this transaction. Technically there is no agreement in place to finalize this agreement.

CHAIRMAN (Mr. Ningark):

Thank you. Affirmative, Mr. Minister?

Page 218

HON. JOHN TODD:

I am not aware of that, Mr. Chairman. I would have to check into it. All I know is that the Cabinet has

approved this expenditure, negotiations have been ongoing for the last six to seven months, there is an expectation that we move forward to provide assistance to an industry that is a net contributor to the overall revenues and economic well-being of the territories. We are asking for support for that today. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. If Cabinet looked at this six or seven months ago, why did the Cabinet not put it into the Main Estimates when it was passed in March?

CHAIRMAN (Mr. Ningark):

Thank you. The honourable Minister, Mr. Todd.

HON. JOHN TODD:

This issue only got finalized recently. Discussions were underway with both mines. The FMB paper was only recently approved some time late summer.

CHAIRMAN (Mr. Ningark):

Thank you. Resource Management and Economic Development, not previously authorized, Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. When did Cabinet discuss this particular matter and when did they make the decision to approve the lending of \$1.5 million to Royal Oak?

CHAIRMAN (Mr. Ningark):

Thank you. Minister.

HON. JOHN TODD:

This issue has been under review since the price of gold collapsed and discussions have been underway since, if my memory serves me correct, April or May of this year. I do not recall off the top of my head, Mr. Chairman, what date the FMB did approve this expenditure, but I would be prepared to provide it to my honourable colleague.

CHAIRMAN (Mr. Ningark):

Thank you. Resource Management and Economic Development not previously authorized, \$1.5 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, it says here as the price of gold increases, Giant Mines will be required to expand exploration. Increases from what? That is my question. What would it increase from?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JOHN TODD:

What we were trying to do here, Mr. Chairman, just to get the philosophy behind it was to try to tie the support, if you want, to a number of factors. One, we want to tie the support to jobs because jobs create revenues, creates consumer spending, creates taxation and creates confidence in the country at a time when it is desperately required.

Two, some of us saw and still do today, there may be some critics of this, which is understandable, critics of this investment and we wanted to tie it to the price of gold. In other words, once gold reaches a level that the mine can be profitable again, we wanted to get some of this money back and compensated. So the price of gold is a factor in this arrangement in that once the price of gold reaches somewhere around \$400, and remains at that, Giant would be required to refund any GNWT assistance they may not have matched, at that time. There is a bit of a factor in there.

If I may, Mr. Chairman, I think it is important I state today, the support we are providing in this particular industry at this time, which is a net contributor to the territorial economy is a critical one. It works out to somewhere around \$5,000 a job. We currently agree and it is part of the policy of the NWT Development Corporation in the creation of jobs to go up to \$10,000 a job. This company and the other one that was interested at the time is a net contributor. It pays corporate taxes, it pays personal income taxes in its'

staff, et cetera. Now if I can just give you one statistic, and it is not one to frighten anybody, but it is one to illustrate the importance of this industry.

If the two mines were to hypothetically shut down tomorrow and we lost close to 1,000 people, that would mean \$17 million less on an annual basis, in your transfer payments. \$17 million. Never mind any other aspects or the consumption both these larger mines create, the confidence they give the economy overall, the reassurance it gives bankers to continue to have some confidence in this part of the country, the personal income tax, the corporate income tax. The indirect aspects of employment; Jackfish, I understand employs six to eight people directly related to the purchasing of power for Giant Mines. My understanding is they pay close to \$400,000 in power costs. It has a huge implication for us. This decision to provide assist in which I am an advocate of, was not taken lightly.

From my perspective, it was taken in light of the overall fiscal condition of the country and the fact that we do get significant revenues for it. I do want an opportunity to get that in. I recognize my colleagues concerns when we hear what is going on in the smaller communities, but you have to remember, when I projected a balanced budget, I also projected what I think I am going to generate the revenues. This is one area where we get within the small revenues we do generate, a significant amount. It is not as if we are not getting, as I like to say in a number of times, a return on investment. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. I thank the Minister for that long response. Mr. Chairman, I believe Royal Oak is on the record saying they will return when the price of gold reaches \$400 an ounce. I am wondering, it seems to me this statement of Royal Oak's is regardless of whether they receive \$1.5 million from this government. They will be returning

Page 219

anyway, the price of gold will bring them back. I am wondering if we are going to get anything out of this exploration and development program they are going to be undertaking with our help. It seems to me we should be just buying shares in the outfit and that way

we have a chance of receiving a lot more than just two to one. I appreciate the Minister's comments in regard to keeping the economy going in the Yellowknife area, but I am wondering if the Minister is prepared to make this kind of offer in my area? For instance, Darnley Bay Resources also has been looking for exactly this type of money to invest in that area, which would in fact, produce a lot of jobs and economic development in my region. I did not hear the government jumping all over themselves to come out and help them. Needless to say, I am sure they are still open for any kind of offer of that kind. My question to the Minister is, would he be willing to make this kind of proposal and offer to other mining companies as well? No doubt we are setting a precedent here.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

HON. JOHN TODD:

Mr. Chairman, the combined impact of the Lupin closure, Con and Giant Mines both temporary or permanent shutdowns, cutbacks and employee lay offs, et cetera, has been a loss of 600 jobs directly in the northern economy. Not the Yellowknife economy, the northern economy and over \$25 million in northern business expenditures. I want to assure my colleague from Tuktoyaktuk, as a Finance Minister from Rankin Inlet, who happens to live in Rankin or did, this decision was not made lightly. It is made in light of and I believe and others believe, my Cabinet colleagues believe, is the overall fiscal health of the territories.

Now, whether we would extend this to other operations should they be in trouble, in relationship to an operating mine, I would think the precedent has been established. If my colleague is asking is this precedent setting, in relationship to exploratory dollars in terms of a non-operational mine, I am not sure, I would have to consult with my colleagues. This assistance is provided to an operational mine in its exploration program with the reasonable expectation that the mine life will continue beyond the current life expectation of the mine, if you know what I mean.

It is done in light of the fiscal impact this mine would have on the territorial economy, should it close. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, obviously there were some negotiations and discussions between the department and Royal Oak, as to what exactly would be needed to keep them alive and Giant Mine open. What I am wondering is, what was that basic price of gold, at the time Giant Mine suggested that for \$1.5 million they would stay? My point to this question, Mr. Chairman, is, if it drops below this certain price of gold, and Giant Mine pulls out, do we lose the \$1.5 million? This would be mine concern at this point in time. What was the price of gold when Giant Mine agreed that \$1.5 million would keep them alive?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JOHN TODD:

Mr. Chairman, it is not quite that simple and I appreciate my colleague's concern. Giant Mines had asked us somewhere around June of this year, for some assistance with their operation, as did the other mine and subsequently the other mine withdrew for whatever reasons. Discussions were underway over the last three or four months, headed up by the Department of RWED in trying to look at what kind of assistance this government could provide that was best suited to extend the life cycle of the mine.

I believe the committee's consensus was, or the technocrat's was, this was where our money, would be best spent. It would be tied to jobs. It would be tied to some recovery, should the price of gold go back up to a level that would then make the mine economical or provide the mine with the ability to pay back. That is the best way I can answer that question. I hope I have been able to do it for my colleague. Thank you.

CHAIRMAN (Mr. Ningark):

The Minister for Resource Management and Economic Development, Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Mr. Chairman, in regards to the whole motion of assisting one mine, I think you have to realize that there are several other mines facing the dilemma. The price of gold is the price of

gold. That it is the chance of doing business. You talk about the Polaris Mine, Nanisivik, Lupin, Echo Bay and that is business. If you are only going to basically concentrate on setting a precedent for one mine, what about the oil and gas industry? Why are you not looking at that field where it would be enticing to our region with regards to the Mackenzie Delta and the Beaufort Sea? Why do you not give subsidies to the oil and gas companies and tell them, we will entice you back into the north and we will give you a couple million dollar grant to come north, drill a few holes and you pay back when the price of oil is up to \$30 per barrel again? It is the same concept.

I would like to ask the Minister if there are any initiatives with regards to this idea for the oil and gas sector? The north does not only consist of one sector, which is mining. I think you have to consider that the north is diverse and there is also another sector, which I do not feel that this government is committing enough of its resources.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Todd.

Page 220

HON. JOHN TODD:

Thank you, Mr. Chairman. Mr. Chairman, with all due respect this is simply a different situation. This is a situation where a mine is in jeopardy and operating a mine which employs people and creates revenues for this government in its revenue generating capacity and then reallocates these revenues to expenditures that affect all of us. It is not the same as exploration dollars and the exploratory site. This is an operational mine, which just happens to be in Yellowknife. That is the first part.

The second part is that Polaris and the Nanisivik Mines are not gold mines, the Echo Bay and Lupin mines are closed, we have lost the jobs. I believe 30 or 40 jobs in Mr. Ng's riding. We have lost whatever limited revenues we got because that one has temporarily closed.

Yes, Mr. Chairman, I agree that this government perhaps has not provided as much assistance in the oil and gas industry as it should in the past, but certainly we are moving rapidly to do that in the future. There were some announcements lately in Mr. Deneron's country for example, Chief Harry Deneron,

where we provided and we will continue to provide significant support to that industry.

Part of the overall investment north economic strategy is to do exactly that, it is to find a way to provide support and to create an environment that we can get some of this activity moving forward. Frankly, the life cycle of many of our mines, whether it is in Nanisivik, Little Cornwallis, Giant, Con, et cetera, are in jeopardy.

As Finance Minister it causes me some concern that revenue base could be slowly diminishing. My responsibility is to go out there and try to find new ways to generate revenues. It may appear to my colleague, Mr. Krutko, that we are not giving the support to the oil and gas industry as much as he would like. I would dispute that at this time. I think we are and I think we will continue to do more in the future and that is certainly our intent. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Mr. Chairman, regarding the oil and gas sector there is potential for a gas field at Parson's Lake and there was also the potential at one time where we had a refinery in the Northwest Territories. At the present time it is shut down and no longer exists. We are importing our oil from southern Canada because we do not have a refinery in the Northwest Territories. They came to this government to ask for assistance and there was no assistance given. On one hand, you say you are doing such a great job for the northern gas industry, but in this case those guys really need it and so do the people who buy shares with regard to Bre-X. They really needed it too, but so be it. That is the chance you take when you invest in the mining industry.

For us to start going out there and giving grants and loans to a risky business, I think that the precedent that we are giving to this process here is a bad one. I think that for myself, who basically grew up in the Mackenzie region, worked in the oil patch and saw the booms and busts in the area, there was no

one there to help us. It happened, it happened. Au revoir. Good bye. Twenty years of work came out of that region, which supported the Northwest Territories, and yet when we are down and out there

is nothing there to help us get that economy going again.

Yet a mine which has been making money for over 50 years now comes to us and asks for a subsidy for power rates of \$1.2 million and then puts out the other hand and gets a \$1.5 million grant based on the price of gold. Four hundred dollars U.S., that is almost \$500 per ounce Canadian. I do not think you are going to see any \$500 per ounce Canadian in the next while. This initiative is something that should have been discussed by all western regions and western Members to ensure that we are all treated fairly and equitably in regards to any initiative such as this in the Western Territory.

I would like to ask the Minister exactly, he made reference that there has been an effort to bring on side Con Mines. What other mines are out there that this offer was made to?

CHAIRMAN (Mr. Ningark):

Thank you. The Minister of Finance, Mr. Todd.

HON. JOHN TODD:

Thank you, Mr. Chairman. Mr. Chairman, this was a request by both the mines at the time. For whatever reason, the corporate entity of the Con Mine chose to withdraw, Giant continued. The offer would be open to any operational mines in the territories. This is still the territories. Whether it is in the geographical location of Nunavut or the west. I understand my honourable colleague's concerns but I am obviously not able this afternoon to convince him that this, in the long run, is a net gain to the Northwest Territories. Mr. Chairman, unless there is a new question that I can answer, I am at a loss how to convince him otherwise.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Mr. Chairman, can the Minister provide this House with a signed final document guaranteeing that this agreement is finalized?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JOHN TODD:

Thank you, Mr. Chairman. Mr. Chairman, I can provide the House, assuming that the Justice Department says, with whatever agreement we sign with the industry and if that is possible I would do it.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Mr. Chairman, I am not too sure about the response of the Minister because I am still not clear that there is a final agreement signed by all parties, based on this arrangement. What we heard in regards to committee is that Giant has not finalized the agreement at this time. If there is not an agreement finalized by one of the two parties, how can you have a final agreement?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

Page 221

HON. JOHN TODD:

Thank you, Mr. Chairman. Mr. Chairman, when an agreement is signed, if I am by law permitted to provide the Members in this House with it, I will do so. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, it seems to me there may be a huge difference in the types of mines that are involved here. In the case of Con and Giant, it seems as though all the workers live in the Northwest Territories and spend their money in the Northwest Territories. These other mines that have been brought up by the Members, I would suggest that most of the workers do not (did not for those that are closed other than Pine Point) live in the Northwest Territories, did not spend their money in the Northwest Territories, did not count as part of our population for the formula financing agreement. It is very difficult to compare those mines to Con and Giant. Similarly, exploration that is going on without mine or gas fields already producing, you cannot

compare. What I would like to ask the Finance Minister is, how does population affect the formula financing agreement?

CHAIRMAN (Mr. Ningark):

I recognized Mr. Erasmus before I recognized Mr. Steen because Mr. Steen has spoken as we review this particular matter. Mr. Todd.

HON. JOHN TODD:

Thank you, Mr. Chairman. Mr. Chairman, as I tried to indicate in committee earlier on today to a question, population is a critical factor in development of the formula. Any outward migration, when it gets caught up in statistics and if it is significant, would have a significant impact on our budget and on our transfer payments. If you take that we receive \$17,000 per capita in transfer payments, I think no matter what the number is, the reality is that if you were to see Giant and the Con mine close tomorrow, in between the workers and their families, there are 1,000 people who leave and they are over 18. In simple math that would be a \$17 million impact on our grant.

Population is a significant factor in the development of our fiscal relationship with the federal government and the grant that we receive. Any massive outward migration would have a significant impact on our long term funding for the future of the Western Territory. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Resources, Wildlife and Economic Development, not previously authorized. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I just have one or two more questions for the Minister on this item. I presume that the Minister has some support from the business community of Yellowknife for this and I presume it includes the city. Is that correct?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JOHN TODD:

Thank you, Mr. Chairman. Mr. Chairman, yes, City Hall was obviously the direct interest in this thing. My interest as the Finance Minister was territorial wide in its

nature as it relates to the revenues as they relate to this aspect. My understanding is that City Hall is offered some assistance in municipal funds to Giant and that discussions are continuing with them at the time. I should also add that, I was reminiscent and I apologize to my colleagues, that the federal government is also intimately involved in this. We are also trying to convince the federal government that they should "belly up" to the plate and see if they are prepared to support us as well. So discussions are underway with all parties, there is a recognition at both a local (Yellowknife and territorial) level of the impact this will have and could have and will have. Hence the reason we are coming forward today to ask for \$1.5 million in assistance. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I asked that question in relation to my understanding that Giant Mine went to the city and asked them to forgive their taxes and the city turned them down. The city was well aware when they turned them down that it could affect Giant's leverage, so I do not understand why the city, if they really want to keep Giant around, did not support Giant as well. I know this is not a question for the Minister, but it does reflect on whether or not the people of Yellowknife really want Giant around.

They would have made some effort to keep them. It does send some doubt to me, Mr. Chairman, as to whether I should approve this expenditure. Someone else should indicate that they are willing to keep Giant here as well and throw some money in the pot. I would just like to say that I am going to be passing this clause, but very reluctantly and only with the knowledge that we are in a surplus situation, so that I can address the community issues with the surplus. I will accept the Minister's explanation.

CHAIRMAN (Mr. Ningark):

Yes. Mr. Todd has indicated that he wishes to respond. Mr. Todd.

HON. JOHN TODD:

Thank you, Mr. Chairman. Mr. Chairman, first of all, I do appreciate my colleague's support in this issue. I know it may be difficult for some of you and I can understand why. I am advised by Ms. DeLancey that

the city of Yellowknife has offered up \$150,000 per year for assistance to the mine. Just to end the discussion again from my perspective, if I may, the Cabinet and myself, as the Finance Minister, have approved this expenditure because of the overall fiscal impact this does have on the government's revenues. While it may be in Yellowknife, I do not see it as a Yellowknife issue as the Finance Minister. I see it as a territorial one that would have a significant impact on our fiscal framework should anything dramatic take place in the not too distant future. I want to again say, thank you, Mr. Steen, for your support. I hope we can give you the confidence you need that this is money well spent and at the end of the day it will be to the betterment of the territories. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Resources Management and Economic Development. Not previously authorized, \$1.5 million. Agreed?

Page 222

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Mr. Krutko.

MR. KRUTKO:

I would like to recognize the clock, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. With a couple of seconds to spare, I will recognize the clock and report progress. Thank you.

MR. SPEAKER:

The House will come back to order. Good evening. Item 20, report of committee of the whole. Mr. Ningark.

ITEM 20: REPORTS OF COMMITTEE OF THE WHOLE

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 7, An Act to Amend the Education Act and the Property Assessment and Taxation Act; Bill 8, An Act to

Amend the Property Assessment and Taxation Act; and Bill 9, Supplementary Appropriation Act No. 2, 1998-99 and would like to report that Bill 7 and Bill 8 are ready for third reading. Mr. Speaker, I move that report of the committee of the whole be concurred with. Thank you.

MR. SPEAKER:

Thank you. Seconded by Mr. Barnabas. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Item 21, third reading of bills. Mr. Todd.

ITEM 21: THIRD READING OF BILLS

BILL 5: Regulatory Reform Measures Act

HON. JOHN TODD:

I move, seconded by the Member from Tu Nedhe, that Bill 5, Regulatory Reform Measures Act, be read for the third time. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Bill 5 has had third reading. Third reading of bills. Item 22, orders of the day. Mr. Clerk.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton):

Mr. Speaker, there is a meeting of the Ordinary Members of the Western Caucus at 9:00 am tomorrow morning.

Orders of the day for Friday, September 25, 1998:

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
 - Motion 6-13(6), Extended Adjournment
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 9, Supplementary Appropriation Act No. 2, 1998-99
20. Report of Committee of the Whole
21. Third Reading of Bills
 - Bill 7, An Act to Amend the Education Act and the Property Assessment and Taxation Act
 - Bill 8, An Act to Amend the Property Assessment and Taxation Act
22. Orders of the Day

MR. SPEAKER:

Thank you. This House stands adjourned to Friday, September 25, 1998 at 10:00 a.m.

-- ADJOURNMENT