



**NORTHWEST TERRITORIES
LEGISLATIVE ASSEMBLY**

7th Session

Day 18

13th Assembly

HANSARD

THURSDAY, APRIL 29, 1999

Pages 431 - 469

Page numbers reflect printed Hansard

The Honourable **Samuel Gargan**, Speaker

MEMBERS PRESENT

Honourable Jim Antoine, Honourable Charles Dent, Mr. Erasmus, Mrs. Groenewegen, Mr. Henry, Honourable Stephen Kakfwi, Mr. Krutko, Honourable Michael Miltenberger, Mr. Ootes, Honourable Floyd Roland, Honourable Vince Steen.

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.

DEPUTY SPEAKER (Mr. Krutko):

Thank you, Mr. Ootes. Good afternoon. Orders of the day. Item 2, Ministers' statements. Mr. Miltenberger.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 52-13(7): Progress in Education

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, thanks to the work of the Minister's Forum on Education, the challenges facing our education system have been receiving a fairly high profile recently. As I have stated in this House, the issues raised in the forum report will be addressed to the extent that we can, within the current financial situation. We are looking at improvements now and in the future. As we work to improve the state of education, Mr. Speaker, I wanted to bring a historical perspective of being involved in some way with education in the north since I was a young boy travelling by bus and DC3 to Fort Smith from Rae in the early 1960s. In the past 35 years there have been huge improvements in the quality of education and in the level of community control over education for their children. People are more aware and more involved in education and, as we saw with the Minister's forum, feel free to express their thoughts on what could be improved.

We have seen dramatic improvement in key success indicators. The number of graduates is up significantly. More students than ever are staying in school and completing more grades. More students than ever can stay at home to complete their schooling, which helps to maintain the support system

of family and friends. Many people are furthering their education through Aurora College and preparing for the job opportunities around them. Adult basic education classes are full of people coming back to finish their education.

Mr. Speaker, there is no question there are serious issues to deal with in education. However, while we work to deal with these issues we cannot lose sight of the good work that is being done and has been done by many dedicated staff and parents. We cannot lose sight of the fact that, thanks to the Education Act passed in 1995, local education authorities have significant opportunities to tailor the delivery of education to best meet local needs.

As we try to make our education system even better, let us remember how far we have come and the tremendous potential we have to go even further, thanks to the dedication of students, parents, teachers and the many other individuals involved with education in the Northwest Territories. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Ministers' statements. Mr. Steen.

Minister's Statement 53-13(7): Outstanding Volunteer Service Award

HON. VINCE STEEN:

Thank you, Mr. Speaker. Mr. Speaker, I am pleased to announce the recipient of the 1999 Outstanding Volunteer Service Award. Ms. Ann Kall of Yellowknife is being recognized for her extraordinary volunteer efforts to support public fire safety education in the NWT. Mr. Speaker, Ms. Kall was nominated for this award by both the NWT Fire Chiefs Association and the Yellowknife Fire Department. The award presentation was made this past weekend at the NWT Fire Chiefs Association's annual general meeting in Hay River. Ms. Kall received a personal plaque and a carving by Fort Smith artist, Sonny MacDonald. Ms. Kall has been active in many safety programs. She wrote the Juvenile Fire-Setter Intervention Program handbook for use by fire departments. Ms. Kall also started the Play Safe, Be Safe Program in the NWT. This fire prevention program focuses on child care workers, teachers and children, ages three to five.

Ms. Kall also created the Risk Watch Program, which teaches injury prevention to children in elementary school. She volunteers to instruct many of these

programs in northern communities. Ms. Kall is also involved in other children's safety programs, including abduction prevention and motor vehicle safety. Because of her deep commitment to children, Ms. Kall volunteers much of her personal and vacation time to promote children's safety. Mr. Speaker, I know that all Members join me in congratulating Ann Kall for her years of dedicated service which have made a difference in the lives of northerners, especially our children. Thank you, Mr. Speaker.

--Applause

DEPUTY SPEAKER:

Ministers' statements. Mr. Steen.

Minister's Statement 54-13(7): Small Boat Safety Awareness Program

HON. VINCE STEEN:

Thank you, Mr. Speaker. Mr. Speaker, today I would like to say a few words about the Small Boat Safety Awareness Program. This will be the fifth year that the Department of Transportation has delivered the program in the Northwest Territories on behalf of the Canadian Coast Guard. In 1999, the department will also continue to deliver the program in partnership with the Government of Nunavut.

The Small Boat Safety Awareness Program is a national public

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education initiative to promote safe recreational boating. The Department of Transportation takes a special interest in getting the program out to the communities because, year after year, the Northwest Territories has had the highest number of drowning fatalities per capita in Canada. The program involves the federal and territorial governments, and, more importantly, volunteer organizations in the communities. The program's partners include departments of this government, the federal Department of National Defence, Royal Canadian Mounted Police detachments across the north, the Canadian Red Cross, the City of Yellowknife, the Fire Chiefs Association, the Canadian Rangers and its Youth Rangers Program, Coast Guard Auxiliaries, Chapters of Students Against Drinking and Driving and the Coroners Association.

The involvement of the Canadian Youth Against Impaired Driving has given the program a national

dimension. Departmental staff recently made a presentation in Ottawa that won support for its combined anti-drinking driving and boating message across Canada. So far, three provinces have expressed interest in joining our program.

The Life Jacket Loaner Program is already available in the communities of Rae, Wrigley and Fort Simpson. This year it will be extended to include Tuktoyaktuk, Hay River, Lutselk'e, Aklavik, Deline, Paulatuk and Wha Ti. The success of the Small Boat Safety Awareness Program is measured by the interest communities show in having more involvement. Mr. Speaker, as the boating season gets underway, the Members will see more and more communities take the lead role in promoting water and boating safety. Thank you, Mr. Speaker.

--Applause

DEPUTY SPEAKER:

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

ITEM 3: MEMBERS' STATEMENTS

Member's Statement 141-13(7): Side Door Youth Drop-In Centre

MR. OOTES:

Thank you, Mr. Speaker. I recently had an opportunity last Saturday night to visit the Side Door Youth Drop-in Centre at the Anglican Church here in Yellowknife. It was a very busy Saturday night and on some weekends up to 100 youth frequent the drop-in centre. It is obvious that there is a lot of camaraderie and a lot of socializing between the youth. The large meeting room, Mr. Speaker, is set up with a pool table, stereo equipment, computers and a television. It is a relaxed environment and great for getting together, talking or playing a game of pool. The Side Door program has been in operation as a non-profit society since October, 1995. It is largely run by volunteers and in-kind support. The Side Door is a place for teens to have fun and feel safe and get away from pressures. There is a policy of no alcohol and no drugs.

It is a known fact that many Yellowknife youth spend considerable amount of time on the streets. It is also recognized that the young people are one of neediest groups in our city. Their over-riding need is for rebuilding self-worth in many cases. That is not all youth, but, it is the case of many of these youths.

There is a need for youth to have a safe and healthy place to meet and socialize with friends. Teenagers need a place where they are accepted for who they are. The Side Door is such a place. It provides a centre for youth to come and participate in youth-centred programming. It provides a safe, friendly place for teens. It provides positive, healthy, caring role-models for youth who might otherwise have none. It provides a place to develop valuable life-skills.

The Side Door has one full-time staff person. Kevin Laframboise was responsible for setting up the Side Door program and continues to be the program's youth worker. I commend him for his dedicated work and recognize the support of the Anglican Church, which provides the program with a meeting place. The government often spends its time and social program dollars on interventions geared to treating problems. Correctional programs, alcohol and drug rehabilitation, counselling, health care and income support. The side door is a program that serves to prevent behaviors that may otherwise later require costly interventions. Thank you, Mr. Speaker.

--Applause

DEPUTY SPEAKER:

Members' statements. Mrs. Groenewegen.

Member's Statement 142-13(7): Government Contracts for the Supply of Goods and Services

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, a subject of much discussion in this Legislature has been the way in which this government contracts for the supply of goods and services. Everything from the reporting of an awarded contract to the method by which contracts are awarded has been spoken to. On a positive note, I believe that progress and improvement has been made in some policy areas regarding government purchasing. The quarterly report of contracts awarded was revised to indicate not only the company and the amount of the contract, but whether the contract had been tendered, sole-sourced, or negotiated, and I understand this may now even be taken one step further and be available through an access through a Web page. Now Mr. Speaker, there is now a Web page displaying a registry of northern companies who are eligible under the business incentive policy. There are however, still gaps in the way in which the contracts and the needs for goods

and services are made public. It has come to my attention again lately, that northern companies are still not always aware of potential business, government business, which is out there.

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There is also the issue where departments contracting for capital projects do not seem to be aware of government directives in the area of northern manufacturing. I have provided a written question to the Minister responsible for Public Works and Services, to get a break down of how much capital project delivery is now done directly by client departments as opposed to the situation previously, where the Department of Public Works and Services was the primary overseer of these projects. As I said, I believe much progress has been made in the involvement of northern companies in supplying our government, but it is a situation we have to stay ahead of. Government departments and community governments performing the task of delivering projects, programs and services on behalf of GNWT need to be kept aware of what is available from northern contractors, suppliers and manufacturers and what this government's policies are regarding business incentive initiatives. Mr. Henry suggested last week that we need to go on a trade mission to Nunavut. This is probably not a bad idea, but I also think we need to constantly keep in the forefront the benefits of job creation and economic growth that we can create through our government's financial resources being used to buy north. Thank you, Mr. Speaker.

--Applause

DEPUTY SPEAKER:

Members' statement. Mr. Henry.

Member's Statement 143-13(7): Success of St. Patrick's School to Work "Bridges" Transition Program

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, I today rise with a good news statement like my colleague Mr. Ootes, did. Mr. Speaker, it seems that it is not often that Members take the opportunity to congratulate the government on initiatives that are clearly successful. Today, Mr. Speaker, I would like to congratulate the Department of Education, Culture and Employment and the former Minister, Mr. Dent, who had the foresight to provide funding to St. Patrick High School

for a two year pilot project dealing with successful transitions from school to work.

Of course, Mr. Speaker, even higher congratulations must go to St. Patrick High School. Their two year Bridges program was recently chosen as one of the best ten programs of its kind in Canada. Their program is being included in the study by Dr. Rick Freeze, a professor in the faculty of education in the University of Manitoba. The study is called Transitions, Implementing Training in Self-determination, and it is being sponsored by the Canadian Council for Exceptional Children and funded by Human Resources Development Canada. The purpose of the study is to explore the concept of self-determination in the context of meaningful graduation and successful transition from high school to the world of work. Post-secondary education, adult life and full citizenship for students with disabilities and socio-economic disadvantages. Dr. Freeze is visiting and studying sites which have the best practices and models for teaching. Supporting and implementing self-determination for young people in transition from school to adult life. Eventually a source book and handbook of the best practices and models will be developed through these consultations. I recently had the opportunity to meet with Dr. Freeze to contribute my thoughts and support for this program.

Mr. Speaker, even though the Northwest Territories has the highest pupil/teacher ratio population, our teachers are called upon to deal with the highest rates of special needs students. Their dedication and commitment is shining through. Thanks to the initiative, competence and enthusiasm of St. Patrick High School, this program is leading the way in Canada in making the transition from school to work more successful for our students. In short, Mr. Speaker, this is what excellence in education is all about.

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

DEPUTY SPEAKER:

Mr. Henry is seeking unanimous consent to conclude his statement. Are there any nays? There are no nays, Mr. Henry. You have unanimous consent.

MR. HENRY:

Thank you, Mr. Speaker, and thank you colleagues. Mr. Speaker, once again I would like to congratulate

St. Patrick High School for their achievements and the Department of Education, Culture and Employment for recognizing the potential for this program. I am sure the success will go a long way to ensure that future funding for this type of program is warranted. Thank you, Mr. Speaker.

--Applause

DEPUTY SPEAKER:

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

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, today I would like to recognize one of my siblings, my brother, Mark Miltenberger. He is going to be taking up some business interests here with the bulk dealership with Esso and be a regular visitor, if not businessman, in Yellowknife. I would like to acknowledge him with pride and welcome him to the Assembly. Thank you.

--Applause

DEPUTY SPEAKER:

Recognition of visitors in the gallery, Mr. Ootes.

MR. OOTES:

Thank you, Mr. Speaker. It is very difficult to see here, but I believe I did see Mrs. Barb Bromley in the gallery and I would like to acknowledge her presence. She is a very-well known former business person in this community and a very well known citizen who has contributed much to our community over the years. Thank you.

--Applause

DEPUTY SPEAKER:

Welcome to the Assembly. Recognition of visitors in the gallery, Mrs. Groenewegen.

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I do not know if this is recognition of visitors in the gallery, but I would also like to recognize Mrs. Barb Bromley and note that today she is here observing her grandson as a page

in our Legislature. I would also like to acknowledge the other Pages as well. Thank you.

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--Applause

DEPUTY SPEAKER:

Thank you, Mrs. Groenewegen. Recognition of visitors in the gallery. I would like to recognize the people who did not get recognized and welcome them to the Assembly. Item 6, Oral questions. Mr. Ootes.

ITEM 6: ORAL QUESTIONS

Question 153-13(7): Pupil/Teacher Ratio

MR. OOTES:

Thank you, Mr. Speaker. I just need a question clarification from the Minister of Education, Culture and Employment. The honourable Member from Hay River yesterday asked the question in regard to the pupil/teacher ratio in the territorial schools and the Minister provided some statistics. I wonder if he could clarify that for us? I understand the pupil/teacher ratio is really a formula for funding the school boards in the territories. Could the Minister give an explanation of that? Thank you.

DEPUTY SPEAKER:

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

Return To Question 153-13(7): Pupil/Teacher Ratio

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, in anticipation of further questions from the Members opposite, I brought a sheaf of information about the formula. Mr. Speaker, there are two things I can do to respond to the question, I can offer a detailed briefing to the Members at whatever level they would like to whatever excruciating level of degree. I have had that briefing myself, and it is a fairly complex issue. Barring that, I can start reading this for the Member just to indicate how it all fits together. I can indicate to the Member that it is fairly extensive and I do not know if that would be the best use of the House's time so maybe the Member could clarify for me what he would prefer. Thank you.

DEPUTY SPEAKER:

Clarification. Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 153-13(7): Pupil/Teacher Ratio

MR. OOTES:

Thank you, Mr. Speaker. I want to compliment the Minister for working on this because it is important information, but I do believe it is probably best passed on to us in a committee meeting of some sort or as individual Members. The reason for my question, Mr. Speaker, and to clarify the information that I was after, I wonder if the Minister could tell us, when I spoke about a formula funding process, that is what the school boards get paid for. Let us say it is, 1 to 18 is the average, then the school board gets funding for 18 pupils. That is my understanding, but the classroom sizes can be much larger in many cases if I understand. Could the Minister just tell us if that may be correct?

DEPUTY SPEAKER:

Mr. Minister.

Further Return To Question 153-13(7): Pupil/Teacher Ratio

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Yes, the figure 18 to 1 is an average, but there is a variation within that as I indicated to the Member from Hay River yesterday. The pupil/teacher ratio is one of the factors calculated into this formula which was developed in consultation with the DEAs and DEC's and as well which has been shared fully with the NWTTA. Mr. Blake Lyons, as I understand, has had briefings on this as well, so yes, there is a variation and as I indicated yesterday, the larger communities tend to have, according to these statistics, larger class sizes. Some of the smaller regions, the class sizes, for instance in the Deh Cho it is 1 to 15 as opposed to 19.6 for Yellowknife Education District One, for example. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 153-13(7): Pupil/Teacher Ratio

MR. OOTES:

Thank you, Mr. Speaker. So the documentation the Minister has would be able to give us a breakdown for each particular school board and particular schools as to the pupil/teacher ratios. Would that be correct?

DEPUTY SPEAKER:

Mr. Minister.

Further Return To Question 153-13(7): Pupil/Teacher Ratio

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, I have the official, the deputy and the director of finance on notice to stand by for direction from the honourable Member and his colleagues as to how they would like to address this, but yes, they have all the information that the Member could want and we are more than willing to take the time to go over it with you to whatever level of detail the Members think necessary. Thank you.

DEPUTY SPEAKER:

Oral questions, Mr. Henry.

Question 154-13(7): Graduation Rate Increases

MR. HENRY:

Thank you, Mr. Speaker. My question is to the Minister of Education, Culture and Employment, Mr. Miltenberger. All my questions, Mr. Speaker, will be around the third paragraph of his statement. The Minister has stated that more students than ever are staying at home to complete their schooling which helps to maintain the support system of family and friends and he also tells us the number of graduates are up significantly. Could the Minister give us a breakdown of the percentage increase by region of the increase in graduating students for the past few years? Thank you, Mr. Speaker

DEPUTY SPEAKER:

Minister responsible for Education, Culture and Employment, Mr. Miltenberger.

Return To Question 154-13(7): Graduation Rate Increases

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, I can indicate that secondary school participation has increased from 56 percent in 1985 to 90 percent in 1997. I can indicate that the current rate of graduates for this year, 1999, was somewhat less than 1994-95. If all the questions the Member asked I think are addressed in here. I cannot give him the regional break down as I stand here, but once again I can commit to giving him all the breakdowns that he would like in

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terms of, by region, by ethnicity and by community, if that is what he would like. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 154-13(7): Graduation Rate Increases

MR. HENRY:

Thank you, Mr. Speaker. Could the Minister tell us in his statement that more students than ever are staying at home, in their home community. Could the Minister tell us the number of communities that have high school education programs available to their residents? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Mr. Minister.

Further Return To Question 154-13(7): Graduation Rate Increases

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. I can give him a percentage, 98 percent of the communities have high school extensions. If he wants to know which communities, once again I would have to commit to get back to him and itemize them all for him. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 154-13(7): Graduation Rate Increases

MR. HENRY:

Thank you, Mr. Speaker. On the Minister same paragraph, he talks about adult basic education classes are full. Can the Minister tell me approximately what portion of his budget would be dedicated to adult basic education? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Mr. Minister.

Further Return To Question 154-13(7): Graduation Rate Increases

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, possibly later today we are going to be getting into a detailed examination of the budget where I will have the officials, and all those budget figures with me to be able to address those questions. In fact they are listening right now, and they will be able to address all the questions the Member may have in terms of the specific detail and the numbers, the students, the breakdown, the percentage of budget spent on adult education. Once again we would be prepared to do that to the level that the Members wish when we appear later today for our budget. Thank you.

DEPUTY SPEAKER:

Oral questions, Mrs. Groenewegen.

Question 155-13(7): Additional Funding for Education Programs

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, my questions are for the Premier, Mr. Antoine. Mr. Speaker, many people across our territory are asking for more money for education and we have a tremendous amount of infrastructure and demands on our funds. We have been through quite a deficit and cost-cutting exercise already in the last few years and whenever we talk about more money for education it always get thrown back to us well, where would you like to take it from? It is hard to find any sizable pocket of money anywhere, in one particular source. What I would like to ask the Premier is, could the Cabinet consider and would it be conceivable that we could look at our budget as a whole, look at every department and what would be the impact of shaving even 1 or 1.5 percent off of every department to put a real boost and an injection of funding into the Department of Education, Culture and Employment? Is something

like that even possible, has it ever been considered? Thank you.

DEPUTY SPEAKER:

Mr. Premier, Mr. Antoine.

Return To Question 155-13(7): Additional Funding for Education Programs

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, the request of the honourable Member for Hay River is to re-look at our whole budget and redo the base of each department to increase the base of education. That is basically what her question is, and the question was to see whether this sort of thing has been done. My answer is no, we have not done that, although there is a process that we follow. We all learn this process once we get into this House, the whole business plan process. It starts now for next year. To do it for this current budget would be impossible to do, with a lot of discussion we could probably look at the next year's budget. I guess that is the only way we could deal with it.

The other way of doing it is if we somehow or other get into a new source of revenue, like the honourable Member mentioned, that if we get into a huge pot of money some place, then that is where we would probably look at injecting into the base of the Department of Education, Culture and Employment to boost the whole problem of education. No, we have not done it for this year, we have not even talked about it. I think we are just going through the whole process right now which was started last spring and is only now coming to its conclusion. The way to do it would be for the next year, to start perhaps now and start looking at the whole process. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 155-13(7): Additional Funding for Education Programs

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, I hear the Premier saying that if we were going to do something like taking a percentage of every department across the board and injecting it into education, we would have to look at that for not this fiscal year but the next fiscal year. Would the Premier foresee that as having

too dire an impact on other departments, for a percentage reduction, such as something like 1 percent across every department? Thank you.

DEPUTY SPEAKER:

Mr. Premier.

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Further Return To Question 155-13(7): Additional Funding for Education Programs

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, the line of questioning of the honourable Member cuts right to the heart of the whole budget process and, as Members in the Cabinet, we have not really talked about it. I guess that might be an option, but it is an option that would be pretty hard to do because we are talking about cutting existing programs that are being provided by the departments and every department would have to look at what they are providing in terms of programs and services and what are they willing to cut. Basically, that is what it means, and I do not think we have talked about it or even thought about it, but we know that this is one way of dealing with the problem of shortage of funding in education. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 155-13(7): Additional Funding for Education Programs

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, when we are questioned in our constituencies and by people who contact us from all over the north about this very pressing need of education, what can the Premier tell us that we can tell people? What is the prognosis of there being more funding from other revenue-generating sources in the near future? Thank you.

DEPUTY SPEAKER:

Mr. Premier.

Further Return To Question 155-13(7): Additional Funding for Education Programs

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, as everybody knows, we have been discussing the Agenda for the New North since the new year and in this agenda we are dealing with the realities that are facing us. We are looking at the bigger picture, not necessarily only at education, but all the different programs and services that all need additional funding. We have a fiscal arrangement with the federal government right now that provides us \$700 million a year. From there, each department historically is allocated their share to run the programs and services of the department. We realize that we have a limited amount of dollars, limited opportunities to raise our own revenue, but we have to look at that. In the Agenda for the New North, we address that. We look at the fiscal reality of the day and say that, okay, we know 70 percent of our budget goes to social programs, including education. There is a tremendous amount of pressure there to enforce growth and there are demands on our existing budget.

What do we do about it? In the agenda we are saying that we have to look at trying to generate our own revenue, which is very difficult to do with the type of formula we have. We have to try to make arrangements with the federal government to change the tax window, so we can grab more of the percentage of the new dollar that we generate. At the same time, we are also trying to create an environment here in the north with all the different groups that are involved in the north about sharing control of our own resources. That is the direction that this government is taking in trying to create an opportunity there where we could generate perhaps additional revenue to address the real pressing problems we have in that fiscal arrangement.

That is the direction we are going, and every time I travel to different communities and meet with different chiefs and different mayors, village, town and city councils, we are addressing this issue on a much broader scale. That is where we see some possible new arrangements being made with the federal government. Perhaps what the honourable Members could do is help us express our concern about our present situation. We are okay for now, but down the road in about a year or two we are going to be in a situation where we have to start perhaps looking at deficits and so forth. We do not want to do that. We are talking about this new agenda today so that perhaps things will evolve over the next year or so, so we will be able to have a bigger tax window and our fiscal policy, perhaps will be further down the line, and

the Northern Accord and the whole question of devolution. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 155-13(7): Additional Funding for Education Programs

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I appreciate the Premier's response but you know, Mr. Speaker, it is hard to tell parents that there is no money for education because of the demands on our budget when it seems that we are even taken by surprise, who are involved in this budget process, by announcements that come from departments.

There still is largesse in this government as far as the public is concerned. I mean, the former Finance Minister tried to convince us we needed a \$500,000 economic strategy. We did not have any say on where that money came from. The former Housing Minister announced \$4 million for the MDAP program, which you might as well have taken \$10,000 bills to the top of the Anderson Thomson tower and threw them off and whoever caught them, that is about how directed that \$4 million was.

So, we tell people there are demands on our budget, we have no money, and yet we keep spending money on things which are, I do not know if it is discretionary departmental spending, or whatever, but it is very hard to reconcile the spending of this government with the claims that we make that we have no money for education. That is not a question, I do not know if the Premier has a comment for that or not, but we are not involved in that level of detail in the budget, so...

DEPUTY SPEAKER:

The question was, where do you get all this excess money that you have for different programs?

--Laughter

Further Return To Question 155-13(7): Additional Funding for Education Programs

HON. JIM ANTOINE:

I do not think that was the original question, Mr. Speaker.

--Laughter

--Applause

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I guess there is, each department has their own budget to work with, and like I said, 70 percent of our total budget goes to the social envelope. I think when I started it was 68 percent, and over the years it has been climbing. It looks like the honourable Member is asking us to take a bigger chunk of the total budget and put it into the social envelope. On the other hand, we have to balance that with how are we going to create economic development. Once you create economic development, that creates employment and jobs and develops the economy. It also puts food on the table, so we have to balance it and try and have a good balance in how we develop the new Western Territories and I guess the economic strategy, I am saying, is what you address.

The honourable Member, Mr. Kakfwi, has taken a lead role in there is that we, in the west, have just been divided 29 days today and we have a whole new territory here which is smaller, but we have to focus our attention on what we have here in the west. I think all the departments, where we had twice the amount of responsibility before, are refocusing and readdressing what we have in the west. On the economic strategy side, what we are looking at is what we have here in the west. What are the resources that are here? The oil and gas, mining industry, forestry, tourism. We have infrastructure already in the west, and we have human resources here in the west, too. We have to take a real good look at what we have in the west with all the resources, the budget of the government, and so forth, and see how to take the best advantage of what we have here in the west. This is what we are looking at, the bigger picture, so I have to defend the economic strategy by saying I think it is a good strategy, and I think that the Minister has been addressing people in the public about it. There is interest of pursuing it and I agree that there are a lot of other things that we have to deal with and this is how we are approaching the west, by working with an economic strategy that will look at what we have today so that we do it right from the beginning and create a Western Territory that will be a good place to live in the future here for ourselves and for our kids. Thank you.

DEPUTY SPEAKER:

Oral questions. Mr. Ootes.

Question 156-13(7): Generation of Additional Revenues

MR. OOTES:

Thank you, Mr. Speaker. This is certainly an interesting debate and question period on this subject. I think it is interesting to hear the Premier speak on this. There is no doubt that certainly we do face problems. I think what Mrs. Groenewegen was saying was, we have done a lot of strategies and spent a lot of money on them, including the economic strategy. The question becomes, where do we really get the money to do the extra programming that needs to be done? Where do we get the funds for the education program, on which the forum produced a good report with good recommendations, but we just cannot implement some of them. I guess it is true that we are a smaller territory, that gives us an opportunity to focus and to focus on our needs, on the social needs and how do we generate an economy here that is productive for us.

The question comes into it, for example, the Northern Accord, we are discussing the Northern Accord quite a bit, but how do we benefit from the Northern Accord as a territory? I realize there are benefits to the aboriginal groups in this, there may also be benefits to us as a territorial government but then the federal government claws back much of that if we get it from our transfer payments, so the benefit is not 100 percent if we get the Northern Accord. Then there is the whole question of, how do we keep and attract more people to stay in the territories and to live in the territories? Is that done through the employee tax? A lot of people are against increasing the employee tax. On the other hand, if you increase it, maybe more people will stay here. Those are the kind of questions. Perhaps I could ask the Premier to address those kinds of concerns that I have, how do we generate more money in the territory?

DEPUTY SPEAKER:

Mr. Premier.

Return To Question 156-13(7): Generation of Additional Revenues

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, in the Agenda for New North we see it as one of the key elements that is linked with the other elements of getting

governance right, the fiscal policy, sharing control of our resources. Sharing control of our resources is the same thing as the Northern Accord or devolution, northern control of northern resources. The principle behind it is that we in the Northwest Territories, we are not a province yet, we are still a territory. The federal government through DIAND still controls our natural resources up here. Down the line eventually, the logical conclusion of where we are headed would be to gain control of our resources.

This has been done in the past by previous governments and previous Ministers, however, we have never let it go, we are still talking about it. What we are doing today here is putting this whole issue up front again and trying to address it. I do not think we will be able to conclude anything substantial in the life of this government if we have a fall election. However, what we are doing is beginning to talk about it and I think we have talked to a lot of different groups. We have to approach this whole area in a partnership arrangement with the aboriginal governments, as well as the federal government. We have already made overtures to the different groups. It is not going to be an easy task and it is a very sensitive type of approach we are taking. However, the reality is that we have to address this eventually, down the line. It is not going to happen right away.

If we do gain control of our own resources, then we would be able to have control over our own resources, we would be able to say how things get developed in our area and who develops it. We have to do it in partnership with the aboriginal people and it is going to take some time. I foresee that once this is achieved the north will be able to control its own resources. We know that with the oil and gas exploration that is going on, say in my constituency down in Liard, this is just the tip of the iceberg for gas development. In the Norman Wells area they are exploring there for oil again and then, with the diamond exploration going on north of here, this is all just the tip of the iceberg in major development of our natural resources. It is going to happen eventually and we have to start talking about it. It is not going to happen right away. I agree with the honourable Member that, yes, we have a fiscal arrangement with the federal government and then once we start gaining control of our own resources they would be clawing back from their grant. That is natural.

I guess the ultimate goal is that we in the north, once we gain control of resources, however we do it, or however long it is

going to take, we will be able to not depend on the federal government anymore. We will be able to pay our own way. That is the ultimate goal. It is a long-range goal that we are talking about here in gaining control of our resources. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 156-13(7): Generation of Additional Revenues

MR. OOTES:

Thank you, Mr. Speaker. There is no doubt that the Northwest Territories is a huge storehouse of resources. Oil, gas, mining, minerals, diamonds, gold and nickel, copper, you name it and we probably have it. It is a matter of getting it to market, in most cases finding it, developing it and getting it to market. There is no question about that. It is important to work with the aboriginal groups to reach a Northern Accord and I certainly would be supportive of that. The area of concern with that, as I mentioned earlier, is how do we achieve a Northern Accord, and there is a complication with that, of course, but how do we get approval from the federal government to acknowledge that they have to lower the amount that they claw back from us when we get a Northern Accord? In other words, right now I understand it is \$.75 in every dollar that they claw back. It has to come down to something like \$.30 or \$.25 for us to make it worthwhile. That is the challenge for us to achieve. We need to get control of the resources, but secondly we have to alter the formula financing. Could the Minister tell us if my assumption in that is correct?

DEPUTY SPEAKER:

Mr. Premier.

Further Return To Question 156-13(7): Generation of Additional Revenues

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, the Finance Minister, in his budget speech, had made references to the concern of the honourable Member. However, in replying to his questions in regard to how do we achieve a Northern Accord and how do we lower the amount of the clawback that the federal government does whenever we generate revenue; the clawback

is, every time we generate a dollar, they take \$.80 off the revenue, the grant. The net increase we have is \$.20 on the dollar so it is not very good incentive for us to try to generate dollars.

In mid-March along with the previous Finance Minister, Mr. John Todd, I had an opportunity to meet with Ms. Jane Stewart, the Minister of DIAND, as well as the federal Finance Minister, Paul Martin. We explained the agenda, we will call it the Western Agenda at that time, since we were still together with Nunavut. The way I approached it is that I said that we are not here to ask for any more money, but I think we have found a way where eventually it will cost the federal government less money to take care of us in the north. That is the approach that I took in explaining the agenda to the federal Minister, so he likes the principle that we ran by him in regard to the fiscal arrangement of seeing if we could retain more of the dollar if we generate a new dollar, more than \$.20. We did not say the number, but we wanted to make sure there is a possibility of making an arrangement with the federal government of retaining more of the dollar if we generate a new dollar. At the same time, we mentioned that maybe one way of approaching this is to look at this whole area of sharing control of our resources again. We did not get into exact details of how we are going to do it, but we ran the principle by him and he is supportive of it.

This is where the arrangement will have to be made, is that we have to make an arrangement with the northern aboriginal nations, different governments up here, along with the territorial government. This is what we are working at. We are trying to develop a rapport and some arrangement and this is where we are at. We need a partnership arrangement with them before we go to the federal government. The federal government, I think, right now is receptive to our agenda. There is precedence taken in the Yukon where the oil and gas devolution is pretty well concluded in the devolution from the federal to the Yukon government. It is done in the north in another territory. It kind of sets a precedent, so I think we are working closer towards some arrangement than we were a few months ago. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 156-13(7): Generation of Additional Revenues

MR. OOTES:

Thank you, Mr. Speaker. That, of course, raises the whole question of how quickly can we reach a Northern Accord? The land claims situation has been underway for many years and this is all predicated upon the fact that we need to reach a Northern Accord, but what kind of time frame are we dealing with here? If we are dealing with another ten or 20 years then we may as well stop talking about this. We have to some closure to this in order for us to generate some funds, both for ourselves and for the aboriginal groups. Thank you.

DEPUTY SPEAKER:

Mr. Premier.

Further Return To Question 156-13(7): Generation of Additional Revenues

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, it is very difficult to say how quickly we will be able to reach a Northern Accord. We have to be very careful here about not stepping on any toes up here. We want to make sure that everybody is comfortable and knows what it is that we are trying to do. We are saying that it has to be a partnership arrangement with the aboriginal governments, first, and then proceed from there. We are doing a lot of meetings and making presentations to the different aboriginal governments here in the north and there is a positive indication that we should proceed. There are no real substantial agreements and arrangements made to date. However, I would say that there is a positive indication that we should move along with the agenda in the direction that we have been taking for the last couple of months. I would say that we may have substantial progress before the next budget, let us put it that way. There may be something within the next year or so.

As you all know, we are hoping that there will be an election in the fall and whoever gets into our positions here will have to deal with the same issue anyway, so what we are doing today with the agenda, is saying that these are the five elements we are dealing with. These are the things that we are dealing with, with

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the government, and that is what the people in the north should know, that we are dealing with and this is how we are intending to proceed with it. I think we are going along, it is not a very easy road, however,

like I said earlier there is an indication that there are positive responses to the approach we have been taking today. Thank you.

DEPUTY SPEAKER:

Oral questions. Mr. Henry.

Question 157-13(7): Funds Spent on Travel by the Government

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Premier again. I am following up on questions that were asked by Mrs. Groenewegen and Mr. Ootes. Unlike them, they are looking for long term funds and I think that is important, but I think within the next year we are going to need additional funds to provide proper health care and teacher education in our communities. I am looking for funds in the short term, Mr. Speaker. Sometimes I sit on this side of the House and get very frustrated when Ordinary Members ask questions of the Ministers along the lines of when are you going to put more funds into education, or when are you going to put more funds into the health care, and the Ministers respond there is no more money and then they ask the question, where do you want us to take it from?

Mr. Speaker, I find that very frustrating with the very competent and capable bureaucracy that these Ministers have at their disposal, and they are asking Ordinary Members over on this side of the House, who have limited resources in research staff, to provide those answers. Mr. Speaker, I fully intend to answer the question that is put by some of the Ministers sometimes when they ask where are we going to find the funds?

Mr. Speaker, we all know that there are large amounts of money spent by this government in the area of travel. I am wondering if the Premier would agree with me that the amount that is spent in travel, and I do not anticipate that the Premier would have that type of information available to him, but would he agree with me that there is probably at least \$10 million a year spent on travel within the government? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Mr. Premier.

Further Return To Question 157-13(7): Funds Spent on Travel by the Government

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, when the honourable Member asked about travel, I take it he meant all travel that is paid for by the government. I am told that medical travel alone is way more than \$10 million a year. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 157-13(7): Funds Spent on Travel by the Government

MR. HENRY:

Thank you, Mr. Speaker. I thank the Minister for part of that answer, and I appreciate that he may not have the information available. What I was talking about, Mr. Speaker, is travel that takes place by the bureaucracy, by politicians, that amount of money. Would he agree that, that is probably in excess of \$10 million a year? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Mr. Premier.

Further Return To Question 157-13(7): Funds Spent on Travel by the Government

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, this is something I am not very familiar with. I have to consult with my finance Minister, so I will try to get that answer to the Member as soon as I can. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 157-13(7): Funds Spent on Travel by the Government

MR. HENRY:

Mr. Speaker, on the question of travel, I recognize that is extremely important for the government and is extremely important for the bureaucracy that they meet their counterparts, go to conferences, bring back new ideas and different ways of doing things. I think that is very important, and I am not looking at trying to curb that. I personally, and I am sure each one of us have paid full fair tickets on occasion, Mr. Speaker,

and this is the type of money that I am trying to propose that the government look at saving. My question to the Premier is, would he consider initiating a policy where travel can only be done on excursion rates? In other words, you have to plan seven days ahead before you would take a trip. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you, Mr. Premier.

Further Return To Question 157-13(7): Funds Spent on Travel by the Government

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, I will have to look at this. I think the Members of Cabinet will have to discuss this, and then we will look at it to see whether that is a possibility. I think it is a good idea. I think we may have policies in place already that kind of direct us in regards to new travel policies and so forth. There are policies in place. We will look at those and see what the possibilities are to taking this suggestion of the honourable Member into looking at this policy. Thank you.

DEPUTY SPEAKER:

Oral questions. Final supplementary, Mr. Henry.

Supplementary To Question 157-13(7): Funds Spent on Travel by the Government

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, I have no doubt that the Premier, if he has some calculations done on each department in the past years and the amount the budget that was used for travel and the portion that could be saved -- I wonder if the Minister would bring that information back to the House each year, how much travel took place for the last couple of years and how many fares were full fare and how many were excursion, and let us try and get a difference on what this government could save. Will the Premier commit to bringing that

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information back to the House? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Mr. Premier.

Further Return To Question 157-13(7): Funds Spent on Travel by the Government

HON. JIM ANTOINE:

Thank you. Whenever a request is made for departments to do research into what happened in the last couple of years takes a substantial amount of time. Perhaps that research will be a good research if it eventually saves money, and we will do that. Thank you.

DEPUTY SPEAKER:

Oral questions. Mrs. Groenewegen.

Question 158-13(7): Cost-Savings Measures

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, I hear what my colleague is saying here. He has identified travel as an area where he believes this government could save substantial amounts of money. I know this is not the budget process, this is question period. Mr. Speaker, I also have a suggestion and I would like to find out if the Premier would be willing to pursue my idea. Mr. Speaker, each and every day, as MLAs and I am sure people throughout the bureaucracy of this government, receive probably about (Mr. Erasmus would not mind if I borrow his desk) this much paper almost on a daily, if not every second day, basis, that we live in a modern age of technology. We do not all need hard copies of every document that this government produces, which I am sure we spend hundreds of thousands, if not millions of dollars on to produce, not to mention the fact that it is environmentally not a good idea. Any and all of these documents could be downloaded onto computers that Members and the public could access once they become available as tabled documents. We have a real subculture of paper in the bureaucracy and in the government. This is another area of potential savings. Is this an area the Premier would be prepared to look at as a cost-saving measure? Thank you.

DEPUTY SPEAKER:

Mr. Premier.

Return To Question 158-13(7): Cost-Savings Measures

HON. JIM ANTOINE:

We will do what we can. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

MRS. GROENEWEGEN:

Thank you, if I could continue on the ideas to save money because, as Mr. Henry says, this is something we get thrown back at us all the time. Where can we save money? Mr. Speaker, I want to say, for the record, that if we were to be asked, does this government waste money, I am sure we would have to honestly answer that, in fact, it does. We have a library over here that is full of strategies, reviews and documents. Yesterday's studies are today's dust collectors. All of these things have a shelf life, and before we have even had a chance to really read the last one, we are embarking on a new one. Would the Premier agree to look at the possibility of...right now we are heading into another Ministerial Forum on Health, and we just spent \$350,000 on the Ministerial Forum on Education. Would the Premier agree to try and put a stop to this insatiable desire this government seems to have to review and study? Thank you.

--Applause

DEPUTY SPEAKER:

Mr. Premier.

Further Return To Question 158-13(7): Cost-Savings Measures

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, yes there are strategic plans in place to refocus and relook at what we are doing and how things are getting done. We have a consensus government here, and every time we want to do something, everybody out there, the communities, want to have a say. In this whole area, in the area of let us say, Health and Social Services, there was a request for a public inquiry into Health and Social Services, let us say, into the Inuvik area. That causes a heck of a lot more dollars than doing the strategic plan. Again, we in the Western Territory here, we are a smaller territory and like the Minister of Health and Social Services is saying, we have nine Health and Social Services Boards. We have nine administrations that are running the Health and Social

Services Boards in the west. When we were together with Nunavut, perhaps we were functioning for a bigger area and more people. Now that we are smaller, we have to refocus and recharge.

Perhaps the Health and Social Services Minister's Forum will make some suggestions on how to cut some costs and save dollars. Perhaps that could be a way of finding more dollars, but it might also be a way of saying the arrangements on how to streamline some operations and have better health and social services care. Yes, you are asking that we should stop doing strategic plans and I think that there is a need for it, especially with this consensus style of government we have, and every time we want to do something, people want to have a say. So there is a need for it, I think, but I agree that perhaps before any other strategic plan gets struck up that we take a real close look whether there is a need for it before we undertake the next strategy. I do not see anything coming down the line here on that, but if anything is suggested, we have to take a real close look at it. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 158-13(7): Cost-Savings Measures

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, with all due respect, I know that the study or the inquiry into Health and Social Services was requested, but the Premier says that people want to have a say and that with our consensus style of government, we have to consult the people. Well, we are here representing those people and what we are saying is that this government spends too much money soliciting input from people, which it may or may not act upon, and too often probably does not act upon anyway. I had called for a couple of documents from the library here the other day on deficit-cutting ideas that was conducted in late 1995. A lot of the comments from the public in there would be the same as if you went out and asked them again today, but probably would not read that,

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we would probably file it some place.

Mr. Speaker, we are here to represent the people. We are a part of this consensus government too.

Perhaps the Cabinet could consult with us when they want to know where we could save money or different ways that we could find of doing things. It is possible to say no to consultation as well. Everybody wants to be a consultant. It does not mean we can afford, as a government, to consult everybody. Just say no. That is what Cabinet says to us all the time when we ask for more money for education. Mr. Speaker, would the Premier agree to consider putting a moratorium on this next ministerial forum which will probably cost another third or quarter of a million dollars on Health and Social Services and look for a cheaper way to solicit information and input on the way this department conducts its business? Thank you.

DEPUTY SPEAKER:

Mr. Premier.

Further Return To Question 158-13(7): Cost-Savings Measures

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, I think it will be very difficult for me to put a moratorium on this next forum here on Health and Social Services. I think there was a request from different communities, I understand, and we had committed to do it. I think some Members in the House had asked us to do it as well, so we are going to carry on with it. Thank you.

DEPUTY SPEAKER:

Oral questions. Mr. Ootes.

Question 159-13(7): GNWT Purchasing Power

MR. HENRY:

Thank you, Mr. Speaker. This is an interesting subject for us to be able to ask questions on. We have to remember that this government controls, in the coming year, \$750 million, and, as such, we have tremendous purchasing power. That needs to be taken into consideration. We have a lot of southern suppliers coming into the north, a lot of southern-owned businesses doing business in the north, we purchase from. There is no reason why we cannot hardball and be tough with these people and say, if you want our business, you give us a better deal. Sharpen your pencils.

I know that we as a government are probably saying what does it cost, pay the bill. I think it is time we said we can do that. I have every confidence in our

Cabinet here, and Cabinet Members. They are very capable, very sharp, have a lot of experience behind them, and some of the Members. I think we can put our heads together and say, we can probably, out of \$750 million, come up with \$10 to \$15 million by sharpening other people's pencils and I believe that is possible in terms of freight supplies, in terms of telephone service....

--Hear! Hear!

we have to be the biggest purchasers. So my question is, will the Premier look at this particular end, of purchasing power in the Territory, and can we improve that? Thank you.

DEPUTY SPEAKER:

Mr. Premier.

Return To Question 159-13(7): GNWT Purchasing Power

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, I think that is a very excellent point the honourable Member is making in regard to purchasing power. Yes, we do have over \$700 million a year in our budget and we do have a lot of say in it. Whenever we travel down south and meet with our counterparts, let us say in Alberta, BC or Ontario, studies show that whenever a dollar is spent in the north in terms of development, let us say the Ekati Mines, the diamond mine when it was built, every dollar that was spent there, 80 cents of it found its way down south, some place in Alberta, Ontario or BC. The southern provinces benefit from whatever happens in the north. I do not think we have advantage of that, and I think we have started to address that whenever we travel and meet with our counterparts down south. We want them to turn their attention North, not only to their northern borders but beyond that, where we are, and say that there are people up here and there are opportunities here and we have to work in partnership with each other. On that, this government had a Memorandum of Understanding signed with the Government of Alberta that there would be cooperation and coordination of work up in the North and that sort of arrangement needs to be made.

We have to also look at ourselves here in the Western Territories in terms of how we spend our money. How are we spending our money? I think the Economic Strategy, hopefully, addresses that as well. We are a

smaller territory, we have resources, we have x, number of dollars to spend, how can we best utilize it so that we have maximum benefits from what we have up here. I agree with the Member, we certainly are going to take a look at the suggestion that he has made and we hope to address it as we go along, working with Mr. Kakfwi in developing our Economic Strategy. Thank you.

DEPUTY SPEAKER:

Oral questions. Mr. Henry.

Question 160-13(7): Development Corporation Expenditure Guidelines

MR. HENRY:

Thank you, Mr. Speaker. It seems that this side of the House is after money savings and I am going to continue along that line, Mr. Speaker. My question is for the Minister responsible for RWED, Mr. Kakfwi. Mr. Speaker, we all know the importance of setting rules and policies and ensuring that those are enforced and my honourable Member for Yellowknife North quizzed the Minister the past couple of days about the fact of and the importance of following rules. A couple of days ago, in answer to questions that I posed, the Minister told me that, in fact, there were some amounts of money that were distributed through the Development Corporation which exceeded the FMB guidelines. I wonder, Mr. Speaker, if the Minister could confirm that statement is accurate, that some funds that are distributed through the NWT Development Corporation do exceed the Financial Management Board guidelines? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

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

Return To Question 160-13(7): Development Corporation Expenditure Guidelines

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HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. I should let Members know that as of this morning there is a total of nine members now on the Board of the NWT Development Corporation. Cabinet is now in full compliance with the requirements of the act.

In regard to proper spending authorities being in place for expenditure of monies, this is one of the responsibilities perhaps that the Auditor General performs where public money is being spent. I believe that the Auditor General has pointed out for a number of years concerns that he has about the operational manner, perhaps, of the NWT Development Corporation. We have tasked the president of the Development Corporation to address those concerns over the last number of years. The Auditor General this year has again raised concerns, so we have decided to do an operational audit and I believe we are moving to have a full comprehensive audit of the Development Corporation so that we can be very specific about whether or not we are operating properly. These are not exact accounting terms or legal terms that I am using but, if we are not complying in the eyes of the Auditor General then I want to move decisively this year to address those concerns and we are moving in that direction. Thank you.

DEPUTY SPEAKER:

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 160-13(7): Development Corporation Expenditure Guidelines

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, I believe the Minister did tell this House that the Financial Management Board guidelines were exceeded and what I am looking for, is that statement correct that the Financial Management Board guidelines were exceeded in funds that were distributed through the NWT Development Corporation? If that is so, I would like to know how much it was, who authorized it, and who received the funds? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Mr. Kakfwi.

Further Return To Question 160-13(7): Development Corporation Expenditure Guidelines

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. Let me say that, this year, we know that the Development Corporation has a smaller scope of operation, there are fewer subsidiaries to support and fund. The headquarters staff have less work to do. The Arctic Canada Trading Company, I believe, also has less product to

move because the entire jurisdiction of Nunavut is now no longer the responsibility of Arctic Canada Trading Company. It follows that we can expect them to downsize at least on a temporary basis. We have concerns from the Auditor General that suggest that we should have some concerns about the size of some of the operations of the subsidiaries.

On the political side, and I have said this to the standing committee, many of our communities in the west do not receive a single dollar from the Development Corporation because there are no subsidiaries, no projects in many of the communities. We now have some projects that are being proposed to us for which we are unable to respond. It follows that some of the subsidiaries that are taking more than the approved allocation of funds by the FMB should be reviewed and the Great Slave Forest Products is one subsidiary that is taking a large amount of funding support from the Development Corporation. It is necessary to address that.

It should be pointed out, I guess, that this is not a subsidiary that is exactly locally owned or controlled, but we have advanced to the people of Fort Resolution a number of suggestions. The difficulty we are having right now is trying to make sure that the financial information we have about the operation of that subsidiary, the financial information that we get is accurate and factual. That is going to take us a little while. We have been unable, as I understand it, to provide the information that the Auditor General has been asking for a number of years now. Thank you.

DEPUTY SPEAKER:

Question period is over, but I will allow Mr. Henry his final supplementary. Do you have a final supplementary? No. Question period is over. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. Mrs. Groenewegen.

ITEM 13: TABLING OF DOCUMENTS

Tabled Document 36-13(7): Letter From Hay River Parent Focus Group Regarding Education Issues

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, today I would like to table a letter from the Parent Focus Group in

Hay River who have written a letter regarding the issues of education. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Tabling of documents. Item 14, notices of motion. Item 15, notices of motion for first reading of bills. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters. Bill 17, with Mrs. Groenewegen in the chair.

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

CHAIRPERSON (Mrs. Groenewegen):

I call the committee of the whole to order. We are continuing on from yesterday with the Department of Health and Social Services. Is the committee agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Would the Minister like to bring witnesses?

HON. FLOYD ROLAND:

Yes, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Is the committee agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Would the Sergeant-at-

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Arms please escort the witnesses in, when they arrive, and if I could direct Members' attention, please, to page 6-29 of your Main Estimates book. Could I ask the Minister if he would please introduce his witnesses again for today's record? Thank you.

HON. FLOYD ROLAND:

Thank you, Madam Chairperson. To my left, is the Deputy Minister, Ms. Penny Ballantyne, and to my right is Mr. Warren St. Germain, the director of finance and management services.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Roland. Actually, page 6-27, Mr. Erasmus.

MR. ERASMUS:

Madam Chairperson, wanting to inquire what page are we on?

CHAIRPERSON (Mrs. Groenewegen):

We are on page 6-27, Department of Health and Social Services, community health programs, operations and maintenance, \$20.174 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Erasmus.

CHAIRPERSON (Mrs. Groenewegen):

We are under community health programs, operations and maintenance, \$20.174 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Community health programs, grants and contributions, contributions, total contributions, \$19.544 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Information item, active positions. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Information item, boards of management, active positions. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Work on behalf of others, details of work performed on behalf of others. Total department, \$10.218 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Going back now to the program summary on page 6-7. Operations and maintenance as amended, \$160.921 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Capital, \$7.025 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Total expenditures as amended, \$167.946 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Does the committee agree that the Department of Health and Social Services, Main Estimates, we have finished our consideration? Thank you. Thank you, Mr. Minister. Thank you, Mr. St. Germain, Ms. Ballantyne. We will proceed to Resources, Wildlife and Economic Development with Mr. Kakfwi after a break. Thank you.

--Break

CHAIRMAN (Mr. Ootes):

I would like to call the committee back to order. We are on the Department of Resources, Wildlife and Economic Development. I would like to invite the Minister to make his opening remarks. Mr. Kakfwi.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Mr. Chairman, the mandate of the Department of Resources, Wildlife and Economic Development is both broad and complex. The department is responsible for promoting economic self-sufficiency through the sustainable development of natural resources and for enhancing the creation of the sustainable opportunities in the traditional and wage economies. The department also promotes sustainable development by managing and protecting the quality, diversity and abundance of natural resources and the integrity of the environment.

The department has made significant progress in a number of key areas this past year. Over this past year, members of the Protected Area Strategy Advisory Committee completed the Protected Area Strategy which provides a framework to protect areas of land and water with special natural and cultural values while providing greater clarity about the status, access and development options for these areas. Community consultation was an important element in developing the Protected Areas Strategy. Aboriginal organizations, industry, environmental groups and the federal government were equal partners in the process. The strategy received Cabinet approval in March and has been forwarded to the Minister of DIAND, the Honourable Jane Stewart, for her approval by our

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government so far.

Funding for the Northern Employment Strategy ended this past year. Over the last two years, the Northern Employment Strategy made a significant contribution to the creation of jobs for northerners and to the development of the Northwest Territories economy. This two-year program was established in 1997. It was designed to support northern businesses and communities in employing summer students, youth, social assistance recipients and unemployed Northerners. The Northern Employment Strategy also assisted communities and regions to lead their own economic development initiatives and provided

support to the private sector, which is the primary vehicle for economic development. The \$8.5 million provided to RWED in 1998-99 was used to increase the budgets of the Business Development Fund, the Grants to Small Business Program, the Community Initiatives Program and the Community Futures Program. For the first three-quarters of 1998-99, program funding leveraged client equity and other sources of financing to a total of \$40.9 million. Of the four programs just mentioned, the Business Development Fund is the principal source of job creation and as a result of the Northern Employment Strategy enhancement, Business Development Fund contributions during the first three-quarters of 1998-99 totalled \$3.4 million.

Funding available through the Northern Employment Strategy was the primary means of expanding the community economic development program, Community Futures. Community Futures organizations now exist in all regions of the NWT and under the direction of local boards, they provide advice and financial assistance to local businesses and are widely accepted as one of the most successful community economic development programs in Canada. During the past year and a half, the number of community futures boards operating in the NWT and Nunavut has increased from four to nine. These five new boards are: the Akaitcho Business Development Corporation in N'dilo; the Dogrib Area Community Futures in Rae; the Deh Cho Business Development Centre in Fort Simpson; the Sahtu Business Development Centre in Norman Wells; and the Kitikmeot Community Futures Development in Cambridge Bay. These five new boards join the four established community futures organizations in Iqaluit, Rankin Inlet, Inuvik and Hay River. Together, these regional boards will play a pivotal role in our continuing efforts to build a stronger northern economy.

In developing the goals and strategies set out in this year's business plan, the department has had to re-evaluate our allocations to specific program areas to ensure that our limited financial and human resources are aligned with our current priorities. The key focus in each major program areas is as follows:

With an operating and maintenance budget of \$695,000, our community economic development services division will continue to provide research and support in the areas of economic planning and resource data compilation to assist in decision making. Expanding and improving access to community, regional and territorial economic data will

increase local and regional capacities in economic planning and development. To assist in this process, the division will be examining the implications of Internet technology for the NWT business community to ensure that NWT businesses have efficient and affordable access to this fast growing information medium.

The diamond projects division, with a budget of \$1.6 million, will be focusing on a number of specific areas related to the creation of a northern diamond industry. These include: the development of an agreement with Diavik and Aber on supplying rough diamonds for northern diamond manufacturing; the opening of at least two more diamond manufacturing facilities in the North; the development of a strategic plan to market northern diamonds and diamond products; and the development of new training programs in diamond cutting, polishing, jewellery design and manufacturing. To further support these initiatives, the division will also be working to develop a partnership agreement with the federal government supporting value-added activities in the NWT.

The \$1.3 million allocated to environmental protection services will be divided between two principal tasks. First, working jointly with a number of GNWT departments and the Regulatory Reform Secretariat, the division will develop consistent practices and standards for environmental protection to improve the northern regulatory system. This work will include the introduction of amendments to the Environmental Protection Act and the development of a mechanism for the release of environmental protection information to the public. The other major focus for the division is increasing public awareness of the benefits associated with a clean environment and the wise use of energy. The development and implementation of a strategy to control the emission of greenhouse gases and the implementation of an energy awareness program will involve extensive public consultation which should serve to initiate public discussion and awareness of the linkages between energy use and the environment.

With a budget of \$28.3 million, the forest management division comprises the largest allocation of departmental operations and maintenance. Ninety percent of this budget is dedicated to activities related to forest fire management. In our ongoing effort to better understand and respond to forest fires, the forest management division will continue to support the international crown fire modelling experiment in the Fort Providence area, providing northern fire managers with the best tools available to make

informed decisions on forest fire events. The remaining 10 percent of the forest management budget is dedicated to forest development. The major forest development activities planned for the coming year include: forest inventory programs in the Slave River Lowlands; a revised analysis of forest harvesting potential of the Cameron Hills area near Hay River; development of a framework document on forest management agreements to support shared management of forest resources

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with communities; and development of a forest tree nursery pilot project with the private sector in the South Slave region.

The mineral, oils and gas division is working in a variety of areas with an emphasis on encouraging exploration and development in the mining, oil and gas sectors. Expanding programs that provide assistance to prospectors and small companies like the Advanced Mineral Exploration Program, developing integrated information tools for development planning and supporting regional development activities are the principal areas to which the division's \$3.2 million budget will be allocated. The mineral, gas and oil division will also continue to work with the federal government to seek competitive tolls and tariffs on pipelines carrying oil and gas to markets to expand our current market potential. The division is also working closely with several communities in the Deh Cho to maximize the economic benefits from current drilling activity and to ensure that communities are provided with an opportunity to indicate their expectations for benefits and compensation with the use of pre-bid qualifications in the call for bids process.

With the completion and anticipated federal approval of the Protected Areas Strategy in the next month, the parks and tourism division will turn its focus to implementations of the strategy. Providing technical assistance to our partners in the strategy and identifying candidate sites for designation will be the major areas of emphasis. With its budget of \$4.1 million, the division will also be working with the NWT Tourism Association and the Tourism Training Group to prepare a tourism strategy for the NWT that will establish standards and direction for the industry.

With a budget of \$7.7 million, the third largest allocation in the department, the trade and investment division will continue to promote new investment in the North, develop and foster new markets for

northern products, and encourage the development of a northern manufacturing capacity. Specific initiatives in each of these areas will emphasize: the creation of partnerships that result in a new investment and technology transfers; the relocation of companies to the North; the identification of new market opportunities and support to companies entering those markets; and the development of cooperative intergovernmental agreements to improve access to markets. Approximately \$4.3 million of this budget is dedicated to a number of grant and contribution programs including the Business Development Fund, Community Futures, Grants to Small Business and economic development officer contributions. Further support for these and other economic development programs may be available through the new Immigrant Investor Program recently announced by the federal government.

Mr. Chairman, success in all of our program areas has come largely as a result of the hard work of our regional staff. In our efforts to continually improve program and service delivery, we have continued to transfer staff and budgets to our regional offices. Of the 459 active positions in the department this year, 55 percent of them are located in the regions. Forest management, a principally regional activity, accounts for 39 percent of our entire budget. The remaining 61 percent of our budget is divided equally between the regional offices and headquarters. This year we will continue efforts to increase flexibility in how our programs and service are administered to ensure that we can respond to the unique demands and aspirations of each region and tailor our support to meet these needs.

Recent consultation with Members of the Legislative Assembly has reaffirmed the need for a Development Corporation in the new Western Territory and the need to re-examine the direction that the corporation should be heading. The department is examining options for redesigning the Development Corporation to align both its structure and management philosophy with the new realities of division and increased fiscal restraint. A newly appointed western board of directors will be working with a newly appointed president to develop and implement a new NWT Development Corporation business plan.

The Business Credit Corporation will continue to reassess its role in the new Western Territory. Emphasis for the BCC in the coming year will be on increasing local decision making, enhancing capacity, encouraging self-reliance and improving access to capital for business enterprises. Based on

recommendations from recent consultation with Members of the Legislative Assembly, the department will examine options for streamlining the Business Credit Corporation and Community Futures organizations. In its efforts to improve services to clients, the Business Credit Corporation has recently taken steps to include members from regional Community Futures organizations on its board of directors.

Finally, after having assumed responsibility for the development of an economic strategy for the NWT earlier this year, I have engaged in dialogue with a number of groups, advocating a collaborative approach to develop an economic strategy for the Western Arctic. So far I have had the opportunity to meet with the aboriginal business and community groups to discuss the need for an economic strategy. Several meetings have been held with the Aboriginal Summit. In addition, meetings were held by the Premier and the Minister of Finance with groups such as the NWT Chamber of Commerce, Dene chiefs, our Western MLAs and the Department of Indian Affairs and Northern Development. Drawing on the favourable response and experience in developing the Protected Areas Strategy, I propose to establish an advisory panel with representation from various stakeholders to guide the process.

Mr. Chairman, with matters relating to the division of the territory behind us, I believe my department is well positioned to concentrate its efforts and resources on the creation of a sustainable northern economy, the maintenance of a healthy northern environment, and the secured future of our children. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Before I ask

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Mr. Henry to read the report for the committee review of the department, I would like to recognize several people in the gallery. I would like to recognize Mr. Calvin Helin, who is president of the Native Investment and Trade Association, and he is here today with Mr. Darryl Beaulieu, former chief of N'dilo and now president of Deton'Cho Corporation and an executive of the Native Investment and Trade Association. I believe the association is looking at holding a conference here in the North this coming summer. Welcome gentlemen. I would also like to recognize other people in the gallery. Welcome to the

Assembly. Mr. Henry, will you present the report of the committee that reviewed this department please.

MR. HENRY:

Thank you, Mr. Chairman. I would be pleased to do so. The mandate of the Department of Resources, Wildlife and Economic Development is to promote economic self-sufficiency through the sustainable development of natural resources and to enhance the creation of sustainable opportunities in the traditional and wage economies.

The Standing Committee on Resource Management and Infrastructure reviewed the 1999-2002 business plan for the Department of Resources, Wildlife and Economic Development on November 20, 1998. The department identified challenges and possible solutions such as promoting long-term employment and economic development opportunities by targeting public and private sector investment in the northern economy.

Secondly, the department noted the migration of skills from smaller to larger communities as another challenge, and added that it will support the strengths of both large and small communities by administering flexibility in the distribution of grants and contributions to the regions.

Thirdly, the department discussed the uncertain regulatory structure in the western territory. The committee has identified this as a concern throughout its term and has strongly supported the devolution of provincial-like powers to the Government of the Northwest Territories and aboriginal governments. Further challenges identified by the department are the development of standards for sustainable development and environmental protection, and reduced resources.

The committee reviewed the 1999-2000 Main Estimates presented by the Department of Resources, Wildlife and Economic Development on March 20, 1999. The committee noted an overall decrease of \$976,000 from the figures presented in the 1999-2000 departmental business plan. The department focused on each major program area with the goals set out in the business plan as a framework.

The Northern Accord is an economic agreement that will allow the Government of the Northwest Territories and, pending future agreements between aboriginal groups and Canada, aboriginal claimant groups and future aboriginal governments the ability to raise

revenues from oil, gas and mineral development. However, due to uncertainties surrounding self-government, unsettled land claims and unresolved aboriginal and treaty rights, the Government of the Northwest Territories has been unable to table a GNWT Northern Accord proposal. The committee Members would like this government to resurrect and prioritize this proposal before the new millennium. Members note that the uncertainties listed above have clouded previous negotiations and suggest that the government examine developments in other jurisdictions, such as the Yukon, and the experience of First Nations governments that have procured oil and gas rights.

The Government of the Northwest Territories has been seeking the transfer of provincial-type powers for land, water and non-renewable resources from the federal government since the mid-1980's. During the business plan review, the committee expressed concern over the unresponsive role of the GNWT in promoting the fiscal benefits from resource development in the North to their federal counterparts. The department provided updated briefings on the status of the Northern Accord during the draft Main Estimates review and the committee Members expressed concern about the Northern Accord issue remaining stagnant. The department noted that until there is an agreement in place with the aboriginal organizations, there will be no movement on this initiative. Mr. Chairman, the committee recommends that the Government of the Northwest Territories resurrect and prioritize the Northern Accord proposal before the new millennium.

The Liard/Alaska Highway junction development. Following the business plan review, the committee recommended that the Liard/Alaska Highway junction development project for the year 2000-2001 be removed from the 1999-2002 business plans. Members felt that this capital could be better spent in areas such as the completion of Highway 3. The department agreed with this recommendation and the item has been removed from the Main Estimates.

Business Credit Corporation and the NWT Development Corporation. During the business plan review, Members had requested background information on the current status of the Business Credit Corporation and also the number of people who have received loans within the last two fiscal years. The committee is concerned that the BCC may be providing certain regions in the Western Territory with more funding than others and would like to ensure fairness and equality is being practised.

Members had asked repeatedly for a briefing on the status of each of these corporations. In January 1999, the department held a workshop for committee Members to get feedback from the committee on the general direction to operate these corporations after division. The committee appreciates the efforts of the Minister and his officials and the opportunity to provide input.

During the workshop, the committee questioned when the auditor general's report for the last two fiscal years for the NWT Development Corporation will be made available to the public. The department gave no specific timeline, suggesting that it would be approximately May or June, 1999, before a final report is completed. During the draft main estimates review, the department noted that the NWT Development Corporation has not completed their corporate business plan. Therefore, once the consultant they hired to examine the NWT Development Corporation's fiscal situation completes his work, the budget allocation of \$4.1 million may be changed. Members assume that any changes will be reflected in the final main estimates. Committee Members would like a copy of the consultant's report, once completed, and a meeting with the consultant for a more detailed analysis of the NWT Development Corporation.

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Forest Management. The forest management division comprises the largest allocation of the department's operations and maintenance funding with a budget allocation of \$28.3 million. The committee asked the department to provide a specific breakdown of how these funds are allocated in each of the four program areas. Committee Members would like a specific breakdown of the proposed budget allocation of \$16.7 million for operations and maintenance under the program management area in forest management.

Work done on behalf of others. Committee Members note concern about two agreements under the details of work done on behalf of others. Committee Members would like to see copies of the contracts of services provided to Nunavut by the department and a cost breakdown of the \$2.8 million allocation for Inuvialuit participation costs. Members have also requested a breakdown of funding provided by the federal government for implementation of land claim agreements with detail as to how this allocation is spent.

Under the Canada/NWT Economic Development Agreement, during the business plan review, the department discussed the proposed implementation of the new Economic Development Agreement that will coincide with the sunsetting of the Northern Employment Strategy. According to the department, the new EDA can therefore be carried out within the department with a minimum of additional resources.

There have been delays in talks between the federal and the territorial government regarding the program proposal the GNWT put forward for the negotiation of the new Economic Development Agreement. Committee Members feel this delay is due, for the most part, to the work on the Economic Development Strategy. Members note the department stated that talks with their federal counterparts regarding the EDA were put on hold until the Economic Development Strategy was completed. However, the committee understands that talks have resumed with the federal government.

Following the review of the business plans, the committee reported concerns regarding the Economic Development Strategy to the Department. The work to develop an economic strategy for the new Western Territory had been placed under the direction of Cabinet, and Members were concerned that it should have been under the direction of this department. Since the business plan review, responsibility for the strategy has been transferred to the Department of Resources, Wildlife and Economic Development.

The draft Economic Development Strategy report was to be completed by early fall and has been delayed until later in the spring of 1999. Members feel this strategy may have been more appropriately handled if it had been under the direction of the department from conception. The committee feels that this government has a history of promoting many economic strategies and studies outside of the Department of Resources, Wildlife and Economic Development. In the committee's view, the funding for these strategies could be better administered using existing manpower and resources within the department. Mr. Chairman, that concludes the report on the Department of Resources, Wildlife and Economic Development by the committee. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. With your indulgence, I will propose a motion that the committee wishes to put forward.

CHAIRMAN (Mr. Ootes):

Please proceed, Mr. Henry.

Committee Motion 25-13(7): Resurrecting and Priorizing the Northern Accord Proposal

MR. HENRY:

Thank you, Mr. Chairman. Mr. Chairman, I move that this committee recommends that the Government of the Northwest Territories resurrect and prioritize a Northern Accord proposal before the new millennium. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. We have a motion on the floor. The motion is in order. To the motion. Question has been called. We do not seem to have a quorum, so I will ring the bells to ensure we have a quorum. We now have a quorum. We have a motion on the floor. The motion is in order. The question has been called. To the motion. All those in favour? All those opposed. Motion is carried. Thank you. I will now ask the Minister if he would like to bring in his witnesses.

HON. STEPHEN KAKFWI:

Yes.

CHAIRMAN (Mr. Ootes):

Would the Minister be permitted to bring in his witnesses? Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Mr. Sergeant-at-Arms, would you please escort the witnesses to the witness table. Mr. Kakfwi, would you introduce your witnesses, please.

HON. STEPHEN KAKFWI:

Mr. Chairman, on my left, the Deputy Minister of Resources, Wildlife and Economic Development, Mr. Joe Handley, and on my right, the new president of the NWT Development Corporation, Mr. Fred Koe.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Are there any general comments or questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I do not really have that many general comments, but I do have several questions that come to me from the opening comments, as well as the committee's report, that type of thing. In the Minister's opening comments, he had indicated that they had completed a Protected Areas Strategy. Could the Minister indicate who was involved in developing that strategy?

CHAIRMAN (Mr. Ootes):

Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. We started a conference at the beginning of last year where we invited the aboriginal leaders from every major aboriginal organization in the western Arctic to Inuvik. They agreed, in discussions with us, on a process that we would use to develop a Protected Areas Strategy. We also had agreement from these First Nation leaders or aboriginal leaders to invite stakeholders such as the NWT Chamber of Commerce, NWT Chamber of Mines, I believe, the World Wildlife Fund, Ecology North. There

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is a list of all the participants at the conference as well as on the working group that we can provide to the Member. We will just get one of the staff to bring it over. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Were there some people or representatives of groups that were involved in this working group and who later dropped out for whatever reason?

CHAIRMAN (Mr. Ootes):

Mr. Minister.

HON. STEPHEN KAKFWI:

The South Slave Metis Tribal Group, I believe, about two months ago, decided because of wording that was agreed to in the document which were no longer words that they could support, decided to pull out. I am not sure whether there was resistance to proposed wording changes they might have made or whether they had initially agreed to the wording, then changed their mind, but the fact is, there was a public statement from the South Slave Metis Tribal Council to no longer support the particular strategy, but everyone else that was involved from the beginning stuck to the commitments they made and followed through on the process to develop and complete the strategy. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Were there environmental organizations involved in this as well?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister.

HON. STEPHEN KAKFWI:

Yes.

CHAIRMAN (Mr. Ootes):

Thank you. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Did those environmental groups remain in the working group until the strategy was completed?

CHAIRMAN (Mr. Ootes):

Mr. Minister.

HON. STEPHEN KAKFWI:

Mr. Chairman, I believe, as I said earlier, I think everyone else that was invited to participate in the development of the strategy from the beginning followed through and stuck with the development of the strategy until its completion. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. The Minister indicated that the department has received over 50 inquiries from existing manufacturers and numerous companies interested in diamond manufacturing. I am assuming that they are all interested in setting up shop here in the North and that each and every one of them requires some type of assistance or assurances from this government. I am wondering if the department has set up some type of a guideline, criteria that these companies have to follow or to fit into in order to qualify for any assistance from this government. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Yes, we have a paper that outlines the things that the Member has made reference to and would be happy to provide the Members this afternoon with a copy of those.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Is this criteria handed out or given to the companies that make these inquiries so they know what they have to do in order to set up shop here? Thank you.

CHAIRMAN (Mr. Ootes):

Thank you. Mr. Minister.

HON. STEPHEN KAKFWI:

Mr. Chairman, yes, we make it available on the request. Where possible, our staff sit down and have discussions especially with companies and business people who are very seriously interested and want to have some detailed presentation and a chance to ask questions. The answer to the question is yes.

CHAIRMAN (Mr. Ootes):

Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Has this information been shared with the city? I understand that the city also gets a lot of inquiries from companies. Apparently the city is not aware that there is an established set of guidelines. At least, the person I was speaking to was not aware of it. What I am wondering is whether this information has been shared with the mayor's office or whoever, Economic Development. I believe they have an economic development officer over there. Has it been shared with them? Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Mr. Chairman, the mayor's office is aware of this policy that we have and copies have been made available to the mayor's office. As far as I know, we have provided the information and shared it with the city. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus.

MR. ERASMUS:

Mr. Chairman, could the Minister commit to checking to see if they do have it and if they do not, would they please provide it to them?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Yes.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Further questions? Your time is up, Mr. Erasmus. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. The Minister in the House earlier today and again in his opening remarks informed the House that he had appointed new board members to the NWT Development Corporation. Is the Minister free to

announce the names of those members? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. The new members of the board of this morning are Mr. Harry Elias of Inuvik, Ms. Liz Wyman of Yellowknife, and Mr. Pat Ekpakohak of Holman Island. They joined Ms. Denise Yuhas of Fort Smith, Mr. Larry Firth of Fort McPherson, Mr. Eric Menicoche of Fort Simpson, Ms. Joyce Stewart of Hay River, and Mr. Danny McNeely of Norman Wells as the very new board of directors for the Northwest Territories Development Corporation.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Further questions? Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. There have been concerns brought to myself, and I believe I have heard it from other MLAs regarding the loan guarantees that have been initiated for players in the diamond industry. The concerns that were brought to me, that the government went out on a limb in some of these instances. Could the Minister start by telling us how much is the total amount of guarantees that his department has put in place to assist the creation of a diamond industry in the North? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. These are done largely through the Financial Management Board Secretariat and so the question properly goes to the Minister of Finance, Mr. Dent.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Yes, I certainly understand that the Minister of the Financial Management Board would be aware of those figures. I believe Mr. Kakfwi's department has the lead in this group that assists the diamond industry in procuring these amounts of money. I had an anticipation that the Minister would be aware of the amounts of money that the department had committed. Maybe this question would be still appropriate. From the perspective of, the Minister has mentioned that he is looking at two other potential groups that wish to start. I think it would be important that the Minister, as the lead Minister, would be aware of those numbers because it would be important for the ministry to know that those amounts were not being exceeded and that the public of the Northwest Territories' interest were being protected. Could the Minister at least tell me what protections are in place to protect the interest of the public funds under those guarantees? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. It is true that I am the lead Minister in regard to dealing with proposals regarding value-added activities in diamonds in the Northwest Territories. As far as the proposal is concerned, the component that deals with loan guarantees that are required by these proposals are dealt with almost exclusively by the Financial Management Board Secretariat, and so it is the Minister of Finance who deals with the details of it. What is being required so far is one for Sirius Diamonds that says we are providing a loan guarantee of up to, I think presently, about \$2.5 million. It is all properly secured through the Financial Management Board Secretariat. The total loan guarantee can increase over the next few years, as required, but it will completely be no longer required, I believe, in five years. I believe if the chair allows, the Minister of Finance could provide more detail if it is required by the Member.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Would the Minister of the Financial Management Board be in a position to address this issue? Mr. Dent.

HON. CHARLES DENT:

Yes, Mr. Chairman. The loan guarantee has been approved to Sirius Diamonds, as the Minister has said. The amount initially is up to \$5 million with a potential for increase to \$10 million. Arctic Diamonds was approved for loan guarantees up to \$3.3 million, Detah Cho for up to \$5 million. These loans are only approved. The only one that has to date been implemented is the one for Sirius when a memorandum of agreement has been drawn up and approved. This is drawn up by the Government of the Northwest Territories solicitors, and it sets out all of the terms under which the government will provide the guarantees. They are quite stringent. They fall just short of requiring a first-born son, but they are extremely stringent in how they are set out to protect the interests of the government. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Dent. Further questions? Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I believe this is the type of assurance that the people in the territories need to know, that it is not just a free-for-all. I thank the Minister for those comments. Moving on, Mr. Chairman, to the forest management. This government spends tremendous amounts of money each year in fire protection and fire control. I am wondering if the Minister could identify, over the years, of how much marketable timber has been saved by the amount of dollars that has gone into this area? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. I do not know that we have the capacity to do that. As Members are aware, we do allocate a certain number of dollars every year to put into forest inventory, that is to do surveys on assessing the potential in different parts of the North such as the Liard River, the Slave River, and other parts of the North where timber harvesting is being suggested or being carried out. We have probably just a very rough guess at what the market value of the forest inventory up and down the Mackenzie Valley is. We could take a stab at figuring how much of it actually goes up in smoke every year and therefore,

over a number of years. I say, I would only be guessing at it. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I believe it was last year, I had worked along with my colleague from Hay River to assist some entrepreneurs to obtain some permits to do some logging. I believe the name of that organization was Pattersons and it had been recognized as being very productive in creating jobs in the territories. I recall at that time it was extremely

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difficult to get permits to get areas accessible to assist in creating jobs and getting at this lumber. Could I ask the Minister for an update from the perspective, are there areas where timber stands are available for cutting? Are there areas that have been identified for entrepreneurs such as the people I talked about available for production? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. Mr. Handley.

MR. HANDLEY:

Thank you, Mr. Chairman. Yes, we continue to do forest inventory each year. Sometimes we have difficulty with operators wanting to go into a specific area. We have two kinds of challenges. One is whether the inventory has been completed in that area, and second, whether timber has been assigned to another operator. In the case you speak of, it was a combination of both of those factors, but we were able to accommodate the company. There are forested areas available all the way from Fort Liard all down toward Jean Marie River, Fort Providence, Cameron Hills area, Fort Smith, Fort Resolution area, those are all available now, except some of it is assigned to other operators and some of it there is not complete inventory on yet.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Do I get from the deputy minister's comments that indeed there are stands of marketable lumber available for entrepreneurs to harvest presently? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. Mr. Handley.

MR. HANDLEY:

Thank you, Mr. Chairman. Yes, there are stands available within limited amounts.

CHAIRMAN (Mr. Ootes):

Further questions, Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Earlier today in question period, I had asked the Minister some questions on the Development Corporation and the Minister had noted a couple of days ago in the House that there were grants through the Development Corporation as high as \$700,000. Could the Minister give the House a little information regarding approximately how many jobs are created for the subsidy of \$700,000 or a subsidy of \$300,000. I know they would all vary with the types of industry they are in, but if the Minister could give us a little bit of background on the number of jobs that are created so the committee can get a handle on approximately each year what it costs to provide jobs. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. Mr. Koe.

MR. KOE:

Thank you. The general guidelines used for our contributions is a job equivalent, one job or one person working would be equivalent to a contribution of around \$100,000 in capital or around \$10,000 in subsidies. That is the general guideline that was set quite a few years ago and we are now looking at these standards and reviewing whether they are equitable in today's economy or not.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Koe. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Do I understand that the answer to that last question was that if an organization approached the Development Corporation and were able to show that they were going to be able to create a job, they would have, at least access or ability to put in an application for \$110,000. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. Mr. Koe.

MR. KOE:

Thank you, Mr. Chairman. These are guidelines that I mentioned. One job would be equivalent to a contribution of \$100,000 capital, so if they were going to create, at one time, five jobs, it would be requesting \$500,000 or equivalent. If it is ongoing operating subsidies, we use a standard of \$10,000 per job. If there is a \$200,000 operating subsidy that should equate to about 20 jobs. Those are the guidelines that are in existence now and they are under review.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Koe. Mr. Henry, your time has expired. I will just ask if there are other questions from other Members? Mr. Henry. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I had not really intended to ask any questions on the Development Corporation, however, I was going through Hansard last night and there were a couple of things that peaked my interest. I noted that the other day, the Minister had indicated that perhaps it would be a good time to have a better discussion on this in committee of the whole. Also, I was pleased to hear that there are now, I think the Minister said, nine members which would comply with the minimum of seven board members on the NWT Development Corporation as the act stipulates that there has to be a minimum of seven board members at all times.

On Monday, the 26th, the Minister had indicated that there had not been seven board members since around 1996. Then on Tuesday, the Minister replied to a question I had asked, he did not answer my question, but in reply to it, he had implied that it was the MLAs fault that there had not been seven board members since 1996. He said that we had not responded to letters for suggestions for board members. Could the Minister explain a little better

why it is our fault that there had not been seven board members from 1996 until April 1999?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Can you tell me, Mr. Chairman, how the Member could twist what he read in Hansard so late at night into feeling that I was blaming him and other MLAs for this particular situation is beyond me. That was not what I implied at all. It is set out very clearly that, that was the process that was used to solicit nominees to be put forward by the cabinet to make appointments. That is the process that has been used for years. We await nominees to come forward from MLAs. Surely the Member is not suggesting that I should, as Minister, just put forward whatever name I want or that the President of the Development Corporation should do that either. It has been a long established practice in this Legislature. That is the way we appoint board members to the many boards and agencies that we have. I have said it is the responsibility of Cabinet to make the appointments ultimately. If Cabinet has not been doing that then, I would probably take

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the responsibility for not having helped Cabinet comply with the minimum requirements for appointments in the act. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Further questions, Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. On page 608 of Hansard, Tuesday April 27, 1999, sorry I made a mistake earlier, the Minister is quoted as saying here, Members have not always come up with names. We have waited sometimes months for good names to come forward. The president has been advising me over the last few years when we have not had a minimum of seven appointed. Each time that was done, letters were sent out to Members of the Legislature asking for nominees to be put forward. Mr. Chairman, since we did not comply, he is saying he did not put the name forward to Cabinet. Is that not what he is saying? Maybe he can explain that a

little better than if that is not what he was saying there.

CHAIRMAN (Mr. Ootes):

Mr. Erasmus, could you give us the page number again, please?

MR. ERASMUS:

Page 608 at the top of the page.

CHAIRMAN (Mr. Ootes):

Mr. Erasmus, I think your line of questioning is going away from the Main Estimates rather than addressing the estimates that are before us. It would probably be more appropriate to address this during question period rather than addressing it here, an issue outside of the expenditure area. I will offer it to the Minister to reply if he wishes to.

HON. STEPHEN KAKFWI:

Thank you, Chairman. Just to console the Member, it was never my intention to lay blame on the Ordinary Members of the Legislature. The act says the responsibility lies with Cabinet to make the appointments, and it is my job as Minister to make sure that Cabinet complies with the legislation by forwarding names. Obviously, the process that I have been using has not been the best. There is no need to lay blame with anybody. We have, as of this morning, agreed to appoint more than the minimum amount of seven and that just to make sure that we always comply with the minimum requirements of the act for board members, the Cabinet has also agreed that as Minister, I can, on my own without consulting with the rest of the Assembly, put forward names for appointment to the board so that as an added safety mechanism to make sure we always comply with the minimum number. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, I was simply complying with Mr. Kakfwi's suggested mode of dealing with this issue during question period, and similarly, Mr. Chairman, Mr. Henry just asked the question about the board. Obviously, we are all Members here, I am assuming we are all going to be

treated similarly, that we are all going to be able to ask similar questions on the same topic.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. I believe the Minister did reply to your comments. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Also on Tuesday, April 27th, the Minister indicated that Cabinet is responsible for ensuring that the board is properly constituted at all times. First of all he said it was MLAs and now it is Cabinet. Could the Minister indicate what he meant by that please?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. I believe the Member had said earlier he had read the act. I was advised by legal counsel that the responsibility to ensure that the board is appointed in keeping with the requirements of the act rests with the Executive Council. In fact, what it says is "there shall be a Board of Directors appointed by the Commissioner and the Executive Council". In layman's terms that is fully intended to mean.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Mr. Erasmus, your time is up. I would just like to remind Members that the Development Corporation's budget is on page 11-18 and if there are detailed questions of this sort we could possibly keep the comments, if there are detailed questions, for that particular area. Thank you. Further questions?

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, the Minister had indicated that during the past year and one-half the number of Community Futures boards operating in the NWT and Nunavut has increased from four to nine. Could the Minister indicate how the funding is provided to those nine boards?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

Mr. HANDLEY: Thank you, Mr. Chairman. Yes, each of the boards through this budget will be allocated \$200,000 for operations. That is for the operation of their office. I am not sure if the question was with regard to capital money as well.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus, did you wish further information on capital?

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, what I am wondering is, do each of these boards receive an equal amount of funding or is it done by per diem? Do they receive a certain amount for each person within their area or how are the boards funded? Are they treated equally or how does it work?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

Mr. HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, in terms of the operating money, each board is treated equally, each will get \$200,000 for their operations regardless of the size of the area that they serve. In terms of capital money, that differs because some had existed as federal entities before they were taken over by the GNWT, they already had capital. Others are fairly new and as we have the available resources we will build them up to an amount of capital that will meet their needs.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, the

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response indicated that some of them have received federal funding. Are those ones still receiving federal funding and is that the four that is in there, he said there was four and increased to nine, is that the first four that he is referring to?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

Mr. HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, the two that have received federal funding

are Inuvik and Hay River. They are two of the original ones. They are not receiving any federal funding since they were transferred to the GNWT two years ago. All of their operating costs are paid by the GNWT through our department.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Further questions. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, could the deputy minister indicate how this fund works? Do they lend money out and the money comes back to the board to lend it out to other businesses or how does it work?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

Mr. HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, each of the boards has an allocation of money. They loan that out in loans up to \$75,000. They charge an interest, generally it is prime plus two percent, and assuming that their loans are good loans which most of them are, they then reinvest the money as it comes back to them. They operate very similar to a bank.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, do they all have the same amount of money to loan out?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

Mr. HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, they currently do not have the same amount of money to loan out. Some have as little as \$540,000. This is a result of two things, some have been established for a number of years, others are relatively new. One is still a proposed board, it has not actually been set up in the Fort Smith area. The intention is to eventually build it up so that each of them do have either an equal amount of money or enough money to meet the demands in that region that they serve.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, have we provided funding for loans to those boards as well that had federal funding?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

Mr. HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, no we have not provided loans to the boards.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, sorry I meant to say did we provide them with money so that further funds other than federal funds so they could give more loans in their areas?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

Mr. HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, over the years we have provided them with money, the ones that have been established. The exception is the more recent ones who have not yet received money.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, so the intention is that eventually they will all be on equal footing. At what stage or how long does the department think this will take?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

Mr. HANDLEY: Thank you, Mr. Chairman. Mr. Chairman, we have a proposal which the Minister will be taking to the Business Credit Corporation and to

the Community Futures organizations. If they accept the proposal, which would mean combining their lending abilities through Community Futures being able to access BCC money for a limited amount, we should be able to achieve that this year. If that proposal is not accepted, then it will depend on our resources.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, on page 4-9 in the Minister's opening comments, he indicated that Diamond Projects Division has a budget of \$1.6 million and some of the things they are trying to do is develop an agreement with Diavik and Aber on supplying rough diamonds for northern diamond manufacturing. This is a very important issue of course to develop the secondary diamond industry in the North. Could we get an indication of where this initiative is at?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Erasmus, if you have detailed questions and specific questions with regard to that, I believe they could be asked under 11-19 which is Resource Management and Economic Development section. Is the Minister prepared to answer?

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Mr. Chairman, we are working on a socio-economic agreement and hope to finalize that by the end of May. A part of that socio-economic agreement will be on value-added activities and we hope to have Aber and Diavik agree to support value-added activities by providing diamonds in some form, shape, size, allocation or other to us so that we can carry on with promoting

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the diamond industry here in the North. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, the Minister had indicated that hopefully by the end of May they will have this socio-economic agreement and that they hope to have a supply of rough diamonds in this. Do we have any hammer of any sort to ensure that Diavik and Aber actually do supply rough diamonds to support the secondary diamond industry? I seem to recall that we had no way of forcing BHP to do this so, is there anything that we can do to ensure that these guys actually do agree to do this?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. I just want to remind you, Mr. Erasmus, these are details that can be presented as questions during the specific items and on page 11-20 we have in the budget, diamond projects, so perhaps your questions would be more appropriate to ask then, but I will give the Minister an opportunity if he wishes to answer.

HON. STEPHEN KAKFWI:

Mr. Chairman, I think it is perhaps sufficient to say that the company is going through an environmental review. They are seeking support from the aboriginal groups, from our government and from the federal government to begin mining to get into the production of diamonds. It is important to the company. The company has to gain the approval and support of the aboriginal groups and this government so they can proceed, so that they can get a licence to start production. That is a considerable amount of power, I believe, that aboriginal groups and this government have. It is important for these companies to signal to the federal government and to our government that they have support and agreement to proceed in order to acquire a green light from governments to proceed so I do not know that it is necessary to discuss what hammers or threats we could wave at people who are trying to promote economic development and business here in the North. We believe that Diavik and Aber are responsible companies and they will realize that it makes absolute good business sense to come into agreement on supporting value-added activities in the diamond business as part of the socio-economic agreement. Thank you.

--Applause

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Time has expired, Mr. Erasmus. Are there any other Members that wish to ask questions? Questions. Mr. Erasmus.

MR. ERASMUS:

Mr. Chairman, just for clarification, where did you say that diamond, what page?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. It is on page 11-20 under operations and maintenance, there is a line item there, diamond projects.

MR. ERASMUS:

Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Questions? Everybody ready for detail? Page 11-9. Thank you, Mr. Steen. Corporate Management, operations and maintenance, \$8.518 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Page 11-11, Corporate Management, details of capital, other equipment, headquarters region. Total headquarters region, \$25,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total other equipment, \$25,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total capital, \$25,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Environmental protection, operations and maintenance, \$1.300 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Environmental protection. I am sorry, Mr. Erasmus, we are on page 11-13, is that where you have your question, Mr. Erasmus, under environmental protection?

MR. ERASMUS:

Yes, thank you, Mr. Chairman. Could I ask the Chairman to slow down a little bit, please. We cannot even turn the pages fast enough to keep up here.

CHAIRMAN (Mr. Ootes):

Yes, I will Mr. Erasmus. We were just approaching it very efficiently, but I appreciate your comment. We were on environmental protection. Yes, Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, in the Minister's opening statement under environmental protection services, he had indicated that they are going to try to develop consistent practices and standards for environmental protection to improve the northern regulatory system and develop strategies for emissions, greenhouse gases, that type of thing. I seem to recall that a few years ago there was talk of an act to control the sulphur emissions in the Northwest Territories and I believe that is what is coming out of Giant Mine which I have been breathing for the last 48 years so I am very interested to know what has happened to that act. How come it has not been passed and enforced? Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

There is an Environmental Protection Act that has been in force for a number of years. We have regulations in some areas, not in other areas. In the case of sulphur dioxide, we have been essentially following the national standards. We have equipment to monitor the output from the stack at Giant Mine which is the only one that gives off the sulphur dioxide. While there are individual days or periods within some days infrequently, very infrequently, where it exceeds the national standard, generally what they are putting out is within the national standards. We have had consultation with Royal Oak

when they were in operation over a couple of years and we could have, even based on the few days, forced them to

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increase the height of the stack which would have been the most economical way. Other than that they would have had to put in a \$50 million autoclave. We did not enforce it because of the infrequency in which they exceeded the national standard and also given the gold prices, we did not feel it was a fair requirement to force on them in those circumstances.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley.

MR. ERASMUS:

Thank you, Mr. Chairman. This Environmental Protection Act, or whatever it was, that the deputy minister was referring to. Is that the new act that was being discussed a couple of years ago because I do not remember passing it. Is that the same act that he is talking about that was supposed to put some controls on sulphur emissions?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Mr. Chairman, no, I do not believe it is the one the Member is referring to. The GNWT Environmental Protection Act has been in place for at least six years or so. The act I believe the Member is referring to is probably the Canadian Environmental Protection Act which was under review and is now in force and it has been in force for over a year now.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus?

MR. ERASMUS:

Mr. Chairman. Could we hear a little bit more about this Canadian act, because I am sure there was an NWT act that was supposed to be passed?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Perhaps, are you able to explain further, Mr. Handley?

MR. HANDLEY:

Mr. Chairman, as I said the GNWT or the NWT Environmental Protection Act has been in force for a number of years. We continue to work on regulations to that act. For example, areas such as used oil waste, agricultural waste, we are continually working on regulations, but the act itself is in place. The Canadian Environmental Protection Act though has been under development for about five years. Over a year ago it was passed. There was considerable controversy over it because of some of the changes that were being proposed in it. The Canadian Environmental Protection Act is the body through which the Mackenzie Valley Resource Management Act is implemented, and so on, but I think the legislation that has been under review and consideration in the last couple of years is federal legislation, it is not our legislation.

CHAIRMAN (Mr. Ootes):

Thank you. Does that help Mr. Erasmus? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Perhaps it was regulations then. Did we have some new regulations that would be a little bit stricter, that we were going to put into place and have not?

CHAIRMAN (Mr. Ootes):

Mr. Handley.

MR. HANDLEY:

Mr. Chairman. Yes. There has been discussion about putting in some more stringent regulations on sulphur dioxide, for example. We have essentially adopted the national standards as being what our regulations are.

CHAIRMAN (Mr. Ootes):

Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Did those discussions ever go beyond discussions and actually evolve into drafting of regulations, but not put into place?

CHAIRMAN (Mr. Ootes):

Mr. Handley.

MR. HANDLEY:

Mr. Chairman. I believe we have some draft regulations which are still in the office.

CHAIRMAN (Mr. Ootes):

Thank you. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Could I ask why those draft regulations were not put into force? I recall meeting with some doctors here at the Legislative Assembly and they had felt strongly that the emissions here were contributing to an abundance of respiratory problems to the residents of Yellowknife so I would like to know why those regulations were discarded or not put into place. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Mr. Chairman, I do not recall those specific discussions, but we essentially have been monitoring the emissions at Giant Mine. We have basically adopted the national ones. I do not recall the exact reasons. I am not even sure I was in the department when the draft regulations were being discussed as the Member mentions.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Perhaps the Minister or the deputy minister could look into it and get back to me as to why they decided not to adopt these new standards. There must have been a good reason why the department felt that they should have stricter regulations. Thank you.

CHAIRMAN (Mr. Ootes):

Mr. Handley.

MR. HANDLEY:

Yes, we will look into it and provide the information.

CHAIRMAN (Mr. Ootes):

Thank you. Further questions? Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I believe this would fall under the Environmental Protection and it regards comments that were made by, I believe, the director of DIAND regarding the responsibility for cleanup of the arsenic at Giant Mine. The federal government, DIAND, does not seem to be quick at assuming the responsibility. They have noted that certainly above ground that they wish to share the responsibility with the Government of the Northwest Territories. Could the Minister advise us as to what responsibility or what regulatory authority this government has in regard to regulating pollutants on the surface? Thank you, Mr. Chairman.

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CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. If no one else assumes responsibility from the private sector, then whoever owns or is responsible for the Giant Mine properties is unable to act on the environmental liability, then the federal government is responsible for cleanup of the subsurface of the mine, largely the arsenic that is stored underground which is estimated to have a cost of \$250 million to clean up. The Government of Northwest Territories, in such a hypothetical situation, would be responsible for cleanup of the surface, that is the area that is within the Commissioner's land, all the buildings and reclamation, restoration of the surface site that has been occupied by the mine would be the responsibility of the Government of the Northwest Territories.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Kakfwi. Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson. Could the Minister tell me in what point within the life of the Government of the Northwest Territories did this government take over the responsibility for surface environmental issues? How many years has this government been

responsible for this and it was not federal responsibility? Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Henry. Mr. Kakfwi.

HON. STEPHEN KAKFWI:

Thank you. The surface lands were transferred some years ago. We are not exactly sure what year, but we became responsible for the surface lands at a particular year some time ago, and that is where it flowed from. The legislative responsibility flows from our Environmental Protection Act, which largely applies to the surface lands. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Kakfwi. Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson. Can I assume then that when the Government of the Northwest Territories assumed the responsibility for that subsurface activity, that they assumed all the liabilities of past years when it was a federal responsibility? Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Henry. Mr. Kakfwi.

HON. STEPHEN KAKFWI:

Thank you, Madam Chairperson. I believe the Member meant to say surface and not subsurface. All subsurface remains the property and responsibility of the federal government including all operations to do with water. The Government of the Northwest Territories generally deals with all surface lands, lands that are deemed to be Commissioner's Lands. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Kakfwi. Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson, and I thank the Minister for correcting that error. For greater certainly then, and I believe the Minister has alluded to it earlier but for greater certainly, he is saying that it is the federal government who is responsible for the cleanup of the subsurface contaminants particularly

related to Giant Mine? Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Henry. Mr. Kakfwi.

HON. STEPHEN KAKFWI:

Madam Chairperson, the liability for the operations of the mine, the mine environmental liability on the surface and subsurface in regard to the water licence under which Giant operates is the responsibility of the owner of Giant Mine, so it is the responsibility of the private sector. It would, as I understand, will become our responsibility to assume the environmental liability for the surface cleanup only in the event that there became no owner or there was a bankruptcy or total abandonment of that mine by the private sector. The federal government would then, I believe, have to assume responsibility for the environmental liability of the subsurface.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Kakfwi. Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson. I will have further questions as we go along. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

We are on page 11-13, Environmental Protection, operations and maintenance, \$1.3 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Environmental Protection grants and contributions, \$205,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total contributions, \$205,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Environmental Protection, details of capital, land and buildings, headquarters region. Total headquarters region, \$400,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total lands and building, \$400,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Other equipment, headquarters region. Total headquarters region, \$10,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Total other equipment, \$10,000. Agreed?

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SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Total capital, \$410,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Page 11-19.

CHAIRMAN (Mr. Ootes):

Thank you. We are on page 11-19, Resource Management and Economic Development, operations and maintenance. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Previously today the Minister had indicated, that Cabinet had said he could put forward names on his own without consulting with the MLAs, for the board members of the NWT Development Corporation. Could he confirm if that is what he said?

CHAIRMAN (Mr. Ootes):

Mr. Minister.

HON. STEPHEN KAKFWI:

Mr. Chairman, the Member had pointed out that we were not complying with the requirements of the NWT Development Corporation Act, and there is a need to make sure that we comply with our own legislation. There is no disagreement about that. We want to make sure that this government is not criticized for not complying with its own legislation. The Cabinet has moved, rather decisively to comply with the act and as an added safeguard, as I have said earlier, I understand Cabinet to have agreed that I, as a Minister who is responsible for making sure Cabinet complies with the act at all times, is given the prerogative to advance names in the event that we are not complying with the act. That is what I meant. It is not exactly what I said, but it is what I meant. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Mr. Erasmus.

MR. ERASMUS:

Mr. Chairman, I do not quite understand what the Minister is saying. Is he saying then that he cannot put forward names on his own without consulting the MLAs?

CHAIRMAN (Mr. Ootes):

I will let the Minister answer, but I do not believe that is what he said. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. There is a political process that we use to make sure that all boards are appointed properly, legally and politically, and in an acceptable manner. Generally, we ask every MLA to forward a nominee or a number of nominees for consideration by Cabinet. It is sometimes not possible to appoint Members for various reasons. Sometimes there is difficulty to work through this

process. It takes a lot of time. The fact of it is, the act does not say how names should be solicited or advanced for consideration by the executive, but that has been largely the way that we have chosen to operate over the years. Obviously, debate this week, questions in question period have illustrated very clearly, we have not been complying with the act and we have known that. We have acted, in the last few weeks, to come into compliance. We are also going to advance additional names over the next couple of weeks to the Cabinet.

I will continue to ask Members of the Legislature to provide nominees for consideration by Cabinet to bring the total number of board members up to at least ten. We will also look at legislative amendments to bring down the minimum and maximum number of board composition because, since division, we believe no longer a need to have up to 12 and a minimum of seven, and we believe we can lower that. We will look at bring legislative amendments forward to do that. I also understand that, as a Minister, I am given the prerogative to advance names for consideration by Cabinet. It does not mean I will have my nominees approved by Cabinet. In order to make sure that we can always comply with the act, Cabinet has agreed that, as the Minister responsible for advancing names for consideration by Cabinet, that I will have the prerogative to ask for names by whatever means I can I suppose, for consideration to Cabinet, so it would not necessarily be by talking to MLAs that I will get these nominees. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. The Minister just took six minutes to answer two straightforward questions. I still do not know if he has the prerogative of putting forward names on his own. On April 23, Friday, at page 519, in reply to a question, he said, "I always try to provide straightforward answers the best I can." If he is doing the best he can, I would hate to be around when he is not, because we would be here for days. Could the Minister please indicate in a straightforward way the best he can, if he has the prerogative to put forward names without consulting MLAs. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Yes.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I appreciate that answer. I would like to know why, on Tuesday, April 27th, on page 608 of Hansard, the Minister said, "it is not the prerogative of the President or myself, as the Minister, to advance names without politically seeking the support and nominees from the Members of the Legislature." If he has the prerogative, why did he say that? Thank you.

CHAIRMAN (Mr. Ootes):

Mr. Erasmus, I will allow your question, but you are getting off the subject of funding, the budget issues, and so forth and you are starting to look at what was said previously in the debates. I will give the Minister an opportunity to answer, but we do want to advise that we are here to consider the budget. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. It is quite simple really. The policy and the process of how to advance names for consideration by Cabinet is not really covered anywhere. As I have said, it has been political practice and the policy of Cabinet to request nominees from the Members of the Legislature. That is a long-standing practice and policy and it will continue to be the way in which we acquire nominees for consideration for appointments to the board. That should be fairly clear.

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Cabinet has also agreed, as of this morning, that for added safeguard, I can, as a Minister, forward names for their consideration when it becomes necessary to make sure that we have more than the minimum number of board members appointed. When I was speaking on Tuesday, or whenever it was he is quoting me from, I was saying basically what was standing practice at that time. It is only this morning that there has been a bit of flexibility shown by Cabinet in allowing me to put forward names for their consideration without having to get those names or nominees from MLAs, as I can come up with names by working directly with individual MLAs or perhaps

going directly to communities and regions asking for names. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Your time has expired, Mr. Erasmus. We are on Resource Management and Economic Development, operations and maintenance, \$32.537 million. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Did the Minister earlier indicate in his opening statement that there was a full board of directors in the NWT Development Corporation, or was that a statement earlier in the House?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. I believe I just read out the names of the newly appointed board members in response to a question by Mr. Henry at the beginning of opening remarks and general comments when myself, Mr. Handley and Mr. Krutko, assumed our chairs here.

CHAIRMAN (Mr. Ootes):

Thank you. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I would like to thank the Minister for reminding us that Mr. Henry had asked the question about the board members. Could I ask the Minister which of his staff is responsible for filling vacancies and seats on the NWT Development Corporation?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Just a correction on my last remarks. I was referring to Mr. Koe. I mistakenly said Mr. Krutko. The President of the NWT Development Corporation in this specific instance is the official that works with me and is responsible for the NWT Development Corporation, the management and operation of that. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Further questions? We are on page 11-19, Resource Management and Economic Development, operations and maintenance. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Really, it is not up to the staff to fill vacancies and seats on the boards as the Minister indicated on Monday. It is not up to the staff to fill those vacancies and seats. The staff simply reminds him that there are vacancies. Is that correct?

CHAIRMAN (Mr. Ootes):

Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. As I understand it, according to legislation, it is Cabinet that is responsible for ensuring that we comply with the act, since Cabinet makes the appointments. It is my responsibility, along with the president of the Development Corporation, to make sure that Cabinet is aware when we do not meet the minimum requirement for board members. The past Presidents of the Development Corporation have, I am sure, alerted the respective Ministers over the years to such situations. I have been alerted over the last few years. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I would like to thank the Minister for indicating that it is not actually the responsibility of the staff to fill vacancies and seats as he said on page 554. Mr. Chairman, the Minister had indicated that there has not been a minimum of seven board members as the act stipulates, since 1996. Could he indicate how division has stopped the Minister from complying with that legislation. Thank you.

CHAIRMAN (Mr. Ootes):

Could you repeat your question, Mr. Erasmus. Sorry, I missed it.

MR. ERASMUS:

Thank you, Mr. Chairman. Could I ask the Minister to indicate how division has stopped him from complying with the legislation?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. I had been taking that question on notice earlier this week because, as I have said, I am not in the position to give categorical statements about all the times that the President of the Development Corporation may have informed me that we were not meeting the minimum requirements for board members over the last few years and how many letters I have sent out to MLAs, how many times I have taken action to address that situation. There have been a number of resignations, board members lost as a result of division, there have been board members appointed, as I said, to being a Commissioner of the Northwest Territories, so, it has been a convoluted history in the last few years, so I do not want to deter the Member from continuing to make a case of this. I am sure there is one to be made, we want to spend a lot of time at it but the fact is the government has said and I have said we have not been complying. We recognize that. We have moved to comply and so we are. The world should be a better place for it. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Kakfwi. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, I would like to thank the Minister for indicating that division did not stop him from complying with the act as he had indicated on Friday, April 23, page 521. Perhaps I could then ask the Minister if Cabinet has ever, to the best of his recollection, ever refused to endorse and appoint a board member that he has recommended? Thank you.

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CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. I will let the Minister answer but I believe there is a Cabinet secrecy question involved there. Mr. Minister, do you wish address that?

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. No thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Mr. Erasmus, further questions?

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, Mr. Henry had indicated he wanted to ask some questions.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Mr. Chairman, before I ask the question I would like to move a motion.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I would like to move that we extend sitting hours until we complete this department.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. There is a motion on the floor to extend sitting hours to conclude this department, the Department of Resources, Wildlife and Economic Development. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. We are on page 11-19, resource management and economic development, operations and maintenance, \$32.537 million. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Mr. Chairman, I would like to go back to some questions that I was asking the department earlier on for clarification. It is regarding the Development Corporation and I believe the president informed me there is potential and guidelines in place which would allow for the issuing of \$100,000 for capital and \$10,000 for creating a job. That is a \$10,000 subsidy. Now, how often can an organization, how many years can an organization

apply for this type of funding? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Henry. I believe we do have on page 11-23, that question can be addressed there. Mr. Henry, we can entertain it here in the overall operation but I believe there is a more specific amount on page 11-23 if I recall correctly, but I will ask the Minister to address that. Mr. Koe.

MR. KOE:

Mahsi, Mr. Chairman. Mr. Chairman, in terms of capital, the reason we have the guideline of \$100,000 I believe is because in the communities which we target the businesses which we own, level three or level two communities, in many cases they do not have buildings or do not have the equipment necessary to start up the business so the capital equipment, the capitalization of new buildings is quite costly so that is why the higher level. It is amortized over a number of years. These normally are one time contributions other than when they are replacing equipment, sewing machines, sawmill parts or whatever. In terms of the operating subsidy, businesses or subsidiaries are allowed to apply annually for ongoing subsidy costs.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Koe. We are on page 11-19, resource management and economic development, operations and maintenance, \$32.537 million. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, just continuing on the NWT Development Corporation, the Minister had indicated on Tuesday that FMBS directed that he undertake an operational audit of the Development Corporation. Did FMBS draw up terms of reference for that operational audit?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister. Mr. Handley.

MR. HANDLEY:

Thank you, Mr. Chairman. Mr. Chairman, yes. FMB directed that the Department of Resources, Wildlife and Economic Development have the operational audit undertaken. RWED, in consultation with the President at the time, drew up the terms of reference.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, did FMB approve the terms of reference?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Mr. Chairman. Mr. Chairman, I do not believe we were asked to take the terms of reference back to FMB and I do not recall that we did.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, would the Minister mind tabling those terms of reference tomorrow?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Erasmus, we missed the last part of your comment.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, I just realized that you can still table documents today so could the Minister table the terms of reference tomorrow or later today to have them available? Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Mr. Chairman, as I understand it the direction came from FMB, the operational audit is going to be conducted by FMB, so it would be up to the Financial Management Board to decide whether or not it can provide those documents that the Member is requesting for tabling. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, I believe Cabinet meets every morning and also the deputy minister had indicated that FMB did not even approve the terms of reference so I do not think they will mind sharing them. Would

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the Minister ask tomorrow morning whether he can table the terms of reference and if Cabinet says no, can he share them with the MLAs at least, or myself. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Mr. Chairman, if there is a meeting of the Financial Management Board I will put the question forward. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, I believe that the same people that sit on Cabinet sit on the Financial Management Board, so can he not get the direction at the Cabinet meeting tomorrow?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Mr. Chairman, that is the devilment of working in government, it is never as simple as it looks. The fact is, it is a very different. There is a big difference between the Financial Management Board and the Cabinet. The Premier and Members of the Cabinet are made up of Ministers. We deal with business of acting as executive for the government. The Financial Management Board is the financial management arm of the executive, is chaired by the Minister of Finance, so they are two separate functions. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. You may have to address your questions to the Minister of the Financial Management Board, Mr. Erasmus. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, I would like to thank the Minister for clarifying that and also for indicating that, well I believe he had indicated that he would ask at the next Financial Management Board meeting whether he could verify that and that he will ask at the next FMB meeting and if it is agreed upon, that he does table the terms of reference. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Mr. Chairman, we do as an executive try to hear every request that every Member of the Legislature make and we are not able to respond to all of them in the manner they like, we try to respond to everything. If we could do everything overnight it would be great. As Members now and Ministers and the executive would be the happiest to be able to do something like that. All I can say is we hear the Member and we will try to get the information to him. It is not for me to decide that, I think we made that clear. The Minister of Finance is sitting here listening very attentively. I do not know if the Member is aware of it but we have all heard his request so we will see what we can do to share the information. If there is a reason why we cannot then we will probably be told about it. I am sure we will share that the staff are all glued to the TV sets watching us conducting business down here. They monitor everything and they will tell us probably within the next half hour or very simply first thing in the morning the reasons why there may be or why they cannot. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, I am just wondering if FMBS directed the Minister to do this operational audit as he indicated on Tuesday, page

609, why he indicated about one half-hour later on page 619 that in February, FMBS met and it was decided at that time to allow me to do an operational audit. There seems to be a big difference between directing someone to do something and allowing them to do an operational audit. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. I do not hear a question Mr. Erasmus. Do you have a question?

MR. ERASMUS:

Thank you, Mr. Chairman. Mr. Chairman, I asked him why if he was directed as he indicated on page 609, why did he say a half hour later or however long it took the same day on page 619 on Tuesday, April 27, that FMBS allowed him to do an operational audit. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Erasmus I believe you are referring to the unedited Hansard which many of us do not have access to. I will allow the Minister to answer the question but I just cannot follow it because I do not have the Hansard in front of me. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Mr. Chairman, the Financial Management Board has directed that an operational audit be done. The operational audit is being done by the Department of Resources, Wildlife and Economic Development. I should not have said allowed. I should not have, and I will stand corrected. It is in the heat of debate, question period.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Further questions? Mr. Erasmus, your time has expired. Further questions? We are on page 11-19, Resource Management and Economic Development, operations and maintenance, \$32.537 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Under Wildlife and Fisheries, Great Slave Lake has a tremendous renewable resource, unlike diamond mines and gold mines. It does not just end after you have taken all those resources out if it is managed properly. I understand, from talking to some old-time fishermen, that at one time we used to have closed seasons on the Great Slave Lake and we no longer have those closed seasons. Could we get an indication of why we no longer have closed seasons on Great Slave Lake fishing?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

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HON. STEPHEN KAKFWI:

Mr. Chairman, the federal government, I believe, has responsibility and jurisdiction over Great Slave Lake, over inland waters and fisheries. It does not appear to rest anymore with the First Nations governments in this area, so things are unlikely to change unless there is agreement to move on devolution or if there is some way to ensure there is a resolution to the outstanding claims of First Nations in this area for them to get some substantive control back over resources like this, that I believe the Member feels has been seriously mismanaged over the years. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Further questions? We are on page 11-19, Resource Management and Economic Development, operations and maintenance, \$32.537 million. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. As indicated, the fisheries in the Great Slave Lake, of course, are a renewable resource, and being renewable, it means that it can continue in perpetuity if it is managed correctly. Obviously, if you do not have closed fishing seasons during spawning time, we are going to lose a lot of fish that could lay eggs. The fishermen have told me that we used to have closed seasons, but we do not now. I would like to ask the Minister if, during his tenure of Renewable Resources as the RWED Minister and Renewable Minister, if he was that prior to that, during his time there did he ever recommend to the federal government that perhaps we should

have closed seasons on the Great Slave Lake?
Thank you.

CHAIRMAN (Mr. Ootes):

Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. As a government, we have no jurisdiction over inland waters or fisheries and management of that regulation, the legislation of that rests with the federal government. The federal government sets up advisory boards and groups to allow users and the public to have input advising the government on how best to manage resources like this. As a government, we agree that the resource is renewable, that it is something that we all depend on. It is a source of food and potential income for many people, but it has not been managed very well. We are always working on the side of fishermen and aboriginal people trying to find ways in which we can advocate better use, better ways of using resources here in the North that are now currently under the responsibility of the federal government. If there are suggestions that the Member has about what we can do in the next few months, for instance, to propose to the federal government, I would be very happy to work with them on that. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Further questions? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I was just looking at page 11-18 which indicates that Wildlife and Fisheries is also responsible for developing plans and programs for the sustainable development of the fisheries resource. I am assuming that this would fit into that area. I am glad that the Minister has said that he would take it upon himself to look into this. But what I had asked and I am sure he is going to answer that very straightforward as he said he likes to do on April 23, has he ever recommended this to the federal government while he has been the Minister? Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Just for clarification, I guess, yes, no answers are ones that my colleagues like me to give. I think Members of Caucus as well, Ordinary Members. It is also true that some days I like to give long-winded answers because there is always something useful in the ensuing discussion that often erupts into.

Back to the business here on the Great Slave Lake fishery, we know that there have been a great number of studies done over the years trying to arrive at a strategy that everybody could support and understand and support, for instance, for a commercial fishing industry on Great Slave Lake. I believe the staff, and I will be preparing an in-house paper that will begin to try to examine the different issues regarding fishing and fisheries on Great Slave Lake and draft a number of recommendations for myself to look at. We are going to look at people who use the lake, outfitters and lodge operators to commercial fishermen to subsistence users, aboriginal people, sports and recreation. A paper like this, if we can work it into a form that is acceptable for release, will be released for public consultation sometime this spring. We will work on the revised strategy based on the consultation we hope to have during the course of the summer. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Perhaps the Minister should be a little bit more careful in what he says in question period. Sometimes he likes to be long-winded because what he actually said was he always tries to provide straightforward answers. Mr. Chairman, the fishermen have told me that in the past, there had been quite an extensive value-added industry with fishing on Great Slave Lake and that, at one time, there were up to 30 people employed in cleaning and filleting fish and that this was then shipped down south. Today this does not occur. Today our fish is simply packed and sent out in a box. All those people that used to work in the filleting industry, filleting area of the fishing industry, are no longer employed. Perhaps some of them are employed, but that particular area is no longer available. Could the Minister indicate what his department is doing to revive this area of the fishing industry? Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. The people that want to get into the business of fishing are supported by our government. We provide them with contributions, loans, like every other business. Applicants, we sometimes provide other forms of assistance. We look at value-added activities, so generally speaking I think we have been proactive in trying to support an industry here on the lake that faces some very strong competition from people down south. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. We are on Resource Management and Economic Development, operations and maintenance, \$32.537 million. Agreed?

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SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Agreed. We will call a ten minute break. Thank you.

--Break

CHAIRPERSON (Mrs. Groenewegen):

The committee will come back to order. We are on Department of Resources, Wildlife and Economic Development, Resource Management and Economic Development, operations and maintenance, \$32.537 million. Mr. Erasmus?

MR. ERASMUS:

Thank you, Mr. Chairman. The other day the Minister indicated that he got legal advice on the meaning of breach when we were talking about the NWT Development Corporation Board, so what I was wondering was since he did not have more than five board members since 1996, did he ever get legal advice on whether they could legally have a meeting without seven members?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Kakfwi.

HON. STEPHEN KAKFWI:

Madam Chairperson. My understanding of breach is that breach is considered, by the lawyers that I have talked to, Mr. Erasmus not included, he said it is a bit of too strong a term. Have not complied with the legislation is much more to my liking. I believe that is more properly the term that should be used, it is a little more objective and gets to the point in a straightforward and to the point. I have not sought advice about the issue he is raising. As I have said we have tried to appoint the board over the years and it is obvious that we cannot really beat this issue to death beyond it and I think we are. We have not complied with the act. It is a fact. I accept that. The government accepts that. We have moved, in the last while, to address that. It has been addressed. It has been resolved, so what is the point? Where does the Member want to take this now is more the question, I guess.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Kakfwi. Resource, Management and Economic Development, operations and maintenance, \$32.537 million. I am going to ask the Member for Yellowknife North to keep his questions to the Main Estimates. I believe this is the fourth time the Member has been recognized on this particular line item. I will ask him to direct his question to the issue of the Main Estimates, and other issues to do with the Development Corporation Board can be taken up in question period. Thank you. Mr. Erasmus.

MR. ERASMUS:

Could the Chair clarify for me whether all Members have the opportunity to be extended the same line of questioning as every Member? I seem to recall that Mr. Henry was the first Member to ask questions about the board of the NWT Development Corporation.

CHAIRPERSON (Mrs. Groenewegen):

I believe the question is, is every Member afforded the same opportunity to ask questions on a certain subject. Yes, they are and there has been a tremendous amount of latitude with respect to this particular subject today. The rule book indicates that no Member shall speak for more than ten minutes at any one time in committee of the whole and subject to the discretion of the Chair, a Member may speak more than once to a matter under discussion but not until every Member wishing to speak has spoken. My answer to the Member is that, I believe, as I said that

this is the fourth time the Member has been recognized on this particular line item and I would say it is not infringing on the Member's privilege to ask questions in this committee. Thank you. Mr. Erasmus.

MR. ERASMUS:

Madam Chairperson, is it okay to ask questions about the Auditor General, who I believe gives direction to the Development Corporation and who has been, I believe has a lot to do with money anyways?

CHAIRPERSON (Mrs. Groenewegen):

Certainly, Mr. Erasmus. As the Auditor General's reports do pertain to the issue of Main Estimates, absolutely.

MR. ERASMUS:

Thank you, Madam Chairperson. The Minister had indicated that the Auditor General and the staff understood a quorum as being a majority of the Members appointed and that they had been able legally to meet the definition of what a quorum is. Could the Minister indicate whether the Auditor General had provided him with a letter on that particular legal opinion?

CHAIRPERSON (Mrs. Groenewegen):

Mr. Kakfwi.

HON. STEPHEN KAKFWI:

Thank you, Madam Chairperson. I am advised that there is a letter, and we can provide it to the Member. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Could the Minister indicate whether he knows if the Auditor General is a lawyer?

CHAIRPERSON (Mrs. Groenewegen):

Mr. Erasmus, I am sorry, I am going to rule your question out of order. It has nothing to do with the Main Estimates. We are on line item, page 11-19, operations and maintenance, \$32.537 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Under Parks and Tourism, could we get the clock started again please?

CHAIRPERSON (Mrs. Groenewegen):

Mr. Erasmus, this is still on the same line item, so we are still on the same time segment. Thank you, Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Under Parks and Tourism, the parks in Yellowknife have parks officers and people working for parks in the summer. I have been informed by people who have worked in this particular area in the past that people who work in the summer have, I guess, I cannot remember the term, they work every year but they do not work full-time. They do not work all year. I understand that they found a way so that they can work a lot of overtime hours in the summer. Once the operation is shut down in September or

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whatever, that they are able to get paid, at least one person in the past, has been able to get paid all winter from working during that summer. I had written the Minister about this some time ago. Could the Minister indicate whether he has moved to rectify this situation so this can no longer be done? Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Yes, Madam Chairperson. The people the Member are referring to are seasonal workers that do frequently put in overtime. We have checked, and there is no one who earned enough overtime over the summer to be paid all winter. All of the overtime that people are paid for is approved by the supervisor, and we certainly continue to monitor to make sure it is not excessive or unnecessary. There is no one who got

paid all winter as a result of their hours they put in the summer.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Could the deputy minister indicate whether this has happened in the past? Is this the first year that this has not happened in the immediate two or three years?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

To my knowledge, there has never been anyone who has been a seasonal worker for RWED who has earned enough overtime in the summer to be on full salary all winter. People frequently draw unemployment insurance, people take other jobs, but no, in terms of full salary, there is no one that I know of.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Other people that worked in the department know them, know of it happening and I know of it happening because the person showed me his cheque in March. Perhaps we could let the deputy minister know at another time. I do not think it is appropriate to devolve names in this place so, as I said, I will undertake to provide the deputy minister with that information at another time. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Resource Management and Economic Development, operations and maintenance, \$32.537 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Resource Management and Economic Development, grants and contributions, grants, \$652,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Erasmus.

MR. ERASMUS:

Madam Chairperson, could I ask you what page you are on?

CHAIRPERSON (Mrs. Groenewegen):

We are on page 11-21.

MR. ERASMUS:

Madam Chairperson, we do not get to ask questions on page 11-20?

CHAIRPERSON (Mrs. Groenewegen):

Mr. Erasmus, apparently we have already done what is on page 11-20 in the capital relating to that starts on page 11-26 which is coming up. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, I thought we were on page 11-19.

CHAIRPERSON (Mrs. Groenewegen):

That was called and agreed and I have now called Resource management and economic development, grants and contributions, grants \$652,000. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, why are we jumping from page 11-19 to page 11-21?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Erasmus, as I explained we have operations and maintenance on page 19. It is the breakdown of what we just agreed to on 11-19 and the detail is on 11-20. The capital comes up later. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, so we do not go page by page is that what you are saying?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. No, Mr. Erasmus. We go page by page but we do not deal with the detail of every page. If you look at page 11-19 where it says operations and maintenance, \$32.537 million that deals with the operations and maintenance portion. The \$1.737 million that is for capital starts on page 11-26. This is not a variance from any process that we have been doing all along. This is how we have been doing it. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, if we do not go page by page how are we supposed to be able to keep track of all these individual figures here for each area in the heat of the questioning as Mr. Kakfwi likes to call it, particularly since nobody else seems to want to ask questions.

CHAIRPERSON (Mrs. Groenewegen):

Well, I believe that most of the areas that are under operations and maintenance have been covered by questions already by Mr. Henry and yourself. We are on page 11-21, grants and contributions, grants \$652,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, for the humane trap development, could we hear what is being done in that area? The trappers, a lot of the older trappers complain that the newer humane traps are too bulky

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and too difficult to use. Could we get an indication of what is happening in this area please?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Madam Chairperson. Madam Chairperson, under humane trap development we have a grant of \$5,000. That is a grant that is available to inventors working on the development of humane trapping devices. The money is applied for at times, I do not recall whether it was applied for last year, but it will be available again in this coming year. In terms of trap development, we do not do trap development in our department.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, if the deputy minister would be so kind could he perhaps explain what is happening in that area even though his department is not responsible for developing humane traps.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Madam Chairperson. Madam Chairperson, I am not 100 percent sure what is happening across the country in that. There is a trap research station in Alberta near Vegreville that is doing some work on testing various traps that people submit. The Fur Institute of Canada is active in prompting humane trapping. The federal government has also prompted it. I suspect in fact the National Research Council may even be doing some work on various forms of trapping. Quite frankly, I do not know all that is going on in trap research. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, under the furs, could the Minister or the deputy minister indicate how the Fur Pricing Program works?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Madam Chairperson. Madam Chairperson, the Fur Pricing Program is a program where we provide support to trappers to ensure they have a minimum price for selected species of fur. This is to ensure that trappers can continue to find that occupation viable. The program is managed out of our regional offices. Trappers bring their fur in. If the fur is of good quality, they are guaranteed a minimum price. We essentially supplement them based on the set minimum price against the sale price for that particular piece of fur. I do not have the exact amounts of the minimum price for each of the species but it was started in 1995 and in the western Arctic it covers muskrats, beavers. There was no need to have it for martin and I am not sure of exactly all the species. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, so once the government gets those furs, what do they do with them?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Madam Chairperson. Madam Chairperson, the furs are the property of the trapper. We will handle the fur in the sense of packing it and sending it off to auction house on their behalf if they ask us to. On the other hand, a trapper can sell it to a buyer in the Northwest Territories or wherever they like. We provide the service for them and we also give them the price guarantee but the fur is always theirs. We do not buy it from them.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, I believe it was last year the department had moved to get better fur prices and I believe that

they had hired someone down south to work in this area or something. Could the Minister or the deputy minister explain what they have done in this area and if it has worked?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Madam Chairperson. Madam Chairperson, we have made available to the trappers an option where they can have their furs marketed through a company in Montreal. The company has assured us that they would provide at least 15 percent improvement over what the auction houses have historically been paying. They are able to do this because they are taking the fur that they get and marketing it as northern furs and northern furs are known around the world as being better quality. We do not have all the information yet from this past trapping season to know whether or not they have achieved those targets, but again I emphasize that it is up to each trapper whether or not they participate in the program.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, could the deputy minister indicate again how much they have been assured that they would be able to get, an extra amount of 15 percent did he say, or 25 percent, I just did not get that?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Madam Chairperson. Madam Chairperson, they told me they would receive 15 percent more than the average market auction house price.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, what will the department do if this does not bear

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out to be true after they get the information later this year?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Madam Chairperson. Madam Chairperson, we have a minimum fur pricing program in place any way. It is voluntary to each trapper whether or not they participate in the program, so it does not matter how the trapper sells it, they will still get their minimum price. If this arrangement through the Montreal marketing firm is successful they will get 15 percent more. If they do not get it, then they are certainly assured of the minimum price no matter where they sell it.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, perhaps I was not clear enough in my question. Will the department go longer than one year with this new way of doing business even if their new marketer or whatever he is called cannot get more than 15 percent than the average auction house? Will they be trying it more than one year? I mean, one year does not seem to be a very good time period to see if it is successful. There are all kinds of varying factors which come into play.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Madam Chairperson. Madam Chairperson, yes, as long as the trappers continue to send their fur to that firm then the program will continue. I have to emphasize that the department gave some money initially for the development of the project but we do not on an ongoing basis support it. The people are doing it as a business venture so, as

long as trappers continue to send the fur there, the program will continue.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, could the deputy minister indicate what kind of acceptance to this program there is from the trappers are most of them taking advantage of this or could you give me an indication of that please?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Madam Chairperson. Madam Chairperson, in terms of the number of trappers, I believe about 70 to 75 percent have taken advantage of it.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Handley. I have Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson. Madam Chairperson, just a question directed to yourself. I would encourage you to release the Pages, I mean it is getting close to 7:00 p.m. and it is a school night and I am not sure if these young people have had an opportunity to have supper yet, so I would ask you to give consideration to releasing them from their duties. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Henry for being so considerate. Four of the Pages have already gone apparently and administration has talked to the rest of them. Do you have any questions, Mr. Henry? Grants and contributions, grants, \$652,000. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, this particular page 11-21, how many pages does that cover?

CHAIRPERSON (Mrs. Groenewegen):

I think it is just this page, these four items are covered by this page, Mr. Erasmus. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, so once we approve this page are we going to stop at 11-22 and be able to ask questions there?

CHAIRPERSON (Mrs. Groenewegen):

Yes, Mr. Erasmus. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, how come we did not do that at the previous page?

CHAIRPERSON (Mrs. Groenewegen):

Mr. Erasmus, the items covered on page 11-22, 11-23, 11-24, and 11-25, all those itemized are covered under the total at the bottom where it says total grants and contributions, total contributions. So those pages 22 through 25 are covered by a dollar amount which is on page 11-25. Thank you. Mr. Erasmus.

MR. ERASMUS:

So what does that mean? We will be stopping at each page, is that correct?

CHAIRPERSON (Mrs. Groenewegen):

No, but we will allow questions for everything from page 11-22 to page 11-25. We will allow questions on all of those things that are covered on those pages under the number on page 11-25, the dollar amount on 11-25. Thank you. Mr. Erasmus, we have a certain procedure in committee and the Chair has a certain way of doing these things and it is the way we have always done them but, just so that you will understand it better, I am going to ask Mr. Schauerte to just explain how the calling of the items works. Mr. Schauerte.

DEPUTY CLERK (Mr. Schauerte):

Thank you, Madam Chairperson. I think Mr. Erasmus refers to the rationale for not calling the items on page 11-20. The reason being, you will note that the operations and maintenance, \$32.537 million, that figure is also cited on page 11-9 and the activity descriptions on 11-19. On 11-19, a number of

questions were posed regarding operations and maintenance. The capital of \$1.737 million is going to be addressed on pages 11-26 and 27 which are upcoming, as the Chair has indicated. That is the rationale for not calling the items on page 11-20. There is still an opportunity for all Members to ask their questions on the detailed items within each departmental budget. That is why the Chair has been proceeding along these lines. It is the same process that has been followed as we consider all the other departmental budgets.

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CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Schauerte. Does that help, Mr. Erasmus? Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. On page 11-25, that is where we ask about all of these 11-22 and 11-23 information? Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. We are going to call Resource Management and Economic Development, grants and contributions, grant \$652,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

I am going to ask Mr. Ootes to take the chair.

CHAIRMAN (Mr. Ootes):

Thank you. We are on page 11-25, Resource Management and Economic Development, contributions. The item is on 11-22, 23, 24, and 25. Total contributions, \$13.734 million. Mrs. Groenewegen.

MRS. GROENEWEGEN:

Thank you, Mr. Chairman. At this point, I would like to advise Members a business which is controlled by me called Greenway Holdings Ltd., has a loan with the Business Credit Corporation. As such, I am in a conflict in consideration of this line item. I would like to declare this conflict, refrain from debating this

matter and withdraw from the committee. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Thank you, Mrs. Groenewegen. We have noted that you are in the process of leaving the Chamber. Contributions, \$13.734 million. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. On page 11-23, under the NWT Development Corporation, the contributions to generate employment and develop economic opportunities may not be suited for individual entrepreneurs, a very worthwhile endeavour. I am sure that the board of directors on the NWT Development Corporation are keeping a close eye on that. I would like to ask the Minister if he was a Minister or an Ordinary Member when Ms. Jeanie Marie-Jewell was a Minister?

CHAIRMAN (Mr. Ootes):

Mr. Erasmus, I do not understand the relevance of that to the discussion. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. The reason I was asking is because on April 4 and 5, 1991, the Union of Northern Workers took the Minister of Safety and Public Services to court because she would not comply with appointing board members to the mining board. The court ordered her to comply with the Mining Health and Safety Act. What I was wondering, was why this Minister thinks that the Court would treat this particular board any different than they treated the mining board? Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. I believe the Minister is not in a position to give a legal opinion on that. Contributions, page 11-25, \$13.735 million. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Since the Minister is not in a position to give a legal opinion, I will be happy to provide him with this court case, because the Court said that you only take a reasonable time to appoint members. So, I will provide this to the Minister so that he does not have an illegal board for another two and a half year period. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. We are on grants and contributions, line item, \$13.735 million. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. On page 11-25, the West Kitikmeot Slave Study, it says that there is a coalition of industry aboriginal organizations and environmental organizations. Could the Minister indicate which environmental organizations are involved in this particular study?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. Yes, I can provide Members with a list of members of the coalition.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Grants and contributions, \$13.735 million. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Could the Minister indicate if any groups that were involved in the West Kitikmeot Slave Study have pulled out or dropped out of this coalition?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. I will make that information available to Members of the committee.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Is the Minister saying he does not remember?

CHAIRMAN (Mr. Ootes):

I am sorry, Mr. Erasmus. I missed the Minister's answer, so perhaps I will ask the Minister to respond.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. I think it is important that the Member hear me. I just said I would provide the two pieces of information he asked for in his last two questions. That is what I said. It will be provided to him.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I was just wondering why he wanted to provide it to me at a later time. Is he not able to tell me now?

CHAIRMAN (Mr. Ootes):

I am sure that the Minister would offer to provide it now, Mr. Erasmus, but I will ask the Minister to reply if he so wishes.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. The West Kitikmeot Slave Study is ongoing. It does have members. I am not sure exactly, since Mr. Erasmus has taken delight in pointing at all the grammatical errors I have made in the last few

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days, I want to be very sure of the answers I give him. I may leave out some members of this committee, I may say something that may get him to believe that I am not telling the whole truth or misleading him, so, I will just leave it at that. I have offered and I will give him the information that he asked for in his last two questions.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Minister. We are on grants and contributions, \$13.734 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total grants and contributions, \$14.386 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Page 11-26, Details of Capital, Resource Management and Economic Development, lands and buildings, headquarters region, total headquarters region, \$429,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Fort Smith region. Total Fort Smith region, \$590,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Agreed. Inuvik region. Total Inuvik region \$532,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total land and buildings, \$1.551 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Page 11-27, details of capital, other equipment, headquarters region. Total headquarters region, \$31,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Fort Smith region. Total Fort Smith region, \$73,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Inuvik region. Total Inuvik region, \$57,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total other equipment, \$161,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Computer hardware and software, Inuvik region.
Total Inuvik region, \$25,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total computer hardware and software, \$25,000.
Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total capital, \$1.737 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Page 11-29, Forest Management, operations and
maintenance, \$28.285 million. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Could we get an indication
of how, first of all, I do not want to call something by
the wrong name. What is it that people get, is it a
permit or a licence or what when they are allowed to
do some logging in certain areas?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Mr. Chairman. If people get permission to
harvest for one year it is referred to as a permit. If it is
for multiple years, it is referred to as a licence.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. We are on page 11-29. Mr.
Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Can anybody just come in
and apply for a permit or a licence?

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus. Mr. Handley.

MR. HANDLEY:

Thank you, Mr. Chairman. Yes, anyone can apply.
There is a review process and consultation process
that they would have to satisfy.

CHAIRMAN (Mr. Ootes):

Thank you. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Do the neighbouring
communities in that particular region have to consent
to permits or licences being granted? Thank you.

CHAIRMAN (Mr. Ootes):

Mr. Handley.

MR. HANDLEY:

Thank you, Mr. Chairman. No, not necessarily, but
they have to be consulted, but it is not required that
they consent.

CHAIRMAN (Mr. Ootes):

Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. When the deputy minister
is saying that anybody can apply, does this include a

company from the south can come and apply and get a permit or a licence in the Northwest Territories to harvest logs?

CHAIRMAN (Mr. Ootes):

Mr. Handley.

MR. HANDLEY:

Anyone can apply, but that does not necessarily mean they will get a licence. As I mentioned, it goes

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through an internal review in the department and also goes through a consultation process with the affected communities and organizations. Beginning this year, it will have to go through the Mackenzie Valley Resource Management Board. Anyone can apply, but whether they get a licence or not depends on a number of factors.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Are there currently any southern companies harvesting with licences or permits anywhere in the Northwest Territories?

CHAIRMAN (Mr. Ootes):

Mr. Handley.

MR. HANDLEY:

Yes. There are two companies that are considered southern. One is from Alberta that is harvesting in the Cameron Hills area. This is the last year of a five-year permit. The other is a company from Nelson, BC, who are in a joint venture with the community of Nahanni Butte, it is a joint venture, but the principal company is from Fort Nelson.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. The deputy minister indicated that there is going to be a change in the way this area will be monitored or how the permits and licences will be issued. He mentioned the Mackenzie

Valley Resource Management Act. Could he explain how this change will now work? How will this new system work?

CHAIRMAN (Mr. Ootes):

Mr. Handley.

MR. HANDLEY:

Thank you, Mr. Chairman. I believe the Member is referring to the Mackenzie Valley Resource Management Act. Under that act, there are regional boards. Any permit that involves the use of land or water will be required to go through a screening process, depending on the magnitude of the operation. It could either be approved by the regional board or it might be referred up to the territorial land and water board, or it might even be to the impact board. There is a structured process, it is federal legislation and it goes into full effect presumably this year.

CHAIRMAN (Mr. Ootes):

Thank you, Mr. Handley. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I believe this act was put into places where land claims have been finalized. How will it work in areas where the land claims have not been finalized. For instance, in the North Slave regions or the Deh Cho?

CHAIRMAN (Mr. Ootes):

Mr. Handley.

MR. HANDLEY:

Thank you, Mr. Chairman. Where there is not a regional board, then I believe the territory-wide board will have a responsibility for the issue. That act, as I say, it is federal legislation and exactly how it will operate will be largely determined by the federal government.

CHAIRMAN (Mr. Ootes):

Thank you. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Does the deputy minister know if there will be local people on that territorial-

wide board where there are no land claims finalized, for instance, the Deh Cho and North Slave region?

CHAIRMAN (Mr. Ootes):

Mr. Minister.

HON. STEPHEN KAKFWI:

Thank you, Mr. Chairman. I understand that the board, when it is fully operational and functional, will operate throughout the Northwest Territories, except for the Inuvialuit settlement area. Where there are claims settled, all land use and water use will be within the domain of the regional boards that are set up through the claims legislation. Where matters cross settlement areas and affect more than one region, the overall board will preside over areas where there are no claims settled. It is what I understand. Thank you.

CHAIRMAN (Mr. Ootes):

Thank you. We are on page 11-29, Forest Management, operations and maintenance, \$28.285 million. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Could I ask for a two minute break.

CHAIRMAN (Mr. Ootes):

Mr. Henry.

MR. HENRY:

Please proceed, Mr. Chairman.

CHAIRMAN (Mr. Ootes):

Page 11-29, Forest Management, operations and maintenance, \$28.285 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

We are on page 11-31, Forest Management, grants and contributions, grants, total grants, \$100,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Page 11-32, Forest Management, details of capital, land and buildings, Fort Smith region. Total Fort Smith region, \$49,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total land and buildings, \$49,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Other equipment, headquarters region, total headquarters region, \$166,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total other equipment, \$166,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Computer hardware and software, headquarters region. Total headquarters region, \$40,000. Agreed?

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SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total computer hardware and software, \$40,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total capital, \$255,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Page 11-33, active positions, information item.
Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Page 11-34, fur marketing service, revolving fund,
information item. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Page 11-35, details of work performed on behalf of
others. Page 11-36, total department, \$3.398 million.
Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Page 11-7, Resources Wildlife and Economic
Development, program summary, operations and
maintenance, \$70.640 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Capital, \$2.427 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

Total expenditures, \$73.067 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ootes):

That concludes the Department of Resources, Wildlife
and Economic Development.

CHAIRMAN (Mr. Ootes):

I want to thank the Minister and his officials for
appearing before us today and answering all the
important and very detailed questions. Thank you. I
will now rise and report progress.

DEPUTY SPEAKER:

Item 20, report of committee of the whole, Mr. Ootes.

ITEM 20: REPORT OF COMMITTEE OF THE
WHOLE

MR. OOTES:

Thank you, Mr. Speaker. Your committee has been
considering Bill 17, Appropriation Act, 1999-2000,
and committee report 1-13(7) and would like to report
progress with one motion being adopted and, Mr.
Speaker, I move that the report of the committee of
the whole be concurred with.

DEPUTY SPEAKER:

Thank you. Seconded by Mr. Erasmus. 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. Item 22,
orders of the day. Mr. Clerk

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton):

Orders of the day for Friday, April 30, 1999:

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 Motion for First Reading of Bills
16. Motions
 - Motion 20-13(7)
17. First Reading of Bills
 - Bill 18, Loan Authorization Act, 1999-2000
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 17, Appropriation Act, 1999-2000
 - Committee Report 1-13(7)
 - Tabled Document 31-13(7)
20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

DEPUTY SPEAKER:

Thank you, Mr. Clerk. This House

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stands adjourned to Friday, April 30, 1999, at 10:00 a.m.

--ADJOURNMENT