



**LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES**

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Speaker: The Hon. Red Pedersen, M.L.A.

# LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 22, 1988

MEMBERS PRESENT

Hon. Titus Alloofoo, Mr. Angottitauruq, Mr. Arlooktoo, Hon. Michael Ballantyne, Mr. Butters, Hon. Nellie Cournoyea, Mr. Ernerk, Hon. Stephen Kakfwi, Mr. Lewis, Hon. Jeannie Marie-Jewell, Mr. McLaughlin, Mr. Morin, Mr. Nerysoo, Hon. Dennis Patterson, Hon. Red Pedersen, Mr. Pollard, Mr. Pudluk, Mr. Richard, Hon. Nick Sibbeston, Hon. Gordon Wray, Mr. Zoe

ITEM 1: PRAYER

---Prayer

Speaker's Ruling

SPEAKER (Hon. Red Pedersen): Order, please. Before proceeding to orders of the day, on the matter of the point of order raised by Mr. Richard on Friday, February 19th, I have reviewed the Hansard for Thursday, February 18th and have also taken into consideration the points raised by Members during the debate on the point of order.

It has been the practice in the past for Ministers under questioning in committee of the whole and during question period to defer a particular question to another Minister. It has also been the practice for Ministers other than the Minister whose department is under review to answer questions. It is my opinion that a Minister is responsible for the department which has been assigned to him by the Government Leader and should answer questions of detail when the department is under review. Further, it is my opinion that the Government Leader is responsible for the overall management and direction of the Executive branch of government, which includes government policy. Therefore, on the point of order raised by Mr. Richard, I rule that it would be out of order for a Member to direct his question of departmental detail to any other Minister. However, when a Minister is defending his estimates in committee of the whole a Member may direct questions pertaining to government policy only, to the Government Leader.

Orders of the day for Monday, February 22nd. Item 2, Ministers' statements. Mr. Patterson.

ITEM 2: MINISTERS' STATEMENTS

Ministers' Statement 13-88(1): Direction For The 1990s

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I am pleased to announce that at the appropriate time today I will be tabling a document entitled, "Direction for the 1990s". This document was prepared as a result of the cabinet strategy session held at Snare Rapids in December. It outlines the decisions taken at that meeting and lays out the direction the government will be following over the next few years.

This new direction is made up of five parallel and equal elements of economic and political development, woven together by the underlying themes of participation, development and self-reliance. It will provide the context for our decision making for the next four years and is a starting point in laying out our government's long-term goals.

I want to emphasize, Mr. Speaker, that this document is only the first step in the process of setting the direction of our government. Members will note that it does not contain specific expenditure proposals or references to individual Ministers or departments. Rather, it outlines the direction established by cabinet and our initial strategies to achieve that direction. The comments and ideas of Members of the Assembly and, in particular, the work of the special committee on the northern economy will be of great importance in the development of future plans and strategies.

Mr. Speaker, I also want to emphasize that this document focusses on economic and political development and is largely silent on the very important social issues facing the NWT. I want to assure Members that social and health programs have not been forgotten and will not be neglected. Further cabinet strategy sessions will be held to address these matters and to deal with other economic and political development issues that remain outstanding. Thank you, Mr. Speaker. Qujannamiik.

MR. SPEAKER: Thank you, Mr. Government Leader. Ministers' statements. Mr. Ballantyne.

Ministers' Statement 14-88(1): Budget Issues

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. Mr. Speaker, it has been suggested in several media reports that the 1988-89 budget is not a restraint budget, as government spending over the last two years has increased some 15 per cent.

Mr. Speaker, while it may appear that government spending has increased by some 15 per cent, we must recognize that over \$30 million of the increase has been due to the transfer of the forestry program from the federal government and the introduction of the federal Young Offenders Act. In both of these cases the funding has come from the federal government. If this \$30 million in increased responsibilities is taken into consideration, the spending increase over the past two years is approximately 10 per cent, a modest annual average of five per cent.

Mr. Speaker, I understand that it has also been suggested that the government should be spending up to \$30 million more and that this additional spending should be financed from the government's cash balances. Mr. Speaker, I am shocked at this suggestion. Cash balances are not surplus. Cash balances are not available for additional spending. The government's cash balances are utilized to pay government bills as they become due. A quick review of the government's expenditures should make it clear that \$30 million would cover only a two-week accounts payable requirement. Basing budgets and spending levels only on an organization's cash balances at a given point in time would clearly be exercising imprudent financial management.

As I identified in the Budget Address, the actual accumulated surplus the government is projecting to have at the end of 1988-89 is about \$16 million. This represents approximately two per cent of the annual expenditures of the government. To put this amount into perspective, Mr. Speaker, \$16 million is the average amount the government spends each week. Although I have confidence in our budgetary projections, a variance of \$16 million at year end on a total budget of almost \$800 million would not be unexpected, and without question it is fiscally prudent to retain a contingency of this amount.

There is one final point I would like to clarify. It has been suggested that the government's 1988-89 surplus is actually seven million dollars rather than the \$1.4 million I identified in my Budget Address. Mr. Speaker, I believe most Members understand that the seven million dollars referred to is the figure which results from the level of appropriation approval which is being sought at this time. The seven million dollar figure does not consider the estimated supplementary requirements and anticipated lapses identified in both my Budget Address and the main estimates documents. When these items are considered, the surplus which is projected is only \$1.4 million. The estimated supplementary requirements and projected lapses are realistic estimates and must be considered in making an analysis of the budget. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Ministers' statements. Mr. Patterson.

Ministers' Statement 15-88(1): Post-Secondary Scholarships Awarded

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I am proud to announce the most recent NWT recipients of post-secondary scholarships. Fourteen territorial students currently enrolled in post-secondary studies recently received scholarships for their outstanding academic achievement. The Department of Education awards three types of scholarships to northern students at various stages of their academic careers.

Students who obtain an 80 per cent average in grade 12 in the NWT and who are now enrolled in post-secondary studies are eligible for grade 12 graduation scholarships.

This year, Carol Boudreau of Inuvik; Walter Foddiss of Pine Point; Roderick Gonzales, Andrew Pape and Treeva Readman of Hay River; and Bradley Busch, Elizabeth Hart, Revi Lau-a, David McLeod and Chantal Richard of Yellowknife have each been awarded a \$500 scholarship in recognition of their academic achievement in grade 12.

A master's scholarship of \$1000 has been awarded to each of Lorraine Hewlett of Hay River and Linda Rooty and Kenneth McDonald of Yellowknife. These students are currently enrolled in a master's degree program and have maintained an "A" average in their fourth year of undergraduate study.

Ann Davies of Yellowknife has been awarded the department's \$1500 doctorate scholarship, which is available to students who have obtained an "A" average in the final year of a master's program and who are now enrolled in doctorate level studies.

Mr. Speaker, each of these awards emphasizes the recipient's achievements and demonstrates that NWT students are able to meet high academic standards at all levels of study. Each student -- and their parents -- is deserving of recognition and the Department of Education is proud to provide each of them with these scholarship awards for their efforts. Thank you.

MR. SPEAKER: Thank you. Ministers' statements. Mr. Alloofoo.

Ministers' Statement 16-88(1): Anniversary Of NWT Library Services

HON. TITUS ALLOOFOO: Mr. Speaker, it gives me great pleasure today to wish all community libraries, their staff and board members a very happy birthday.

---Applause

It was 20 years ago today that a formal library system came to the North with the grand opening of Hay River's NWT Centennial Library, which is the headquarters for the service's operations. But our libraries are celebrating much more than two decades of service. The sharing of stories and information among our people goes back thousands of years, and library book services have been operating in the North for more than 100 years.

The first record of an NWT library system begins with the Hudson's Bay Company posts which provided a book loan service for its staff. As long ago as 1860, we see a letter from the officer in charge at Fort Simpson, William Hardisty, who was complaining up and down the Mackenzie Valley about that perennial problem -- overdue books. At the time, Mr. Hardisty referred to books as the "only real sensible enjoyment that company officers have in the North".

Mr. Speaker, our libraries today not only provide the "sensible enjoyment" of books but are becoming a cultural and artistic focus for their communities. Since my department assumed responsibility for libraries in 1984, we have been working hard to make library services more relevant to northern needs and tastes. We are continually increasing the number of materials in aboriginal languages and acquiring a great many more videos and audio cassettes. We are also giving communities greater control over their library facilities by encouraging the development of library boards. These volunteers put much time and energy into making their library a more vital force in meeting community needs.

I am also very proud of the many creative and innovative projects that local libraries have undertaken. For example, the library in Igloolik last year held a bookmaking session which brought together community storytellers and artists and resulted in the publication of over 100 very

special books, including five Inuktitut stories by well-known artists and writers. These are a treasure for the community and a shining example for all of us as to the many simple ways in which our languages and cultures can be preserved and promoted.

Other programs, such as our annual participation in the national and children's book festivals, have brought significant rewards to our communities. From the joyful homecoming of James Houston to Cape Dorset, to the recent visit of TV personality, Janet Foster, northerners and visiting authors alike have been enriched by the opportunity to share stories with one another. An excellent example of this enrichment, I am happy to announce is the recent national publication of an Inuit children's story by Michael Kusagak of Rankin Inlet.

When children's author Robert Munsch visited the Keewatin in the spring of 1986, as a guest of the John Ayaruaq library board, he stayed with the Kusagak family. He was interested in the stories Mr. Kusagak had to tell and encouraged him to send a manuscript. The result is the book, "A Promise is a Promise". This book is based on an experience Mr. Kusagak once had with the Qallupilluit, a creature that lives in the Hudson Bay, which parents tell their children about to keep them from playing among the ice floes. "A Promise is a Promise" has just been released nationally in English. An Inuktitut version is also being produced.

Mr. Speaker, because birthdays are usually a day for giving presents, I am very pleased to be able to give to each Member a copy of this fine book. And I am sure they will join me in wishing library services a very happy birthday and the best for years to come. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Minister. Ministers' statements. Item 3, Members' statements. Mr. Nerysoo.

#### ITEM 3: MEMBERS' STATEMENTS

##### Member's Statement On NCPC Disconnection Policy

MR. NERYSOO: Thank you, Mr. Chairman. I rise to apprise the House of an urgent concern on behalf of my constituents. The residents of the Mackenzie Delta are concerned and angry about the manner in which NCPC is applying their policy on disconnection of electricity. I have been made aware of several incidents where disconnection of electricity has occurred with no consideration or sensitivity to the individuals involved. Mr. Speaker, on one occasion an individual owed NCPC \$1.25 and was in the hospital and yet disconnection occurred. On another occasion, an individual owed \$43; he is a hunter and trapper and was out on the land, yet he had his electricity disconnected. As a result of this decision, his accumulated country food, which had been harvested for the summer, spoiled and was wasted.

Mr. Speaker, my last example is an individual who had outstanding credit which was not considered or communicated to the regional and headquarters management, yet NCPC personnel were given direction to disconnect and, in fact, were in the process of disconnecting this person's home. He had to make the staff aware that he had outstanding credit so disconnection would not occur. Mr. Speaker, we should not condone these types of actions or irresponsible behaviour on the part of NCPC management. They must be prepared to consider the special circumstances and unique conditions that exist when they are applying their policies.

I wish to ask the Government Leader and the Minister of Energy, Mines and Resources to contact NCPC management with a view to ensuring that there is sensitivity in the application of their policies. I wish to suggest to the Government Leader and the Minister of Energy, Mines and Resources that they acquire some assurances from NCPC management that they will contact their clients directly prior to disconnection and that community staff will be involved or consulted prior to NCPC management directing disconnection.

MR. SPEAKER: Thank you, Mr. Nerysoo. Item 3, Members' statements. Members' statements. Item 4, returns to oral questions. Mr. Wray.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Question 095-88(1): Cut In Hamlet Council Budget

HON. GORDON WRAY: I have a return to Question 095-88(1), asked by Mr. Angottitauruq on February 19th with regard to Gjoa Haven's hamlet contribution. I wish to provide the following information regarding the reduction of Gjoa Haven's hamlet contribution. The hamlet contribution was reduced by \$55,720 as this funding is being provided through the water and sewer subsidy program. The reason for this is as follows.

Included in the funding formula for the hamlet contribution is an amount of \$62,000 for general government services and an amount of \$10,000 for road maintenance and snow removal. In calculating the economic rate for water and sewer charges, funding for the administration and road maintenance were included as part of the cost of providing the service, resulting in double funding in these areas. With the six month review of the water and sewer subsidy program, it was discovered that these items were being double funded; that is, through the hamlet contribution and through the water and sewer subsidy program. Consequently the hamlet contribution was reduced by the amount of the double funding.

I might add that, as a result of the review of the water and sewer subsidy program, the funding for hamlet buildings and recreation facilities was increased by \$27,082 and has been included in the hamlet contribution. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Returns to oral questions. Item 5, oral questions. Mr. Angottitauruq.

ITEM 5: ORAL QUESTIONS

Question 0105-88(1): Participants In Negotiations For Sale Of NorthwesTel

MR. ANGOTTITAUURUQ: Thank you, Mr. Speaker. My question will be directed to the Minister of Government Services. Knowing that NorthwesTel is up for grabs and that Nunasi and the Inuvialuit corporation are interested in being one of those corporations to buy part of it, would the Minister of Government Services tell me, is his government going to be involved in negotiating so that these two corporations are named to negotiate with your government and their negotiators on this matter?

MR. SPEAKER: Thank you, Mr. Angottitauruq. Mr. Kakfwi.

Return To Question 0105-88(1): Participants In Negotiations For Sale Of NorthwesTel

HON. STEPHEN KAKFWI: On the sale of NorthwesTel, as I said last week, the terms and conditions for the sale of NorthwesTel are still not known. We are of the view that we should support and encourage the federal government to look at having the company come into northern ownership and management but how that would happen, as I understand it, is still being discussed with the native corporations. I think there was a meeting with the representatives of the native organizations on Friday, which basically touched on ways in which certain common interests and objectives could be reached regarding the sale of NorthwesTel. I think if the Member wants more specific information than that, I would advise, because it could affect how we may possibly pursue those objectives, that he speak with the representatives from the native corporations directly.

MR. SPEAKER: Item 5, oral questions. Mr. Pollard.

Question 0106-88(1): Tabling Of Cotterill Report

MR. POLLARD: My question is for the Government Leader and concerns the Cotterill report. I wonder if the Government Leader could tell the House which department of the GNWT has commissioned the report. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Pollard. Mr. Government Leader.



Return To Question 0106-88(1): Tabling Of Cotterill Report

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. The Department of the Executive.

MR. SPEAKER: Supplementary, Mr. Pollard.

Supplementary To Question 0106-88(1): Tabling Of Cotterill Report

MR. POLLARD: Thank you, Mr. Speaker. Briefly, I would like to ask the Government Leader if he could tell us again why he is not prepared to bring that report into the House. Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Government Leader.

Further Return To Question 0106-88(1): Tabling Of Cotterill Report

HON. DENNIS PATTERSON: Well, Mr. Speaker, there is a motion on the floor of the House today and I was planning to speak on it at that time. Basically, the reason I am concerned about this report being provided to the House is that, first of all, the cabinet did not accept the recommendations in that report. Now if we were to have a precedent whereby every report that was made to this government, even reports whose advice was not recommended, was made public, then we would be basically allocating cabinet decision-making functions to this Legislature and to the public process.

Another point of principle that is of concern about this report is that I believe that if every consultant who provided advice to this government -- which happens frequently -- knew that their report could likely be tabled in public, we would simply not be getting the kind of frank, objective, candid advice that we need to make objective decisions. We would be getting reports written in the language of the lowest common denominator.

I am also concerned about this particular report that, for example, recommendations were made about lay-offs that we have not acted on. Now if the Assembly wants this House to cause all kinds of undue anxiety on the part of those employees whose positions were referred to in this report, then that will be an implication of tabling the report. There are a number of other concerns, Mr. Speaker, that will be raised if this matter goes before the House. I think the ultimate principle that is in question here is: Does the Legislature delegate decision-making authority to the cabinet or not? If the cabinet is to be trusted with obtaining the necessary advice in order to make decisions, then the cabinet should not be called upon to provide detailed justification and background for those decisions every time a decision might be questioned. I have no problem with decisions being questioned in the Legislature, Mr. Speaker, but I do not think that all the background information, including reports which were not intended for the public, need be brought into the House in order to challenge the government on any one of its decisions. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Patterson. Oral questions. Mr. Richard.

Question 0107-88(1): Taxation Of Northern Benefits

MR. RICHARD: Thank you, Mr. Speaker. My question is for the Minister of Finance and it concerns the federal taxation of northern allowances. The Minister of Finance in his current capacity and in the previous responsibilities he had, was involved with many other northerners prior to January of 1987, in lobbying the federal government for a taxation regime which would treat all northern taxpayers in a fair and equal manner. It now appears that, notwithstanding the new federal tax regime commencing January 1, 1987, that has not happened in that some taxpayers living in the NWT are being treated more favourably than others. I am speaking of the word on the street, that there are some federal employees who are being assessed for housing benefits differently than other federal employees, and than other northern resident taxpayers. Mr. Speaker, my question is: Is the Minister of Finance or the Executive Council making further representations to the federal government to ensure that there is equal treatment of northern resident taxpayers?

MR. SPEAKER: Mr. Ballantyne.

Return To Question 0107-88(1): Taxation Of Northern Benefits

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I would like to thank the honourable Member for advance notice of this question. The question is a complicated one and I will try to put on the record the different components of what is actually transpiring right now.

The federal Minister of Finance, Michael Wilson, announced on February 18, 1986, that effective January 1, 1987, all housing allowances and housing subsidies by employers would be taxable. All northern residents residing in the North for at least six months would be entitled to a northern housing deduction. The deduction is to be \$450 a month for taxpayers who live in a self-contained establishment if nobody else claims a deduction for that residence. Where more than one person in a residence claims a deduction, it is \$225 a month. Employer-provided travel assistance would be taxable but employees would be provided with an offsetting deduction for the expense incurred to take a vacation, effectively allowing employers to provide up to two trips a year to southern Canada, tax free.

On December 26, 1986, the federal Ministers of Revenue and Finance issued a joint statement indicating that employers would be responsible for assessing the value of housing and reporting that value on the employee's T-4. The release stated that in Yellowknife and other centres with developed rental housing markets, the benefit would be based on the fair market value of that rental accommodation. Guidelines were provided for valuing housing in other areas as follows: common shelter, \$100 per month; apartment, excluding utilities, \$270 per month; apartment, including utilities, \$400 per month; house, excluding utilities, \$450 per month; house, including utilities, \$650 per month. These values and the fact that housing benefits in Yellowknife were to be valued at fair market value, were confirmed in a Revenue Canada release dated June 18, 1987, but not released until November 1987.

On December 10, 1987, the federal Minister of Finance issued draft regulations to prescribe the areas which would qualify for the northern deductions and to clarify the deductions for vacation travel. Mr. Wilson announced that trips to any destination, if paid for by an employer, qualify for the deduction for vacation travel. This addressed the GNWT concern regarding travel in the North.

The GNWT has received correspondence from the Minister of National Revenue, that the rules relating to the valuation of subsidized housing would be applied to all taxpayers, including employees of the federal government. In the fall of 1987, Revenue Canada announced guidelines for the valuation of northern allowances. All major employers in the NWT have stated that they intend to comply with the rules.

The current status of the treatment of housing and travel subsidies is as follows: First of all in the area of travel. On December 10, 1987, the federal Finance Minister, Michael Wilson, announced that travel to any destination, if paid for by the employer, qualifies for travel deduction. Secondly, in the area of housing in Yellowknife, Revenue Canada has stated in two separate releases that housing in Yellowknife is to be valued at Yellowknife's market rents. This does not mean that employers must charge their employees market rents. It means that where employers charge less than market rent, the difference between market rents and the rents paid by employees is a taxable benefit. All major employers in Yellowknife have indicated that they intend to comply with this provision. Territorial government employees in GNWT housing in Yellowknife pay rents which were last set in January 1987, based on Yellowknife market rents. These employees should not have any taxable benefits for housing.

GNWT Objective Is Equitable Treatment

The GNWT objective is that all employees receive the same treatment. Taxpayers should be confident that all employees are being taxed on the same basis, regardless of their employer. Employees receiving subsidized housing should be taxed in the same manner as employees receiving a housing allowance and isolated post allowance. Any deduction or other tax preference for northern residency will apply equally to all northern residents.

In the area of housing outside Yellowknife, Revenue Canada has issued guidelines for valuing housing outside Yellowknife. Employees paying less than the amounts indicated in the guidelines, will have to pay tax for the differences between the guidelines and the rent paid. These individuals will still qualify for the \$225 or \$450 northern deduction. Because the guidelines

have been public for a year, it is expected that all employers will be able to comply with them. Some GNWT employees in some communities pay rents less than those guidelines. In those cases the amount of taxable benefits will be included on the employer's T-4s.

Another issue dealt with in this area is that of travel. There is still no deduction provided for those who do not receive vacation travel assistance from an employer.

#### Application To Federal Employees

In the area again of housing in Yellowknife. Recent newspaper articles indicated that the federal government has not yet properly valued its housing in Yellowknife. An article in the News/North of February 15th, stated that steps are being taken by the federal government to value this housing. The Minister of National Revenue has advised us that the Income Tax Act will be applied to federal employees in the same manner as others.

A remaining area of concern is that many federal employees have not yet been advised about the tax status of their housing or may have been incorrectly advised. Many federal employees could face large tax bills in April because income tax from the housing subsidy has not been withheld from their cheques from the federal government and no attempt was made to value the benefit until now. The GNWT has been concerned for some time about the inaction of the federal government in valuing housing for its own employees. Since 1986 our Department of Finance and the former Finance Minister, Mr. Butters, and our officials have perused the matter of possible inequities in assessment of taxable benefits. Revenue Canada has consistently maintained that federal housing benefits were taxable. Treasury Board has maintained until recently that it is inconclusive as to whether taxable benefits will accrue. In January 1988 the president of the Treasury Board said chattel values will be recalculated by departments for all units in Yellowknife, that it is required for the issuance of T-4 slips and the filing of all tax returns by individuals. A bulletin was issued which listed values which the media took issue with. Assessors are in the process, as I understand, of coming to Yellowknife to review market rental rates. So our department is monitoring it and we are very aware of the situation and hopefully, finally, the federal government is going to take some action to come to grips with the problem. But if they do not, we will be following up as a Department of Finance. Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Richard. Supplementary.

#### Supplementary To Question 0107-88(1): Taxation Of Northern Benefits

MR. RICHARD: Mr. Speaker, one of the risks I run when I give Mr. Ballantyne notice of a question is that he prepares a treatise in response. First, Mr. Speaker, I would ask the Minister to make that summary available for Members. There is a lot of detail there and I think some Members are interested in the contents of it.

AN HON. MEMBER: Agreed.

MR. RICHARD: Supplementary, I want to ask the Minister of Finance, given his statements, particularly on the side issue of the federal government's lack of diligence in doing the evaluation of residences in Yellowknife. The larger question is the perception in the public that there is not equal treatment by Revenue Canada and/or Treasury Board in applying the new taxation regime to northern taxpayers. I appreciate all the background information that the Minister has given, but can the Minister tell this House whether he is satisfied that there is now equal treatment of northern resident taxpayers under this new regime implemented on January 1, 1987?

MR. SPEAKER: Thank you, Mr. Richard. Mr. Minister.

#### Further Return To Question 0107-88(1): Taxation Of Northern Benefits

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I think the question is a valid one. As I said, the assessors will be evaluating houses in Yellowknife in the very near future. I think that the information we have is that the federal government has finally recognized that there is a discrepancy in the application of their rules and of their law and they are trying to address it. I think until the analysis is complete here in Yellowknife and until what the federal government is ultimately going to do is clarified, I would not want to answer that question. But I think we are monitoring it and we have been putting a fair amount of pressure on the federal government to try

to deal in an equitable manner with everybody in the North. They are aware of our concerns and I think they are very aware of the concerns of other people in the NWT. So I will have to withhold judgment on that until we have more details on how they are going to proceed.

MR. SPEAKER: Mr. Richard, supplementary.

Supplementary To Question 0107-88(1): Taxation Of Northern Benefits

MR. RICHARD: When these further examinations and reviews are done by the federal government and perhaps by the Minister and his officials, even on that perfect day in the near future when there is equal treatment of all resident taxpayers, I believe the federal government should then be able to see how inadequate the \$225 deduction level is, once northern taxpayers start paying taxes on that part above and beyond the \$225 or \$450. In that vein, Mr. Speaker, my final supplementary for the Minister is: Will the Minister and his officials continue with the lobby of the last five or six years with the federal government to point out the inadequacy of the deduction for northern housing of \$225 or \$450? Thank you.

MR. SPEAKER: Mr. Minister.

Further Return To Question 0107-88(1): Taxation Of Northern Benefits

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. As one who, as the honourable Member has told the House, has been involved with this issue in different capacities for six or seven years, I all too well recognize the inadequacy of the tax deduction that we finally wrested from the federal government after seven years of hard battles. I think I will be making an announcement in the House as to the sort of direction this government will be continuing in the whole area of tax reform. One of the possible areas that we are pursuing to try to come to grips with the high cost of living in the North and the high cost of doing business in the North, is an increase in this particular deduction. There are other possibilities of bringing relief to northern taxpayers that we will also be pursuing. I want to assure the Member that we recognize the problem and with the possible imposition of a new federal sales tax on the NWT, the existing problem will be compounded. So it makes it all the more important that we find avenues of relief for our northern taxpayers. We will be pursuing it and I am prepared to bring the House up to date on the initiatives I am trying to take in tax reform, during this sitting of the House. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Item 5, Mr. Nerysoo.

Question 0108-88(1): Application Of Tax Laws In Communities

MR. NERYSOO: Thank you, Mr. Speaker. Just to pursue the questioning by Mr. Richard. In responding to Mr. Richard, the Minister gave me the understanding that the inconsistency in taxation applied only to citizens of Yellowknife. I believe it also applies to federal employees in other communities and I ask if the Minister could clarify that for me.

MR. SPEAKER: Mr. Minister.

Return To Question 0108-88(1): Application Of Tax Laws In Communities

HON. MICHAEL BALLANTYNE: That is right. There are two categories, as I understand it, of federal employees who should be affected by this particular tax law. My understanding is that the major problem is here in Yellowknife because they have not evaluated the units. But my understanding is that, in fact, in the outlying regions, there has been a system put into place for federal employees' units that will make it possible for more equitable treatment to take place in outlying communities than in Yellowknife. As I told the honourable Member, I am still getting details of what is happening and I would be prepared to make those details available to the House as they come into our department. Thank you.

MR. SPEAKER: Thank you. Mr. Nerysoo.

Supplementary To Question 0108-88(1): Application Of Tax Laws In Communities

MR. NERYSOO: Thank you, Mr. Speaker. If I could ask the Minister of Finance if he could make known to the Members of the House his strategy, once he receives the approval of the Executive Council, in terms of dealing with the issue of taxation reform, in particular this question of unequal treatment, and the manner in which that is going to be presented to his federal counterpart.

MR. SPEAKER: Mr. Minister.

Further Return To Question 0108-88(1): Application Of Tax Laws In Communities

HON. MICHAEL BALLANTYNE: Certainly, Mr. Speaker, I will give that assurance to the honourable Member.

MR. SPEAKER: Thank you, Mr. Minister. Item 5, oral questions. Mr. Pollard.

Question 0109-88(1): Purchase Of Vaccine For Dogs

MR. POLLARD: Thank you, Mr. Speaker. My question is for the Minister of Renewable Resources. If I might, Mr. Speaker, I would like to thank the Minister for the book he so graciously gave us earlier today.

The Department of Renewable Resources has vaccinated a number of dogs throughout the NWT in the last month or so and my question is: Where did the vaccine come from? Which department purchased the vaccine? Was the Department of Renewable Resources aware of who could supply that vaccine in the NWT? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Pollard. Mr. Minister.

Return To Question 0109-88(1): Purchase Of Vaccine For Dogs

HON. TITUS ALLOOLOO: Mr. Speaker, the first two initial purchases of vaccine were minor purchases from the College of Veterinary Medicine in Saskatchewan and another one was from Bowspringer Kennels in Yellowknife. When the decision was made to vaccinate all dogs in the NWT, we approached Government Services to purchase vaccine and we had informed them that there was some interest from the private veterinarians in the NWT. Government Services took it from there, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. This would appear to conclude this.

Item 6, written questions. Item 7, returns to written questions. Mr. Clerk.

ITEM 7: RETURNS TO WRITTEN QUESTIONS

CLERK OF THE HOUSE (Mr. Hamilton): Return to written Question W1-88(1), asked by Mr. Arlooktoo of the Minister of Education.

Return To Question W1-88(1): Ukkivik Residence Student Allowances And Renovations

Hon. Dennis Patterson's return to Question W1-88(1), asked by Mr. Arlooktoo on February 12, 1988:

Student allowance: Students living at Ukkivik Residence receive an allowance of eight dollars a week and have opportunities to supplement this amount by working after school and on weekends. Some students work part-time in the residence and others work part-time in Iqaluit. Students living in four of the five residences accommodating secondary students in the NWT receive the same allowance. The management committee for the fifth residence has decided that students there should receive no allowance, but they provide many opportunities for students to earn money. We are satisfied that the present allowance and opportunities to work part-time provide adequate pocket money for students in residence. I do not propose to increase student allowances in the next school year.

Heating problems: My department recognizes that Ukkivik Residence is not evenly heated and that the rooms on the windward side of the residence are often cold. Last year the Department of Public Works and Highways increased the heat radiation in some rooms and although this renovation was helpful, it did not solve the problem.

The Department of Public Works and Highways is now looking into this problem again and will be giving advice on the cost of renovating or replacing Ukkivik. On their recommendation, we have decided to increase the radiation to all the rooms on the outside walls. Unfortunately, this work cannot be done until the summer because the heat would have to be shut off during the renovations. In the meantime, supervisory staff will make sure that all students are comfortable by moving them to vacant rooms away from the wind whenever possible and by providing extra blankets, if requested.

MR. SPEAKER: Thank you. Returns to written questions.

Item 8, replies to Opening Address. Item 9, petitions. Mr. Angottitauruq.

ITEM 9: PETITIONS

MR. ANGOTTITAUROUQ: (Translation) Thank you, Mr. Speaker. I have a petition from the municipality of Spence Bay. This is addressed to the Minister of Municipal and Community Affairs. Petition 2-88(1), Medium Sized Community Hall and Arena, with 132 names.

MR. SPEAKER: Thank you, Mr. Angottitauruq. Item 9, petitions.

Item 10, reports of standing and special committees. Item 11, tabling of documents. Mr. Sibbeston.

ITEM 11: TABLING OF DOCUMENTS

HON. NICK SIBBESTON: Thank you, Mr. Speaker. I am pleased to table Tabled Document 70-88(1), Annual Report of the Business Loans and Guarantees Fund for the Fiscal Year 1986-87.

MR. SPEAKER: Thank you, Mr. Minister. Tabling of documents. Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I wish to table Tabled Document 71-88(1): Direction for the 1990s, in English, French and Inuktitut.

---Applause

MR. SPEAKER: Thank you, Mr. Government Leader. Tabling of documents.

Item 12, notices of motion.

Item 13, notices of motion for first reading of bills. Item 14, motions. Motion 5-88(1), Mr. Zoe.

ITEM 14: MOTIONS

Motion 5-88(1): Cotterill Report

MR. ZOE: Thank you, Mr. Speaker.

I MOVE, seconded by the honourable Member for Hay River, that the Government Leader table, in this House, the Cotterill report on the decentralization of the Fort Smith Region.

MR. SPEAKER: Thank you, Mr. Zoe. Your motion is in order. As the mover of the motion would you like to start debate?

MR. ZOE: Thank you, Mr. Speaker. This particular report that I am referring to, the Cotterill report, is quite important to me and my constituents. I believe that the other Members that are also affected are Members from Hay River and the other Members from the Fort Smith Region. I feel that this particular report was undertaken to bring the government closer to the people. This report not only is confidential, it gives you the alternative type of structure the government would see if they can change the organizational structure of the Fort Smith Region. Mr. Speaker, the rationale or the justifications that the Government Leader has provided to this House -- I do not feel it is confidential as he claims it is. This report is three years old. It belonged to the former government. This government currently has a different position and the transferring of people that has been undertaken so far does not relate particularly to that report. It is

basically done on the initiative of each department and not necessarily on the decision of the Executive. So I feel that this report is not of such a great confidential nature as the Government Leader indicates. I strongly feel that my constituents would like to see this report and I urge my colleagues to support me in my motion that I am putting forward today.

MR. SPEAKER: Thank you, Mr. Zoe. Mr. Pollard.

MR. POLLARD: Thank you, Mr. Speaker. It started out with a Cotterill report and then it became a Black report and people were going to be moved from Fort Smith to Simpson. People were going to be moved from Hay River to Fort Smith. You know, I got a little confused, I have to admit. When you get confused you start to get concerned. The Government Leader said earlier today in question period that there could have been some undue anxiety caused to government employees. I wonder if the Government Leader takes into consideration the undue anxiety that was caused to business people in Fort Smith, to business people in Hay River, maybe I could say business people in Fort Rae as well. Because, as I say, confusion reigns on whether or not there was a Black report.

I think the Government Leader said that there was not a Black report. I know Mr. Black prepared implementation plans in the form of a submission to FMB. Mr. Black is quoted as saying that the Black report never was really written and does not exist today. The Government Leader claims that he has revealed all. He is prepared to review the implementation of the Fort Smith reorganization. I think there is enough misunderstanding here, and anxiety on the part of other people in other communities, that the Government Leader should 'fess up and pass around that report so that we can read it and see just what Mr. Cotterill did recommend to the Executive Council.

I am beginning to feel, Mr. Speaker, that perhaps this government has something to hide in the Cotterill report and I think the way to clear that up is to get the report out and make it public. I encourage everybody to support the motion. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Pollard. To the motion. Mr. Lewis.

#### Executive Council Given Mandate By Assembly

MR. LEWIS: Mr. Speaker, when Mr. Pollard this morning asked what prevented the Government Leader from providing Members with this report, he described the process by which the Executive Council was given its mandate. He explained that that mandate was given by the total Assembly and therefore all of us now have to trust the eight Members that will conduct the business of government throughout the year. However, as ordinary Members, how are we ever going to know whether that trust is earned? Does that mean that every day that consent that we have given, to provide eight Members with the power to run the government, can be taken away, every time we are unhappy? Does it mean that every day when we are in this House, suddenly the government could fall because it does not obey the wishes of the House?

It seems to me that when Mr. Zoe asked for this information, he was told in a very distinct way that he could not have it. And one of my colleagues has asked the reason why that information could not be provided. The main reason given was that there was information in there that upset people. But what is more important to this House? It is also very important that the Member does not upset the rest of the Members of the Assembly who would like to do our business, who would like to know on what basis decisions are made -- not to interfere with the conduct of government, but because it is our duty to know what is going on so that we can truly represent the people who put us where we are.

I find it difficult to understand why a simple report, which was done so long ago, seems now to have taken on the nature of a very highly secretive document, that if it were revealed, would damage the credibility of this government. I expect to hear from the other side a technical reason why this piece of paper, or several pieces of paper, cannot be given to other Members. I expect to hear that it cannot be given because that was the work of a previous government, that it is now locked up and is not available to the rest of us because it represents the secrets of the past. I do not accept in advance, Mr. Speaker, that argument. Because we do not have a system based upon party secrets, special interest secrets. There is a continuity in government already referred to by Mr. Ballantyne -- he wore only half new shoes when he presented his budget because half of it had already been prepared by the other government. So there is a continuity of government in our

current system and we cannot argue that we have party secrets that must be kept hidden because they represent the skeletons of the past. We still have those skeletons hidden on the sixth floor and my friends, Mr. Zoe and Mr. Pollard, would like to know what those skeletons are. If you have nothing to hide, then you should have no problem with the request.

#### Request Innocuous

So, Mr. Speaker, in brief, I find this to be a very innocuous request. I do not see it as a request that will have great, dangerous repercussions for the state. It is a reorganizational proposal and Members on this side would like to know on what basis those kinds of decisions were made, because we suspect that perhaps they were not made on the basis of logic and reason. They may have been made on the basis of bad decisions. And it is going to be our job to make sure that this government does its work on the basis of good decisions. We will be currently about the task of finding out the basis on which many of your decisions will be made. So just as a test, let us look at something that was done fairly recently and let us see if, in fact, governments do act on the basis of the best interests of all Members of this House. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Lewis. To the motion. Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I have been through this whole issue before. In fact the Member for Yellowknife Centre, who wore a different hat on that occasion, will well remember the strong advice that was given to me as Minister of Education over the Coady report. The Coady report was a report that was commissioned by me over certain problems within the separate school system. I refused to table that report in this House in the middle of an election campaign for the school board in this city because the report contained very candid opinions that it was not in the public interest to table.

#### Public Interest Not Served By Tabling Report

Mr. Speaker, I have to say again, with respect to this matter, that I do not believe it is in the public interest that this report be tabled. Mr. Pollard is concerned about causing undue anxiety on the part of business people and employees of this government. Mr. Speaker, why then would he advocate the tabling of a report that was rejected by this government? We did not accept the advice of Mr. Cotterill. We did not, in fact, go as far as Mr. Cotterill would have had us go. Does the honourable Member for Hay River wish us, by tabling this document in the public eye, to again bring forward all those anxieties and concerns and apprehensions on the part of the business community and employees, when in fact the decision on how to deal with this report has already been made? It was made by the previous government. We have tabled our past implementation plan; we have tabled our implementation plans for 1988-89; we have said that we are open to review, and what I would rather say to the honourable Members who are concerned about this report is, the issue is not the report. With the greatest of respect to Mr. Zoe, it is the action which was taken on the report which is in issue. We have revealed entirely what action we took on the basis of that report. If Members have concerns about the action that we have taken, then let them challenge us. Let them say this position should not have gone to this community. Let them question why we took certain decisions. But let us not dwell in the past; let us not overhaul the decision of the previous government -- which was a responsibility that I did not have at the time, anyway -- rather than trot out a now ancient document which, I can tell the honourable Members of this House, contains inaccuracies. The report, for example, underestimates the financial costs of certain decisions. That is one reason; this government is not anxious to publicly present inaccurate information and it is another reason why this government is anxious not to table options which were rejected, because it will fuel anxiety and concern all over again.

#### Confidentiality Necessary To Obtain Frank And Objective Advice

Mr. Speaker, I would just like to outline the concerns that I have again about tabling this report. First of all, if consultants or employees -- Mr. Lewis says this is only a test -- I think this could be a precedent. If consultants or employees were aware that reports, evaluations or other advice could be demanded by the Assembly and therefore made public, such documents would not contain frank and objective advice. That was the problem with the Coady report. It was brutally frank to the point that probably, had it been published outside this Assembly, it would have been slanderous or libellous. Consultants would write reports in the lowest common denominator. They would soften their recommendations because they would be afraid of the implications if what they



said might be being made public. There would be more concern about not offending any concerned party than about providing the cabinet with facts, however distressing these might be to certain segments. Thereby, the cabinet would be removed of information that would allow it to make informed decisions.

Secondly, Mr. Speaker, consultants or authors of reports are not always infallible. Inaccuracies or a lack of understanding are likely to be contained in such reports. In a cabinet meeting such inaccuracies can be pointed out to cabinet by its advisers. We do not have that opportunity if we table this report in the Assembly. The same kind of check is not present. As I have said, some of the financial recommendations of the consultant were rejected by this government. They were found not to be sound. Do the honourable Members wish this kind of inaccuracy to be presented to the public?

Also, and this is critical with this particular report, it contained options which were not necessarily the adopted position of the government. I would submit that publicizing such reports which contain options which were rejected will hamstring the ability of the government to make decisions. The Assembly and the general public would be second guessing what went on during cabinet's discussion of options and this will inhibit our ability to carry out our responsibilities.

#### Cotterill Report Not Position Of Government

In short, Mr. Speaker, why do you want a report which was not accepted? Mr. Speaker, specifically referring to the Cotterill report, it was not adopted as a position of this government. Therefore the important thing, and I say this to Mr. Zoe again, through you, Mr. Speaker, the important thing is the action which was taken on the report. That action has been tabled in this House and we are available to be challenged for our plans for 1988-89. We are available to answer on the results of our review of the implementation to date. I have no question about the authority of the Legislature to make those challenges. The other problem with this report, Mr. Speaker, is that if the Legislature persists in demanding that it be tabled, it should be understood that this report contains inaccuracies. There is confidential information on employees and positions and I do not think it is in the interests of the public service or in the public interest for it to be tabled.

Mr. Speaker, I realize that most MLAs probably will be tempted to support this motion. There is a natural sense of curiosity and Mr. Lewis and Mr. Pollard have fuelled the fires by suggesting that there must be some great, deep, dark secret that is contained in this report. Mr. Speaker, it is a routine report of the kind that is commissioned regularly by this government from the myriad of consultants that on occasion we obtain advice from. I think the principle here is that the cabinet should be judged on its actions, not on the information on which its actions were taken. If the Assembly obtains this report, you will only be obtaining one small factor in the decisions and the advice that was presented to cabinet in making what was a very complicated decision. So, Mr. Speaker, I say we are fully prepared to be accountable for the decision. But in order to be accountable for the decision, it is not necessary for the Legislature to see one consultant's report which contains inaccuracies; which contains underestimation of financial consequences; which contains privileged information and confidential information about employees. So, Mr. Speaker, we are fully willing to be accountable for our actions and we are prepared to deal with this matter, but it is not responsible nor in the public interest to deal with this matter by trotting out a now dated document that was disposed of and rejected by our previous government. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Government Leader. To the motion. Mr. Richard.

MR. RICHARD: Mr. Speaker, I had intended to support Mr. Zoe's motion because I see it as a reasonable request and in his concluding remarks the Government Leader indicates it is just another regular document that they get all the time. Well, I have become very intrigued during the debate about this issue. My curiosity is rising above the level it was when Mr. Zoe moved the motion. I am really perplexed now, Mr. Speaker, as to why there is this resistance to this document.

I recall some of the debate in the Assembly in the last few years when my colleague, Mr. McCallum, sought access to that document and what was in it and that led to the then Government Leader filing a summary of the Cotterill report. I still have not heard, Mr. Speaker, a justification for this resistance. Mr. Patterson says that there are confidential matters there about employees and

positions. As I recall the mandate that the then Executive gave Mr. Cotterill, I do not know why there would be reference to individual employees in that report. But the most difficulty I have this afternoon, Mr. Speaker, is that I just very quickly read through the summary of the Cotterill report we have prepared and it bears no resemblance whatsoever to the description that Mr. Patterson gives this afternoon. The summary sets out options that the consultant considered, the one that he recommended and the Executive Council's decision on it.

#### Accuracy Of Cotterill Report Summary Questioned

I now have to question, Mr. Speaker, the accuracy of the summary that was provided to the House. There is no reference in here to options that were considered and rejected by the Executive Council. I, at a minimum, would like to hear, and I hope this time one of the other Ministers could explain that for me before the vote is taken. If what Mr. Patterson says about the full report is true, is the summary an accurate summary of the report? And if it is not, Mr. Speaker, I really have, then, reservations about summaries that are given to us in lieu of a full document.

Mr. Speaker, on the issue of disclosure of these documents -- quite apart from the Cotterill document -- there are some days when the Government Leader, in particular, talks eloquently about consensus government; that we are different from everywhere else. There are other days when the Government Leader, like today, speaks other words. He says that once we delegate to the group of eight, we are no longer to participate in the decision-making process. This larger issue of documents and providing them to the Assembly, Mr. Speaker, to me is not one of non-confidence in this group of eight or of the past group of eight. It is an issue that if the Government Leader and his colleagues believe in the consensus that they often speak eloquently about, the issue is providing this Assembly, this group of 24, with information and documents that will enable us, assist us, to give direction to the group of eight.

I do not believe it is a bad precedent at all, Mr. Speaker. Unless someone else can, before the vote is taken, explain what is in there that they are hiding -- and "hiding" maybe is too harsh a word. The resistance to the disclosure of this document -- I cannot understand it and I had reference also, Mr. Speaker, to the Hon. Nick Sibbeston's statement in the previous Assembly, when he was Government Leader, on cabinet secrecy, and the various principles set out there when an issue similar to this came up in June, 1986. I see this Cotterill report that Mr. Zoe wants to see as not coming within those principles referred to in the statement that Mr. Sibbeston made at the time.

This document, Mr. Speaker, is clearly of interest to Mr. Zoe and his constituents and if he wants to examine in the light of the original report the decision made by the last Executive Council and this Executive Council, I think he should be entitled to do that examination, based on the full Cotterill report. Thank you.

MR. SPEAKER: To the motion. Mr. Alloofoo.

#### Cost Of Translating Cotterill Report

HON. TITUS ALLOOFOO: (Translation) Thank you, Mr. Speaker. As Mr. Lewis stated earlier, he wanted to see a comprehensive or a technical answer to his technical question as to why the Cotterill report cannot be tabled at this House. The Cotterill report has not been translated and it is quite thick. It is pretty thick and our interpreters are extremely busy with the finance committee. Also there is a lot of material from the legislation committee. They are currently translating all those documents and those of us who also have to deal with the day-to-day business of the House are trying to keep up with the paperwork. If this document is going to be tabled and this motion is passed, those unilingual Members will also have to see the translated version of the document if they are going to participate fully in this House.

If the Cotterill report is going to be translated right away and tabled at this sitting, then we will have to spend more than \$10,000 to get it translated outside our services. The document is not confidential. Is it viable for us to spend more than \$10,000 to get the report translated during this sitting? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. To the motion. Mr. Ernerk.

MR. ERNERK: (Translation) ...on the floor because I think that sometime in the future there will be other reports that are in the same category, especially in the areas of regional concerns. I am not saying that this will happen tomorrow but I am sure that it will come up again, especially when we are talking in terms of devolution. (Translation ends)

This is about open government. I am going to vote in favour of this motion on the issue of accountability. The government is accountable to people and I think the motion is merely asking for that accountability on the part of the Government of the NWT. Thank you.

MR. SPEAKER: Thank you. To the motion. Mr. Ballantyne.

#### Issue Not Accountability

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I guess I want to emphasize from our side that as a government we have nothing whatsoever to hide and the intent here is not to refuse to divulge information to the Assembly because of some dark secrets. I think there are a couple of areas that concern us. One is, in the long term, our ability as a government to be able to get the information that we need to make decisions. I think the issue here is not accountability of our government to the Legislative Assembly or the accountability of our government to the public. We are probably the most responsive and the most publicly accountable government, by far, in the country. I know the amount of information that we make available, we share with the Legislative Assembly, is far more, proportionally, than in any other Assembly across the country.

HON. DENNIS PATTERSON: Hear, hear!

HON. MICHAEL BALLANTYNE: I guess one example of that was the standing committee on finance. I know that as Minister, I was taken a little bit to task for not supplying a couple of pieces of information to the committee, as it turns out inadvertently. The flip side of that is that we were never acknowledged for having provided hundreds and hundreds of pieces of information to the committee. I think that as an Executive we are more than willing to provide you with the tools to do your job. We are a little bit concerned about this. What does this mean for the future? What sort of information will we have to table and what does it do to our relationship with consultants? What does it mean as to how we, as an Executive, make decisions?

#### Meaning Of Consensus Government

I think the point has been made many times in this House -- what does consensus government mean? To me there have been a number of different interpretations put on the term. But one way to look at it, and Members may not agree with me, is that, as I see it, what we have here is a consensus Legislative Assembly. But that Legislative Assembly by legislation, by the will of the Members over the years, is divided into an Executive component and a legislative component. So I think there is no doubt that by precedent, by law, and by the will of the Members, we do have an Executive branch of this Legislative Assembly. That Executive branch needs to have the tools and the trust, I guess, to do their job.

I do not want to make this a big issue, because I do not think it is. I think we can get sidetracked about secrecy and sidetracked in a number of areas. But however this vote goes, I think it is important for all of us to try to keep in mind what you, as a legislator, want us to be able to do as an Executive Council. I think we understand your message and I think we have been fairly responsible. Do you want to be involved in the policy area of decision making? I think, as I said before, more so than most Executive Councils or cabinets, we try to accommodate you. But also if you could keep in mind for future votes like this, or future discussions: What do we want to achieve? Because in the day-to-day administration of government in the interest of good government, some things are not appropriate to release at given times. And it becomes a subjective judgment factor, as to which are the times and which are the things.

I guess in future, no matter how this vote goes, we would ask that there is some confidence in us and in the reasons why we would not want to make something available to the Assembly. It is not because there is anything to hide. The reasons in this particular issue why we will be voting against the motion is not for the principles of secrecy or the principles of "We want to grab all the power", because we do not. We want to make a statement that we are really concerned about the future direction of the Assembly and what tools the Assembly thinks that we, as an Executive,

should have to carry out our function. So whatever way this vote goes, I hope that Members will keep this particular issue in mind because it has come up a couple of times already, and hopefully over the months and years of this Assembly, we will be able to resolve some of these different perceptions and some of the different concepts of what consensus government is all about. Thank you, very much.

MR. SPEAKER: Thank you. To the motion. Mr. Pudluk.

Translation Can Come Later

MR. PUDLUK: (Translation) Thank you, Mr. Speaker. I feel that I should be supporting the motion. One of the Ministers mentioned finance and also that the interpreters have quite a bit of work to do on the day-to-day business of the Assembly. When I am here at the session, I do not think too much of finance, how much it would cost for translation of the tabled documents or of the Cotterill report. At this time we are not stating it should be tabled today, at this moment. It will be translated gradually.

Also the Inuit here with us want to be included in decision making. For example, sometimes we unilingual people, do not communicate as much as we could with the government, as the other MLAs do. After it is tabled, then they could translate the document. I do not want this to slow down the tabling of the report. As MLAs we would like to know what the government is proposing to do about decentralization to the communities. Perhaps we would like to be included in decision making. Perhaps some of the regions would like to know what the government is proposing to do. This is the reason I will be supporting the motion. Thank you.

MR. SPEAKER: Thank you. To the motion. Mr. Wray.

Solid, Independent Advice Best Tool Available

HON. GORDON WRAY: Thank you, Mr. Speaker. This is a difficult question for those of us in this Legislature because certainly if party politics were in play, then a government is not faced with a situation of being in a permanent minority. But when I was elected Minister by this Legislature -- and let us make it clear that I do not work for the government, I work for this Legislature; that is who gave me my job -- one of the things they said to me was, "We want you to be a Minister and one of the reasons we want you to be a Minister is because we want you to make decisions. We do not want to be involved. As a Legislature, we cannot meet 365 days a year. We cannot see all of the documents. We need an Executive arm to make decisions on our behalf."

Particularly for me with Public Works and Personnel, I am dealing with contracts and people and sometimes highly sensitive issues. One of the only tools and the best tool I have available to me as a Minister of government is to get independent and objective advice from people who have no axes to grind, who are not worried about who is going to say what or what region you come from. They are giving you solid, independent advice. As a politician, you take that advice and you add in all the other little factors that you have to add in but the basis is that you get independent, objective advice.

If those people that I need to help me do my job and you need to help us to do your job, because we are doing the job on your behalf, now say, "Okay, now we know that these things are going to be made public, we are not going to give you that independent, objective advice. Everything we write for you is going to be written in such a way that it can be presented publicly" then you are really hamstringing our ability to do our jobs.

SOME HON. MEMBERS: Hear, hear!

HON. GORDON WRAY: You are making it extremely difficult to go to the bureaucrats, to go to the consultants and say, "Look, forget about everything you have heard about this issue. Assess the facts and tell us what really are the facts. Who is doing what to whom, or whatever." I know those people and I have talked to some of them and they have told me they will doctor information that they give to us if they know it is going to be made public. It is going to be very difficult for us to make decisions. And that is my only appeal to the Members.

Issue Not Secrecy

I know that this is not a secrecy issue. I am not trying to hide anything but the problem is, if you take this very valuable tool away from the Executive Council, of getting this type of advice, then you have got an Executive Council that is going to be really hamstrung in its ability to make decisions. That is my only appeal to you, that maybe there is some other way we can work this out but do not ask us to start tabling publicly reports and documents that are prepared for us on a confidential basis. Because we do not use everything we get. There are many times where I will get four or five different pieces of advice on one situation from people within my departments and I will throw out three or four because they are not relevant or they forgot to include something or they are inaccurate and I use the one that I judge to be the best. The Cotterill report is one of those documents that we rejected because we did not think it was factual. It was inaccurate and did not contain all of the information necessary to make a proper decision.

My worry is just what the reaction is going to be within the bureaucracy and within the consulting industry when they know that their confidential reports to us are going to be made public. I think it is going to be very difficult to get objective advice. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Wray. To the motion. Mr. Zoe, would you like to conclude debate on the motion?

MR. ZOE: Thank you, Mr. Speaker. Mr. Speaker, on my motion that I have put forward. Although a number of the Members of the Executive indicated that this particular tool is given to them by the 24, I do not believe that we are taking away that particular tool. Basically what we are doing here is that we are trying to assist the Executive to see if the decision that was made on the decentralization of the Fort Smith area was done correctly. If that is the case, then the government should not be embarrassed on the action that they have taken.

I still would say my colleagues on the other side of the House who indicated in their remarks, like Mr. Richard, Mr. Pollard and Mr. Lewis, all the Members who have spoken to this particular subject, indicate that this particular report is of no high confidentiality so I still encourage all my other colleagues who have not spoken to the motion to support this particular motion. Thank you.

MR. SPEAKER: Mr. Richard. Your point of order.

MR. RICHARD: Sir, I would move that we adjourn for 10 minutes.

MR. SPEAKER: Mr. Richard, you would need a seconder to the motion, which is not debatable. Mr. Nerysoo. All those in favour? Opposed? Motion is carried.

---Carried

The House will adjourn for 10 minutes.

---SHORT RECESS

Motion 5-88(1), Defeated

The House will come back to order. Item 14, motions. Mr. Zoe, close debate.

MR. ZOE: Mr. Speaker, I already spoke to close the debate, but I would like to ask the Chair for a recorded vote.

MR. SPEAKER: Recorded vote has been asked for, Mr. Clerk. In favour of the motion, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Pollard, Mr. Pudluk, Mr. Ernerk, Mr. Lewis, Mr. Zoe.

MR. SPEAKER: Those opposed to the motion, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Wray, Ms Cournoyea, Mr. Alloofoo, Mr. Ballantyne, Mr. Patterson, Mr. Kakfwi, Mr. Sibbeston.

MR. SPEAKER: Those abstaining, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Arlooktoo, Mr. Nerysoo, Mr. Butters, Mr. Richard, Mr. Morin, Mr. Angottitauruq.

MR. SPEAKER: Thank you. This motion is defeated.

---Defeated

Item 14, motions. Motion 6-88(1), Special Committee on the Northern Economy.

Motion 6-88(1): Special Committee On The Northern Economy

MR. LEWIS: I would like to move, seconded by the honourable Member for Aivilik, that the following terms of reference for the special committee on the northern economy be approved. Mr. Speaker, I seek guidance. Do you wish me now to read the terms of reference into the record?

MR. SPEAKER: Point of order, Mr. Nerysoo.

MR. NERYSOO: Point of order, Mr. Speaker. Does the Member have to read the total preamble that leads up to the resolution?

MR. SPEAKER: On your point of order, Mr. Nerysoo. Yes, the Member has to read the entire motion, starting with the "whereases" and concluding it. Mr. Lewis.

MR. LEWIS: Mr. Speaker:

WHEREAS the special committee on the northern economy was established by Motion 17-87(2);

AND WHEREAS Rule 94(2) requires that the terms of reference of all committees be approved by the Assembly;

NOW THEREFORE, I move, seconded by the honourable Member for Aivilik, that the following terms of reference for the special committee on the northern economy be approved.

Terms Of Reference

The special committee on the northern economy shall:

- a) inquire into such matters as may be referred to it by the Legislative Assembly;
- b) inquire into current problems and public concerns related to a viable northern economy and the development of an economic strategy and plan;
- c) present interim reports to the Legislative Assembly from time to time, and a final report by the fall sitting in 1989.

The special committee on the northern economy may on its own authority:

- a) examine all matters that relate to the development of a sound economic base;
- b) consult with members of the public, representatives of industries, chambers of commerce and other business organizations, labour unions, small business enterprises, community councils and other local organizations, hunters and trappers associations, native organizations, educational institutions, federal, provincial and GNWT governments and their departments, and other interested groups -- through public hearings and other meetings, written and oral submissions, and other appropriate means;
- c) commission such studies and research projects as it deems necessary;
- d) review all aspects of existing legislation, policy, philosophy, and government spending to determine their impact on the northern economy, and make recommendations to the Assembly for improvements;
- e) recommend urgent changes in existing policies from time to time as deemed necessary.

Conduct Of Business

- 1) The special committee shall conduct its business in a manner approved by the committee.
- 2) The special committee shall, in accordance with Rule 90(2), at the earliest opportunity following their appointment, appoint co-chairmen.
- 3) A quorum of the special committee shall consist of four Members including a co-chairman.
- 4) The special committee shall in accordance with Rule 94(1) have the power to call for such persons, papers and records and to examine witnesses as, in its opinion, are necessary to the conduct of business.
- 5) The Legislative Assembly shall provide from its appropriations the necessary funds for the special committee to carry out its responsibilities.
- 6) The special committee, as a whole or individual Members, may undertake such travel as is required to carry out the assigned responsibilities of the committee.
- 7) The special committee is empowered to retain the services of such professional staff as deemed advisable by the committee.
- 8) The special committee shall have the power to sit during sessions, adjournments and recesses of the House.
- 9) The necessary administrative support shall be provided by the Legislative Assembly office.
- 10) From time to time, the special committee shall tender general advice and information to the Legislative Assembly on any matter with an impact on the northern economy that may come before the Assembly in session.

MR. SPEAKER: Thank you, Mr. Lewis. Your motion is in order. To the motion. Mr. Lewis, would you like to start off?

MR. LEWIS: In the fall, in November, when we met in session, the Opening Address referred to the need to do something about our economy. The replies to the Budget Address recently also referred to the need to do something about our economy. In fact, if you were to read the first two pages, Mr. Speaker, of the Commissioner's Opening Address at the beginning of this session, there are no less than 15 references in those two pages to the words "economy" and "economic". I would not fault the Commissioner's editors for reducing the number of those words because, once again, he was able to stress to us, through his Opening Address, the need to do something about our economy. It was also the subject, as I understand it, of the Government Leader's retreat when he went to Snare Rapids with his Executive Council. So I need not labour the point that right from November when we first met, we have been obsessed with the idea of doing something about our economy.

Youth In Transition

I would like to bring it down to a very basic level. I will just give one example so that we can understand that we are at the point now when we can no longer depend on governments to do everything. This weekend we once again were able to meet many of our friends from across the NWT. I had the good fortune to meet a young man whom I knew very well in 1964 because he was one of my students. He was one of the singers that sang at your supper on Saturday night, Mr. Speaker, and I think you yourself know the young man. My memory of this individual was of a young man who lived in a hunting camp but whose father had allowed him to go to school because he believed in the importance of getting some education and maybe preparing his kids for some future in the distance. One day that man came to see me and regretfully told me that that young man had to be taken out of school because he was getting very old now and could no longer tie the traces on his dog-team. He needed this young man to go back to camp with him because he needed a young 16-year-old to do the work.

That young man was forced in later years to go back to improve his education and he is a remarkable example of the kind of transition that we have gone through in the last 20 years. He learned how to be a heavy duty equipment operator. He was the first Inuk to teach heavy duty equipment

operation in Fort Smith. He lived in the South. He has lived in the Yukon. Until recently he was employed in Auyuittuq National Park as a warden. Now, however, he is not employed. He has left government because he needs new challenge. On Sunday when he visited, he asked me, "How would a young man like me, 40 years of age, get into business? I really want a new challenge. I really want to do something different."

I saw that young man as an example of many people who have seen these great changes and know deep within them that there are so many things that they could be doing. And although I could not make a commitment on behalf of this committee of ours, it convinced me more than anything that what this committee has to do is to try to get in touch with people like that right throughout the Territories, people who want a challenge and who need to know how they are to go about getting into business, to improve our economy.

Since there have been so many references to the economy since November, Mr. Speaker, I do not wish to give you further examples. The one I have given you should suffice, I believe. Although we were divided on the last motion, I would like to ask the House for full support for this motion so that this committee can get on with its work because until our terms of reference are approved, as you well know, we can only just have meetings and do lots of thinking. But we are now very eager to get on with the work. There is a lot of discussion and a lot of energy. Therefore, I seek support from the House for this motion to establish the terms of reference for our committee. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Lewis. The seconder of the motion, Mr. Ernerk.

#### Representations From Communities

MR. ERNERK: (Translation) Thank you, Mr. Speaker. I have a brief comment concerning this subject. Since we had a meeting in November when we dealt with this concerning the special committee on the northern economy, I have talked to many people of the NWT. They are very optimistic about what is going to happen with this northern economy, especially in the Keewatin area, in the future. There have been a lot of studies on economic development, with both the federal government and the territorial government, that are just stacked in files. The mandate of the committee on the northern economy...(Translation ends)

...says that we are going to be accountable to people, especially with regard to the issue of economic development in the NWT. One of the things that I do want to stress, Mr. Speaker, and a question that I have been asked many, many times, is the issue of travel to the communities. In one of the terms of reference, you will see that from time to time the committee will travel to the communities across the NWT, and that is something that I want to emphasize as a co-chairman with Mr. Lewis. We have received so many requests already, to travel to the communities, from the business community, arts and crafts organizations and organizations of that nature who want to see us, who want us to receive some representations. So we have agreed to travel to five regions of the NWT to receive recommendations from people. I want to emphasize that particular issue. So, I have nothing else to say at this point in time, Mr. Speaker. Thank you for allowing me to speak and I seek your support. Thank you.

MR. SPEAKER: Thank you, Mr. Ernerk. To the motion. Mr. Nerysoo.

#### Amendment To Motion 6-88(1)

MR. NERYSOO: Thank you, Mr. Speaker. I want to move an amendment to the terms of reference. I move that the terms of reference be amended by replacing "GNWT" in section b) of its authority, with the word "territorial", and that we further amend section b) by adding after "territorial governments and their departments", "boards, agencies and commissions".

MR. SPEAKER: Mr. Nerysoo, do you have a seconder for your amendment? Mr. Pudluk is a seconder for the amendment. The amendment is in order. Point of order, Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I wonder if we could have a copy of the amendment. It sounds pretty reasonable. I would like to have a chance to look at it.



MR. SPEAKER: Mr. Ballantyne, I could read out the amendment to you. On the first page of the motion in the section headed "The special committee on the northern economy may on its own authority:" under subsection b) in the fifth line of that subsection where it reads, "federal, provincial, and GNWT governments", it will now read, under the amendment, "federal, provincial and territorial governments and their departments, boards, agencies and commissions and other interested groups". Is that in order? Does that satisfy you, Mr. Ballantyne?

HON. MICHAEL BALLANTYNE: Yes, thank you, Mr. Speaker.

MR. SPEAKER: The amendment is in order. To the amendment. Mr. Nerysoo.

MR. NERYSOO: Mr. Speaker, just to add that in reading the terms of reference I thought that the Yukon territorial government would also be a government which the special committee would be consulting, including those agencies and boards, such as the Business Loans Board in the NWT. That is basically what I am trying to accomplish.

MR. SPEAKER: Thank you, Mr. Nerysoo.

SOME HON. MEMBERS: Question.

Amendment To Motion 6-88(1), Carried

MR. SPEAKER: Question on the amendment to the motion is being called. All those in favour? Opposed, if any? The amendment is carried.

---Carried

To the amended motion.

SOME HON. MEMBERS: Question.

MR. ZOE: Recorded vote.

Motion 6-88(1), Carried As Amended

MR. SPEAKER: Question has been called. A recorded vote has been requested. Mr. Clerk, would you record the vote? All those in favour of the amended motion, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Arlooktoo, Mr. Nerysoo, Mr. Pollard, Mr. Butters, Mr. Richard, Mr. Morin, Mr. Pudluk, Mr. Ernerk, Mr. Lewis, Ms Cournoyea, Mr. Allooloo, Mr. Ballantyne, Mr. Patterson, Mr. Kakfwi, Mr. Sibbeston, Mr. Zoe, Mr. Angottitauruq.

MR. SPEAKER: Thank you, Mr. Clerk. There will be no need to call for those opposed or abstentions. Let the record show that in a recorded vote, the motion was carried unanimously.

---Carried

Point of order, Mr. Richard.

Motion To Move Ministers' Statement 13-88(1) Into Committee Of The Whole, Carried

MR. RICHARD: Mr. Speaker, I move that the Government Leader's statement entitled, "Direction for the 1990s", Ministers' Statement 13-88(1), and the tabled document referred to, Tabled Document 71-88(1), be moved into committee of the whole for discussion.

MR. SPEAKER: Mr. Richard, Rule 21(5) does allow you to, without notice, move a Minister's statement into committee of the whole, but you cannot move a tabled document into committee of the whole. Do you wish to move Ministers' Statement 13-88(1)? Thank you, Mr. Richard. This motion is not subject to debate or amendment but does require a seconder. Mr. Butters. To the motion. Those in favour of the motion? Those opposed to the motion? The motion is carried.

---Carried

Mr. Butters.

MR. BUTTERS: Mr. Speaker, might I receive unanimous consent to go back to the agenda item notices of motion?

MR. SPEAKER: Unanimous consent is being sought to go back to notices of motion. Do I hear any nays? There are no nays, Mr. Butters, you have unanimous consent.

ITEM 12: NOTICES OF MOTION

MR. BUTTERS: Mr. Speaker, I give notice that on the appropriate day, I would move Tabled Document 71-88(1), Direction for the 1990s, into committee of the whole for consideration therein.

MR. SPEAKER: Thank you, Mr. Butters. Notices of motion.

Item 15, first reading of bills.

Item 16, second reading of bills. Item 17, consideration in committee of the whole of bills and other matters: Report of Standing Committee on Finance on the 1988-89 Main Estimates, and Bill 1-88(1), Appropriation Act, 1988-89, with Mr. Zoe in the chair.

ITEM 17: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER REPORT OF STANDING COMMITTEE ON FINANCE ON THE 1988-89 MAIN ESTIMATES; BILL 1-88(1), APPROPRIATION ACT, 1988-89

CHAIRMAN (Mr. Zoe): I would like to call the committee to order. We are dealing with the Science Institute of the NWT and I would ask the Minister to bring in his witness right after we have a short recess.

---SHORT RECESS

Science Institute Of The Northwest Territories

The committee will come to order. Mr. Minister, if you would like to bring in your witness at this time.

HON. NICK SIBBESTON: Mr. Chairman, if I could invite Dr. Janes as the executive director of the Science Institute. He is here today and available. So with your permission.

CHAIRMAN (Mr. Zoe): Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): We are on page 12.15 in our main estimates books. Mr. Ernerk.

MR. ERNERK: Thank you, Mr. Chairman. I still do not have total understanding of my question on Friday. When I read the objectives of the Science Institute of the NWT it states that the Science Institute's overall objective is to encourage the application of science, engineering and technology to improve life and living conditions for the people of the NWT. When I referred to the study of windmills, wind energy, I thought windmills would be under engineering and technology. The department replied to me by saying that they are not responsible for any research of that nature. The only reason I am asking that question is because I want to know exactly what type of money I am voting for. I have to be clear in my own head why I am voting for \$365,000. I wonder if I could get a really clear statement of purpose from the Minister with regard to something that I am not clear on in my own head.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. NICK SIBBESTON: Mr. Chairman, I will ask Dr. Janes if he could answer that question. He is more familiar with the activities of the Science Institute.

Wind Studies

DR. JANES: The honourable Member is right in thinking that the Science Institute has had nothing to do with wind studies. There are a number of other government agencies which have directed funding toward that sort of experimental technology. The Science Institute has, however, been involved in assessing the feasibility of small-scale hydro electricity in the NWT and that document has now been published.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Ernerk.

MR. ERNERK: Mr. Chairman, later on.

CHAIRMAN (Mr. Zoe): General comments. Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. On Friday, I had been trying to establish how the Science Institute operated, whether it was driven by money, or by a need for research and development in the NWT. I guess maybe that is the question I would like to put to the Minister: What determines what the Science Institute does? Is it money or the demands of the Science Institute?

CHAIRMAN (Mr. Zoe): Mr. Minister.

DR. JANES: Mr. Chairman, I guess there are two main ingredients in determining what the Science Institute does. The first would be the Science Institute of the Northwest Territories Act, which lays out in broad guidelines, certain responsibilities the institute has toward the Legislative Assembly of the NWT. Then within that broad framework, it is up to the board of governors of the Science Institute to determine the priorities and programs and projects that are necessary to meet the objectives.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard.

MR. POLLARD: Is that within the confines of the budget that the Science Institute has?

CHAIRMAN (Mr. Zoe): Mr. Minister.

Moneys Raised Externally

DR. JANES: We do receive from the territorial government, as you know, a core budget and that gives us a certain amount of flexibility in addressing certain priorities as defined by the institute's board. Because we are an independent agency, we also have a tax free number, which allows us to raise funds independently to enhance our ability to meet some of those objectives. So in answer to the question, we do have a core budget that allows us to approach various projects but it is not sufficient for us to undertake the number of projects that we have to. So in that sense we have an obligation to raise money externally.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard.

MR. POLLARD: I wonder if I could ask the Minister how much the institute has raised outside of the government funding that it has received over the last few years. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. NICK SIBBESTON: Mr. Chairman, I stated on Friday that it was \$100,000, Dr. Janes advised me it was \$110,000. So that gives you an idea of the type and extent of money that the Science Institute obtains from private donations for projects that are funded by other agencies or entities, beyond the money that it gets from our Assembly. So \$110,000 is the answer.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Mr. Nerysoo.

Motion To Consider Additional Funding To Science Institute, Carried

MR. NERYSOO: Thank you, Mr. Chairman. Mr. Chairman, I just want to move a motion at this particular time. Mr. Chairman, I move that this committee recommend to the Executive Council that they consider providing additional financial resources to the Science Institute of the NWT. It is a recommendation that they consider.

CHAIRMAN (Mr. Zoe): Mr. Nerysoo, can I get a copy of your motion, please? Mr. Nerysoo, your motion is in order. To the motion.

MR. NERYSOO: Thank you, Mr. Chairman. During our review there was concern expressed from Members of the committee. There was an expression of concern about the reduction of financial resources to the Science Institute over the past two years. What I am doing in the motion is recommending to the Executive Council that they consider providing additional financial resources. It may be that there is another method of providing those financial resources, so it gives an opportunity for the Executive Council to look at those options and to consider the appropriate manner in which they can respond to such a request. It may be that the takeover of research centres will accommodate such an increase and be able to take care of the need. But nonetheless, upon further review I believe it is necessary for this committee to make that appropriate recommendation to the Executive Council.

CHAIRMAN (Mr. Zoe): Thank you. To the motion. Question being called. All those in favour? Opposed? Motion is carried.

---Carried

Mr. Minister.

HON. NICK SIBBESTON: Mr. Chairman, just a comment to say that it is interesting and encouraging that the Assembly Members support more moneys to the Science Institute. Usually when the government or a department has to go for a supp, we go with sheer trepidation and anxiety as to whether it will be supported. But now, I know that it will be supported heartily. So I will come forth in due course with a hefty increase.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Mr. Nerysoo.

MR. NERYSOO: Mr. Chairman, just to indicate to the Minister. The motion does not necessarily mean he should not approach the ordinary Members with a certain amount of fear in making his presentation.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Mr. Ernerk.

MR. ERNERK: Mr. Chairman, on Friday we discussed this issue of a polar institute. Using the Government Leader's words, he said, "if a polar institute is developed that it not be in Ottawa." I would like to fully support that concept because I think we have to be able to encourage and institute our own scientific research in the NWT for northern people by the northern people. I would like to suggest that if such a situation occurs, that we have our own polar institute established in the NWT. It would give a good number of training opportunities for people in the Territories. I would like to consider the establishment of such a polar institute in the Keewatin Region, because it is centrally located, east and west. Our people are very much involved in issues of this nature in Igloolik in the Baffin Region. There is one such small operation, I believe, in Yellowknife. What about consideration with regard to the establishment of such an organization in our constituency, the Keewatin Region? I guess I would throw that up just for discussion purposes.

CHAIRMAN (Mr. Zoe): Thank you. That was a good suggestion. Mr. Minister.

HON. NICK SIBBESTON: Mr. Chairman, if the Member does not mind, can I ask Dr. Janes to answer that because he is more familiar with the subject and perhaps you would be getting a more complete answer than if I was to answer? So I have asked Dr. Janes if he could respond to that.

#### Background On Feasibility Of Polar Institute

DR. JANES: Mr. Chairman, if I could just go back a bit on this whole question. David Crombie, actually, commissioned a study to determine whether or not there should be a polar institute. That study was called Canada and Polar Science. The report was then widely circulated throughout Canada and apparently there was unanimous agreement that there should not be another polar institute. There are plenty of organizations aspiring to be responsible for northern research, none of which have enough money and another institute would not contribute anything.

The Minister also decided that he would undertake a study to determine whether or not to establish a polar research commission. Toward that end, Mr. McKnight has asked Professor Symons of Trent University to undertake a study as to whether or not there should be a polar research commission. Professor Symons is coming to the North in mid-March in an effort to assess the feasibility of this commission.

The question then remains, if there is a polar research commission where would it be headquartered? I guess the general idea is that it would be a small secretariat serving this commission. We in the NWT have made it perfectly clear to Professor Symons, and we will do so again, that we consider that the commission should have a presence in northern Canada and not simply be headquartered in Ottawa. I think that we can simply keep in mind the possibility of the Keewatin as part of this northern presence. That will be what we will strive to achieve over the next month.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Mr. Ernerk.

MR. ERNERK: Mr. Chairman, what I was really looking for was a political answer to a political question. It is something that the more I think about the more it excites me. There are many, many things, according to our deliberations on Friday, that we should be thinking about. I recognize that the Science Institute of the NWT has a very small budget of \$365,000 and there is a lot of things to be done up here. There need to be more scientific studies done because there are so many unanswered questions that we have in the NWT. So I really want to push this issue because it ties in with a lot of the things that are going on now. I am lost for words. I cannot find the right kind of words and that is why I am sort of whispering loudly.

---Laughter

(Translation) I will speak in Inuktitut for a short time. For example, what I was thinking was about the Arctic Ocean area of the NWT. I do not know if I am mistaken or not that the Arctic Ocean is being used by big ships. We have to know what is being affected by that. Those are the sorts of questions I was referring to. That is mainly what I was thinking about when I said "Could it be considered by us that we need some sort of science institute in the Keewatin?" I think that we should be looking at that further. There needs to be more research done about that.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. NICK SIBBESTON: Mr. Chairman, if the Member is looking for a political answer, I can give it as best as I can. I will certainly make Dr. Symons aware when he comes to Yellowknife in March. I intend to meet with him and certainly mention the Member's comments about the lack of any science institute in the Keewatin. I undertake to make Dr. Symons aware of the situation. In my work with the Science Institute, I will be conscious of the fact that there are no science research laboratories or facilities in the Keewatin and as a government, or as a Science Institute, we ought to endeavour to provide such in the Keewatin. So I will be mindful of that and I will do what I can to make other people who are in the business, and decision-makers with respect to research and science in the North, aware of the void and lack of any research facilities in the Keewatin, the middle part of the NWT.

Science Institute Of The Northwest Territories, Total 0 And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Science Institute of the NWT, total 0 and M, \$365,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Thank you. That concludes Science Institute of the NWT. I would like to thank the Minister and his witness, Dr. Janes. The next department we will be dealing with is Government Services.

Department Of Government Services

Does the Minister want to make some brief opening remarks? Mr. Kakfwi.

Minister's Opening Remarks

HON. STEPHEN KAKFWI: Thank you, Mr. Chairman. The main estimates requirements for the Department of Government Services for the fiscal year 1988-89 are \$15,709,000 in O and M and \$7,076,000 in capital. An estimated \$12,645,000 will be generated in revenue. While the O and M estimate represents an increase of 8.5 per cent over the fiscal year 1987-88, I wish to point out that this increase is misleading due to an accounting policy change and a distinction between capital and O and M, which resulted in over one million dollars being allocated to the department. Over half of that amount will be used to pay government freight bills.

In order to meet the financial target established by the Financial Management Board, the department reduced its O and M by \$194,000 and its person years by 6.1.

Mr. Chairman, I would like to explain the responsibilities of my department. Services are provided both for the public and government departments through the operation of six divisions. The supply services division purchases goods for all departments through the competitive tender process and provides for the transportation and warehousing of these goods. The division also qualifies contractors and suppliers, as northerners, for the purpose of the business incentive policy. It also administers the transportation assistance program for the communities of Pelly Bay and Snare Lakes. The office services and communications division is responsible for providing mail, telex and telephone services to government departments, as well as forms design and records management. The systems and computer services division operates and maintains the government's mainframe computers in headquarters and in the five regional centres. It also develops and maintains computer systems, as well as providing service to departments on the acquisition of microcomputers.

Specific services to the public are provided by the motor vehicles and petroleum products divisions and the Liquor Commission. The motor vehicles division, which operates under the authority of the Motor Vehicles Act, provides driver licensing and vehicle registration issuing services, as well as driver testing services. The overall objective is to ensure safe and orderly operation of motor vehicles in the NWT through regulatory and legislative direction. The petroleum products division provides heating oil, gasoline and aviation fuel to 43 communities not served by the private sector. All our fuel is delivered by local community contractors. By establishing appropriate prices, the division operates on a break-even basis. The Liquor Commission, operating under the authority of the Liquor Act, provides a varied selection of alcoholic beverages to the residents of the NWT. For the fiscal year 1988-89, net revenues are estimated at \$10,733,000.

Mr. Chairman, I would also like to mention that this department prepares regulatory submissions for Executive Council approval on such matters as air and water transportation and on telephone services. It also provides, when asked, assistance in resolving community problems with Canada Post.

The department is undertaking no new initiatives for the upcoming fiscal year. The goals and objectives for the department which are outlined in the main estimates document are, for the most part, to improve services to client departments. With the proclamation of the Motor Vehicles Act, the department will be implementing a public awareness program on the various changes that will affect the driving public. Later on in the session I will be introducing legislation to amend Part II of the Liquor Act.

Mr. Chairman, I am now prepared to answer questions that Members may have. I would like to introduce my witnesses: deputy minister John Quirke, and the budget manager, Jane Schofield, will also join me as well.

CHAIRMAN (Mr. Zoe): Does the committee agree to let the witnesses in?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Mr. Kakfwi, you may proceed to bring in your witnesses.

General comments. Can I have the co-chairman or the chairman of the standing committee on finance? Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. Mr. Nerysoo will represent the standing committee on finance. Thank you.

CHAIRMAN (Mr. Zoe): Mr. Nerysoo.

Comments From Standing Committee On Finance

MR. NERYSOO: Thank you, Mr. Chairman. Mr. Chairman, in the review of Government Services, there were a number of general questions that were asked. In terms of the mandate, it was noted and the Minister articulated that the department does have a number of mandates for various responsibilities. With regard to new programs for 1988-89, there were no new programs that were being implemented. With regard to performance evaluation the question was not asked but could I ask the Minister to clarify whether or not there is such an evaluation process or system and to explain to the Members how this particular evaluation system functions? With regard to person years, there is a decrease in this department of 5.1 person years. With regard to travel, it was indicated that the department follows a government-wide directive to control travel where possible.

In terms of highlights, there were specific objectives for 1988-89, which included monitoring the progress of the National Safety Code, the creation of a GNWT communication policy, a review of a telecommunications budget and network, the development of a GNWT data communication network, review of the current charge-back system for computing services, negotiation of devolution of the Eastern Arctic sealift, implementation of the Motor Vehicles Act, a proposal for bulk fuel agents, creation of retail pricing formulas for petroleum products and Liquor Commission products, and the development of a public awareness program regarding alcohol.

Issues And Concerns

With regard to the issues and concerns, in particular with regard to devolution of the Eastern Arctic sealift, the Minister indicated that negotiations were under way with the federal government on this matter. With regard to the All-terrain Vehicles Act, as a result of the actions in southern Canada and the United States regarding ATVs and more recently the decision of the producers of ATVs not to continue to sell those products, Members questioned the Minister on the implication of these actions for the NWT, including possible amendments to the All-terrain Vehicles Act. I hope that the Minister might inform the Members of this committee what are the consequences with the recent action of industry with regard to the production of ATVs in Canada.

With regard to the Liquor Commission, the unique role of the NWT Liquor Commission was indicated to us. The public awareness program was discussed. I would hope that the Minister could outline what that awareness program would consist of and inform the public of some of the details. If I could also ask the Minister in responding to this, to indicate when the report of the Liquor Commission is going to be made public, and when that particular report is going to be tabled in this House for discussion.

With regard to forms, there is a need to streamline. The need to streamline forms or reduce the total number of forms was suggested by Members. The Minister indicated that the bilingual requirement would mean additional forms will be required. With regard to the mail system, Members expressed a concern about the time required for mail to pass through the government mail system. The Minister indicated that with the current staff and the volume of mail in the internal system the level of service has had to be decreased. With regard to liquor tax, Members raised the possibility of increased liquor tax as a way of increasing revenues.

Mr. Chairman, those are the elements and the issues that were raised and discussed in the standing committee. Could I now ask the Minister if he could clarify some of the questions that we still have outstanding in the minds of some of the Members of the standing committee?

CHAIRMAN (Mr. Zoe): Thank you, Mr. Nerysoo. You may have to repeat some of the questions that you have raised, due to the length of your comments and the number of questions that you raised. Mr. Minister, are you prepared to answer a number of questions that Mr. Nerysoo has raised?

Performance Measurement System

HON. STEPHEN KAKFWI: Thank you. As to whether or not there is a performance measurement system in place for Government Services, the answer is yes. I would ask the deputy minister to elaborate on that system.

CHAIRMAN (Mr. Zoe): Mr. Quirke.

MR. QUIRKE: Thank you, Mr. Chairman. For the information of the Members, the department has a performance measurement system and it is based on the identification of key performance-related objectives, in each division and region. We have taken each objective and translated it into measurable terms. Apart from the obvious financial measures which are common to all divisions of the department, we measure things such as customer satisfaction, time response to requests, etc.

The performance reports are followed up through the department from the lowest operating level in each division to the deputy minister and from my office eventually it will reach the Minister. Each of our reports is very brief and usually no more than a page long. Each does measure in fact the performance of the immediate supervisor. To give you some examples of some of the information that would come across my desk, for example in the systems and computer services area, would be the measure of our success in developing systems within cost estimates. To the response time and the trends in the mail volume being delivered throughout Yellowknife, the system has only been working in the department for the past three months and we are in fact, working out the bugs. But hopefully in a couple of months it will be running very smoothly and will serve us well. Thank you.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Nerysoo, are there other questions that you had that were not answered by the Minister? Would you repeat your questions, please?

MR. NERYSOO: Thank you. I will just go to the issue of the NWT Liquor Commission and ask the Minister if he could indicate when the annual report of the NWT Liquor Commission is going to be made available to this committee and this House.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: The annual report of the NWT Liquor Commission is here and I can table it today if we can get consent to go back on the agenda. Otherwise I can do it tomorrow, as well. It is available.

CHAIRMAN (Mr. Zoe): Mr. Nerysoo.

MR. NERYSOO: I can agree, if the Minister is seeking unanimous consent, to table that report, because it is an important element in the discussion of this department later on. So if he can table that today.

Mr. Chairman, now that we have dealt with that item, in the detail I will deal with the question of details or some clarification on the public awareness program regarding alcohol. Just so the Minister is aware of that when we get into that area. I also wanted to ask if the Minister could update the Members with regard to the recent decision of the manufacturers of ATVs and what effect that might have on the North or at least what that means in terms of any changes to the All-terrain Vehicles Act. Also, could he clarify the issue of amending the act, when we get into the details of the departments?

CHAIRMAN (Mr. Zoe): General comments. Mr. Richard.

Review Of Business Incentive Policy

MR. RICHARD: Mr. Chairman, in the last six months or so, this department was conducting a review or evaluation of the business incentive policy. I am wondering if the Minister could indicate to the committee whether the review and evaluation is complete and whether the Minister will be reporting to the Assembly on the results of the review.

CHAIRMAN (Mr. Zoe): Mr. Minister.



HON. STEPHEN KAKFWI: My information is that it was Priorities and Planning that conducted the review but then it went to my office to action it, to be considered by the cabinet, and that item is still on our agenda. It has not been discussed by the cabinet as yet.

CHAIRMAN (Mr. Zoe): Mr. Richard.

MR. RICHARD: I had had correspondence with the two previous Ministers of Government Services, so I was under the assumption that the Minister of Government Services had the lead role in reviewing the business incentive policy. My question remains the same; I take it from what the Minister is saying that somebody has completed the review and now it is on the agenda of the Executive Council for some decision. I know that at any given time the agenda of the Executive Council is a long one. But can the Minister indicate when the Executive might get to that item -- in other words, will we hear of the results of the review and evaluation before we conclude our business in April?

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: It has been on the agenda for some time. I hope we get to it this week in our discussions. If we do and it is approved, perhaps then it will be tabled for discussion in this House. But there is an understanding that I have with the other Ministers, that it is an important report and we have to get to it as quickly as possible. As you say, the agenda keeps changing and we keep trying.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Mr. Pollard.

Distinction Between O And M And Capital Expenditures

MR. POLLARD: Thank you, Mr. Chairman. I wonder if the Minister can clarify for us this business of the distinction between O and M and capital expenditures and the limit now that has risen, I believe, to \$5000.

CHAIRMAN (Mr. Zoe): Mr. Minister. Mr. Quirke.

MR. QUIRKE: Mr. Chairman, the Financial Management Board did a change in accounting that defined a new limit for a capital item. For this present fiscal year, any item that costs \$5000 or under is considered capital. So if we were to buy a microcomputer for the department and it cost \$4000, it would be considered capital. For the next fiscal year, that same item will now be considered O and M and the department can buy its trade out of its O and M appropriations. So now to qualify as a capital item, the value of the item must be in excess of \$5000. This is the accounting change that occurred late in the calendar year.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. I wonder if the Minister could explain how -- you know, \$5000 is two thirds of a car, albeit an offshore car. How does the department intend to keep track of these items purchased under this new O and M policy?

CHAIRMAN (Mr. Zoe): Mr. Minister.

MR. QUIRKE: Mr. Chairman, under the Financial Administration Act each department is accountable to maintain its own capital assets records; therefore the involvement of Government Services is limited. The only assets that we will account for in our own capital assets system will be those items purchased on behalf of and for Government Services only. The departments will have their own accountability and will look after any type of record system that they see fit to control those types of expenditures. The only thing that Government Services is required to do is to keep track of the costs of dividing those goods to transportation services. We have been provided, as mentioned in the Minister's statement, with over half a million dollars to pay for the freight to move those goods to their destination. That is the only specific accounting we will do on behalf of all departments, because we are holding the funding.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. What if the Department of Government Services does purchase some computers for its own use at \$4000? How will the department keep track of those items?

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: As I understand it, Mr. Pollard, Government Services does record purchases of goods made by the department. It is recorded in the inventory system. That is how we keep track of what we have.

CHAIRMAN (Mr. Zoe): Mr. Pollard.

Distemper Vaccine

MR. POLLARD: On another subject, Mr. Chairman. I understand that this department handles contracts or purchases for other departments and in particular, I believe this department purchased some vaccine for the Department of Renewable Resources for the new dog vaccination program. I wonder if the Minister could confirm that, please. Thank you.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: As I understand it, we did purchase vaccine at the request of the Department of Renewable Resources.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard.

MR. POLLARD: I wonder, did the department put that out to tender, and who did they tender it to, Mr. Chairman? Thank you.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: Because of the epidemic of distemper, as Members may be aware, there were emergency orders placed for a supply of vaccine: December 9th for an amount that cost \$725; and again on December 23rd for \$12,400; January 4th for \$3100; and January 6th for \$51,150. The first three orders were placed with Bowspringer on an emergency basis without any tendering. The fourth order was informally tendered by telephone and, although a southern organization offered the lowest price delivery of vaccine, this was not acceptable and therefore the order was placed with Bowspringer, who were the second lowest bidder.

CHAIRMAN (Mr. Zoe): Mahsi cho. Mr. Pollard.

MR. POLLARD: I wonder if the Minister could tell us if there were any other people approached besides the southern company and Bowspringer with regard to the January 6th informal tender.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: Mr. Chairman, to answer the last question, we do not have the information right now but would see if we could get it this afternoon; otherwise we would have to try to answer it later tomorrow.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard, are you satisfied with the Minister's response?

MR. POLLARD: Yes, I am.

CHAIRMAN (Mr. Zoe): General comments. Mr. Ernerk.

Devolution Of Eastern Arctic Sealift Program Responsibilities

MR. ERNERK: Mr. Chairman, my question is to the Minister regarding the devolution of Eastern Arctic sealift program responsibilities as part of the 1988-89 major objectives. I wonder if the Minister could explain to me exactly what this involves.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: Well, I do know a little about it. I am not familiar at all with the Eastern Arctic. I hope to be if I am around long enough. The sealift in the Eastern Arctic provides supplies to all the communities in the High Arctic. What we have been set up to do, partially by

federal government directives, is to ensure that the sealift continues and that there is no disruption to services even though there is a change in approach, perhaps, by the federal government. Basically, the Treasury Board has directed Transport Canada to continue with their traditional co-ordinating mandate for the Eastern Arctic sealift to the end of the 1988 shipping season. The co-ordinating role will be transferred to the GNWT or contracted out after that period.

A memorandum of understanding will be signed by the department officials so that second stage negotiations toward achieving a program transfer can take place. The GNWT hopefully will, in turn, contract a northern organization to perform the role that is presently undertaken by Transport Canada.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Ernerk.

MR. ERNERK: Mr. Chairman, I guess my main concern, when we are talking about the Eastern Arctic, Baffin Region and High Arctic is basically because in the Keewatin Region we are serviced by two different companies, one being the Northern Transportation Company Limited and the other one out of Montreal. I guess my main question really was, when we are talking about devolution, it is devolution to whom? Obviously we are talking about devolution from the Government of Canada to the GNWT. When we were talking about transportation sealift, I immediately thought devolution from the GNWT to a company like Northern Transportation Company Limited but none of that is happening. Am I right?

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: The department is aware that the sentiments in the East would be toward making sure that the services were continued if it is possible to have an already established contractor or company to provide continuity in service. We are aware of it. Other than that, I am not certain how much more I can say.

CHAIRMAN (Mr. Zoe): General comments. Government Services. Mr. Butters.

#### Possible Visit To Territories Of Canada Post Corporation Officials

MR. BUTTERS: Mr. Chairman, the Minister indicated that in January he made a visit to Canada Post officials in Ottawa to discuss the service being provided by the Crown corporation and received indication from those officials that they were prepared, or some individuals were prepared, to come to the Territories in either February or March. Some three or four years ago Canada Post officials sat as witnesses for this Assembly in Rankin Inlet. Quite an extensive opportunity was provided Members to inform these officials personally and at first hand of the many shortcomings of that corporation's service in the Territories. Has the Minister considered inviting the Canada Post officials to come north in February and March to carry out a similar discussion with Members?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: When we met with the officials in Ottawa it was not with any prompting on my part that the intent to visit the North was announced by the officials. It was just out of personal interest and initiative on the part of officials of Canada Post.

I am not certain whether their travel money has run out but I have not heard in the last while whether they still intend to come up before the end of March or not. But I have no intentions of inviting, at this time, officials of Canada Post to be guests or witnesses at this Legislature.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Butters.

MR. BUTTERS: Thank you, Mr. Chairman. At one time the Territories had representation on the board of directors of Canada Post. I am wondering who from the Territories now sits on that body.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: Well, as far as I know, there is no one from NWT that sits on the board of Canada Post. But we have prepared a letter which I will be sending to the federal Minister, I believe it is Harvey Andre, to insist that they seriously look at and consider putting someone from the North on the board of Canada Post so that the needs of the North and inadequacies with which Canada Post provides this basic service to our citizens could be possibly much better looked after.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Butters.

MR. BUTTERS: As the result of the meeting in Rankin Inlet, there was a number of items identified where improvements were suggested to the Crown corporation that could or should be implemented in the Territories as soon as physically and fiscally possible. I wonder whether the department has had an opportunity to consider those recommendations and the action that has occurred as a result of Canada Post's examination of the identified requirements.

Motion To Support Request For NWT Participation On Board Of Canada Post, Carried

Before I ask the Minister to respond, I would move that this Assembly strongly support the Minister of Government Services in his letter requiring and requesting that participation on the board of Canada Post be permitted the people of the NWT.

CHAIRMAN (Mr. Zoe): Thank you. I have a motion on the floor. Mr. Butters, your motion is in order. To the motion. Mr. Ernerk.

MR. ERNERK: Thank you, Mr. Chairman. I like Tom Butters...

---Laughter

I like Mr. Butters' motion, but if we are going to move in that direction, supporting the Minister of Government Services in trying to obtain a seat on the Canada Post board of directors, I believe we should not be asking for one but we should be asking for more than two; a minimum of two if it becomes necessary. I know it is necessary because, speaking for the people of the Keewatin Region and, I am sure, for many people generally speaking in the Western Arctic, what somebody here represents does not always represent what is going on in the Eastern Arctic. That is why I would go for more than one director or request more than one from the NWT. And if it is okay with the honourable Member from Inuvik, I would like to amend the motion to read, "minimum of two".

CHAIRMAN (Mr. Zoe): Mr. Ernerk has just made a motion to amend Mr. Butters' main motion. Mr. Ernerk, your motion to amend is in order. To the motion. Point of order, Mr. Butters.

MR. BUTTERS: I regret I did not write my motion out and provide it to you but I thought I said representation on the board of Canada Post. I do not think I indicated how many, but I forget.

CHAIRMAN (Mr. Zoe): Mr. Butters, the Chair would like to request your particular main motion. I cannot recall, either, what the intent of the motion was. If the committee would allow the Chair to take a short recess so that I can go back to the record and write up the main motion. Agreed? We will take a short recess.

---SHORT RECESS

Order. The committee now has a copy of Mr. Butters' motion in front of them. To the motion. Mr. Ernerk, are you satisfied with Mr. Butters' motion? To the motion. Question has been called. All those in favour? Opposed? The motion is carried.

---Carried

Thank you. Mr. Minister.

Vaccine Order

HON. STEPHEN KAKFWI: If I could get back to a question asked earlier by John Pollard, the honourable Member for Hay River, on order number four, which was informally tendered -- that is, by telephone. As I understand it, there were 12 of these services that were telephoned and of the 12, four submitted bids. It was out of those bids that the one from Yellowknife was awarded the bid. So there were 12. If you want to get a little more specific, I suppose what the government has been doing is asking all businesses which are operating in the North, which want to let themselves or itself be known to the government, to register in a business directory with us so that we know what businesses are NWT businesses and what types of services they provide. None of the other services that could have provided, perhaps, had they wanted or had they been contacted in adequate time, were known to the Government Services people. That service is provided by certain people in

a certain business, I think in Inuvik, Hay River and Fort Smith, but this was unbeknown to our people so they were not contacted by telephone. Since and after those dates, our people became aware and the forms were mailed to these businesses to encourage them to register with us as a northern business.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. So I take it that Fort Smith, Inuvik and Hay River were not requested to be part of that bid; the veterinary services in those communities. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: This was an informal bid. It was done by contacting those services that were known through a trades directory and, in short answer, the Member is right. Those services in those communities were not made aware of the tender.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard.

MR. POLLARD: Mr. Chairman, I wonder if the Minister could tell us whether Government Services was advised by Renewable Resources that those services were available from Fort Smith, Inuvik and Hay River.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: I think because there is possibly a number of people saying different things about who knew what when and who talked to whom about this particular business, that John Quirke, the deputy minister, is investigating this just to see exactly when communications or calls or notes were exchanged, to let people know, between Renewable Resources and our department. So it is being looked into right now.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard.

MR. POLLARD: So I take it, Mr. Chairman, from the Minister's answer we could expect some clarification of this matter at a future date? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: We will make whatever we find, available to the Member for Hay River as soon as it becomes available.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Butters.

MR. BUTTERS: Supplementary. I understand that the department has sent out letters to those firms that were not in the trade directory or of whose existence they were not familiar. The department sent out applications for those firms to complete and return so that they can be included in either oral or written tenders at a future date. Is that correct? And if that is correct, have the firms that were identified, subsequently returned such applications?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: The answer to the first part of the question is that we have taken the liberty to send forms to those businesses that provide vet services in the NWT, so that they can register in the registry. The second part, as to whether the businesses have decided to register, so far we have not received any forms back from them as far as I know.

Directorate, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Mahsi cho. General comments. If there are no further general comments can I direct this committee to page 10.08 in the main estimates? Department of Government Services, directorate, total O and M, \$2,174,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Office Services And Communications, Total 0 And M, Agreed

CHAIRMAN (Mr. Zoe): Office services and communications, total 0 and M, \$1,218,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Systems And Computer Services, Total 0 And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Systems and computer services, total 0 and M, \$1,907,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Supply Services, Total 0 And M

CHAIRMAN (Mr. Zoe): Thank you. Supply services, total 0 and M, \$3,531,000. Mr. Angottitauruq.

MR. ANGOTTITAUARUQ: Thank you, Mr. Chairman. I would like to ask the Minister a question regarding Pelly Bay's subsidy for freight. I do not know whether this is the right place but I think he will know what I am asking about. The last time I was in Pelly they did not have any increase on their subsidy for freight. There was concern about this, due to the cost of travel, increase in their population and increase in their supplies for the store. They did not have any increase and I would like to ask the Minister if there is going to be any increase or is there already some increase on their subsidy for food? Thank you.

CHAIRMAN (Mr. Zoe): Mahsi cho. Mr. Minister.

HON. STEPHEN KAKFWI: The answer is yes, apparently there is an increase of about \$50,000 in the subsidy for Pelly Bay.

CHAIRMAN (Mr. Zoe): Thank you. Supply services. Mr. Butters.

MR. BUTTERS: Mr. Chairman, I believe the Minister responsible for Municipal and Community Affairs indicated that the transportation policy was being developed for Executive consideration. The matter of decision papers on air and marine transportation are indicated under this particular supply services item. If that paper is approved, would it mean that supply services will no longer have the responsibility for carrying out this particular mandate or requirement of government?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: It is expected that if this new department is formed that what it would do is take over the regulatory aspects of the work that we currently do in regard to transportation.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Butters.

MR. BUTTERS: Has the implementation of the new transportation act on January 1st resulted in papers on implications of the implementation of that act being developed for the Executive Council in any of the transportation modes?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

Deregulation Of Trucking Industry

HON. STEPHEN KAKFWI: In regard to transportation and the implementation of the National Safety Code, particularly in regard to the deregulation of trucking, the FMB is looking at the cost of becoming part of the National Safety Code as just about everyone else in Canada has done and the cost of looking at deregulation and becoming familiar with the implications of deregulation and how and where the money would come from for the changes that this would entail if and when we sign up as members, as signatories to this code.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Butters.

MR. BUTTERS: Just another question on this particular item. Since supply services is responsible for the delivery of a wide variety of materials, does it also include housing materials and if it does, is it a requirement of such delivery that materials coming into the Western Arctic, be transported on NTCL?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: Government Services does not take care of the transportation of housing materials. That is taken care of by the Housing Corporation. But what does apply to both of us in any case is that it is my information that government policy that has been in place for some time dictates that we have a common carrier on the Mackenzie Valley, Mackenzie Delta and Beaufort and we have NTCL being used by the GNWT.

CHAIRMAN (Mr. Zoe): Mahsi cho. Supply services. Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. If I could pursue Mr. Butters' questioning in terms of the response given by Mr. Kakfwi. Is the assessment that is being done with regard to deregulation, going to also consider the implications on the trucking industry of the NWT?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: John Quirke will answer that question.

CHAIRMAN (Mr. Zoe): Mr. Quirke.

MR. QUIRKE: Mr. Chairman, the impact on the trucking industry would probably be best answered, in part, through the Highway Transport Board. But I can state that on behalf of that board and Government Services and Public Works and Highways, I did make a presentation on behalf of the Executive Council, to lessen the impact on the trucking industry, to the Hon. John Crosbie at a conference of federal and provincial Ministers. Unfortunately, the amendments that the GNWT wished to have in the act were not looked upon favourably and therefore it is basically "open roads" as the act is now applied. So the effect of our presentation had no bearing on change in the legislation, unfortunately.

CHAIRMAN (Mr. Zoe): Thank you. Supply services. Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. I just wanted to get some assurance from the Minister that the work that is being done to study the issue of trucking deregulation at least be assessed in terms of what the implications are on the trucking industry. Probably that particular issue will apply and be dealt with with the Highway Transport Board but I would like, if not through this Minister, to make the responsible Minister aware that that particular issue will arise when he appears before the Assembly. I just wanted to make you aware of that.

Supply Services, Total 0 And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Supply services, total 0 and M, \$3,531,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Telecommunications, Total 0 And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Telecommunications, total 0 and M, \$3,114,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Freight, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Freight, total O and M, \$3,105,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Motor Vehicles, Total O And M

CHAIRMAN (Mr. Zoe): Thank you. Motor vehicles, total O and M, \$660,000. Agreed? Mr. Nerysoo.

MR. NERYSOO: Mr. Chairman, with regard to freight, has the government done any assessments with regard to assessing the differences between freight rates with regard to water transportation and highway transportation? Who in fact conducted that assessment?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: As far as I know there is no sort of blanket assessment or review of the cost difference between water transportation and highway but rather I guess it depends on who is buying and what time of year. For instance, if there is a requirement for a new truck in Coppermine in January and they cannot wait until the following September or October, the only option there is is to fly it in. So it varies from case to case but I do know that, for instance, in housing it becomes a question that some communities have had about whether or not, in spite of cost differences, they could, in some cases, stay with the transportation as it is provided with NTCL; another is to look at earlier arrival and then our own plan perhaps, to look at two year construction. There is no recent assessment of the differences in price between the two because it is hard to apply if a lot of places do not have a highway.

CHAIRMAN (Mr. Zoe): Thank you. Motor vehicles. Mr. Nerysoo.

MR. NERYSOO: Mr. Chairman, the reason I am pursuing this issue of assessment on freight rates and prices as it applies to the manner in which transportation goods are transported, is in terms of food being purchased at co-ops. For instance, I can explain in Fort McPherson where we bulk-ship goods through the barging system in comparison to a private individual who uses a trucking system, the food costs of the trucking system are lower than they are for having shipped by bulk at the end of the shipping season. In other words, there is that type of a difference. It concerns me that no assessment has been done in terms of the costs and yet a decision is being made to support one particular transportation system over another without that type of assessment. I can understand it if an assessment has been done to look at the differences and how much advantage there is to using that mode of transportation. That is why I raise the issue under the freight issue and whether or not there was a consideration for costs.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: As I pointed out earlier, when for instance, different departments indicate to us that they want to purchase certain items, if there is sufficient advance notice of it we know then that there are options available as to the mode of transportation for delivery of these goods. So it is part of the process to assess which is the most economical way of delivering the goods. But as I said earlier, if it is very short notice then we generally go by the quickest or the only, sometimes, mode of transportation that is available to us.

CHAIRMAN (Mr. Zoe): Thank you. Motor vehicles. Mr. Ernerk.

All-Terrain Vehicles Legislation

MR. ERNERK: Mr. Chairman, an area that concerns me very much is the driver examiner program administered by this division in co-operation with the RCMP. In light of the recent decision of manufacturers of three-wheeled Hondas, I think we must take a look at the driver examiner program much more closely now than we did before, because I believe that we need a proper driving program for ATVs in the communities. I am going to make my comments here and I will also make them when it comes time to discuss Municipal and Community Affairs.



I am concerned about a number of things. Many ATVs, although they do not directly come under this division -- am I correct? Nevertheless, Mr. Chairman, when it comes to the issue of testing, the driver examining program, I think we must take a look at this much more closely than we did previously in light of the decision with regard to the ATVs manufacturing. We have to consider age and we have to consider proper enforcing of the local by-laws at the community level. We have to consider the licensing. These are the kind of issues we should be taking a look at when it comes to the safety of people, the enforcing of by-laws. Thank you.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister, do you have any comments? Motor vehicles. Mr. Butters.

MR. BUTTERS: Mr. Chairman, would the Minister confirm the date when the new Motor Vehicles Act will be proclaimed and also might he give some indication of when his new amendments to the All-terrain Vehicles Act or other legislation that he is contemplating with regard to those vehicles will be placed before the House?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: The new act will be proclaimed on April 1st and the amendments to the All-terrain Vehicles Act, I think will be available or goes to the standing committee on legislation, hopefully in two weeks.

Just to comment on the concerns of the honourable Mr. Ernerk, I guess we all view the changes or the dangers of the operation of all-terrain vehicles and perhaps the inadequacies of the present training of drivers and people who operate vehicles, whether they be trucks or skidoos or three-wheelers or four-wheelers. Just to suggest to him that there is still a lot of work to be done with the public on the requirements for training and how this government would approach that for people who want to drive trucks who do not want, for instance, a restrictive licence in small communities that do not have traffic lights and all the different traffic signs that the larger municipalities that are accessible by highway have. I know these provide a certain amount of limitations to those people in the communities who want to have fullfledged driver's licences but because of the size of their community, the number of signs that are up and that sort of thing, they are not available. So I just wanted to let him know I understand what he is saying, that these are being considered right now.

#### Motor Vehicles, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Motor vehicles, total O and M, \$660,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

#### Petroleum Products

CHAIRMAN (Mr. Zoe): Petroleum products, an information item. Mr. Butters.

MR. BUTTERS: Mr. Chairman, on petroleum products, how much was the world price of oil per barrel when the projected consumption cost was made for this particular section? The second question is: Would there be any anticipation with the current fluctuations being experienced in that price per barrel, that there may be a savings realized when the government goes out to buy its annual resupply?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister. Mr. Quirke.

MR. QUIRKE: Mr. Chairman, when we did the figures for the main estimates, I believe the figure we used was about \$20 US per barrel. Just last week the Minister signed the requisition for the next resupply of about \$35 million worth of fuel. The tender process is now starting and it will be the normal tender process that we have known for the past year. When the world price was dropping like crazy three years ago, we had to do the process and make a decision within a week. We assumed that there is basic stability in the pricing this year and we anticipate that the price of oil through the normal process will be about \$20 to \$22 US a barrel.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Butters.

MR. BUTTERS: Another question, and I do not think that I am presuming on a negotiating position that has been developed by this government with regard to NCPC, but is it the expectation that with the devolution of NCPC to this government, will the responsibility for purchasing the petroleum products consumed by that particular commission fall within this section?

CHAIRMAN (Mr. Zoe): Mr. Minister. Mr. Quirke.

MR. QUIRKE: Mr. Chairman, right now petroleum products, through Government Services, does provide fuel to 43 communities where the private sector is not present. In those particular communities the government is a supplier of petroleum products to NCPC on two bases. It is either on the basis that we buy and hold the inventory for a year or we buy and transport their inventory right into their own tanks. In those communities, for example Inuvik, where Government Services is not the supplier of the product, NCPC would, I would think, naturally buy their fuel from the local agent and then Government Services would have no involvement whatsoever.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Butters.

MR. BUTTERS: In view of that response, is it possible that this government may, either in this coming year or in the near future, enter into a contract with Panarctic for resupply out of the Bent Horn field?

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: The fuel from the Bent Horn project is being tested by NCPC but findings are that it has such a low flash point that it is not very safe for use as a heating oil in furnaces and that sort of use.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Butters.

MR. BUTTERS: Well, even if it is only used for power generation, I wonder whether or not any kind of a contract has been negotiated between the commission and Panarctic which may have to be picked up by this government. Would that situation be known by the Minister?

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. STEPHEN KAKFWI: As far as I know there is not any. Apparently NCPC has given Government Services notice of everything that they require for the coming year and it is all coming out of eastern Canada.

CHAIRMAN (Mr. Zoe): Petroleum products. Mr. McLaughlin.

#### Increase In Gasoline Taxes

MR. McLAUGHLIN: Thank you, Mr. Chairman. During the recent federal Budget Address there was a one cent increase in taxes on gasoline. I was wondering, will that be passed on to communities after the shipments arrive and that part of the stockpile of fuel has actually been consumed? And in the on-highway communities, will that come into effect very soon or has it already come into effect?

CHAIRMAN (Mr. Zoe): Mahsi cho. Mr. Minister.

HON. STEPHEN KAKFWI: Because it is a federal sales tax that increase will come into effect April 1st and would be passed on to everyone. It becomes effective April 1st regardless of whether you are accessible by highway or not.

CHAIRMAN (Mr. Zoe): Mr. McLaughlin.

MR. McLAUGHLIN: But the fuel that has already been delivered into those communities was purchased by us before, without that one cent on it. So what you are saying is the law requires us to collect that as a seller now, does it?

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: The answer is, yes.

CHAIRMAN (Mr. Zoe): Thank you. Petroleum products. Mr. Pudluk.

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I think we are all aware of the capital project for Grise Fiord. Quite a lot of capital planning has been deferred. I am not too happy about this. The residents of Grise Fiord had requested an additional oil tank. Will this also be deferred? Thank you.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. STEPHEN KAKFWI: Mr. Chairman, the answer is that we are going ahead with the installation of the fuel tanks. It will begin as scheduled this summer. The community is already in short supply, so the construction, the capital projects, are going ahead as scheduled.

CHAIRMAN (Mr. Zoe): Thank you. The time being 6:00 o'clock, the Chair will now rise and report progress. I would like to thank the Minister and his witnesses for appearing before our committee and we will see you and your witnesses again tomorrow. Thank you.

MR. SPEAKER: Mr. Zoe.

ITEM 18: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF REPORT OF STANDING COMMITTEE ON FINANCE ON THE 1988-89 MAIN ESTIMATES; BILL 1-88(1), APPROPRIATION ACT, 1988-89

MR. ZOE: Mr. Speaker, your committee has been considering the Report of the Standing Committee on Finance on the 1988-89 Main Estimates and also Bill 1-88(1), Appropriation Act, 1988-89.

Motion To Accept Report Of Committee Of The Whole, Carried

Mr. Speaker, I move that the report of the chairman of the committee of the whole be concurred with. Thank you.

MR. SPEAKER: Thank you, Mr. Zoe. Is there a seconder for the motion? Mr. Pudluk, thank you. All those in favour of the motion, please raise your hand. Opposed, if any? The motion is carried.

---Carried

Mr. Clerk, orders of the day.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. There will be a meeting of the ordinary Members' committee at 9:00 a.m. tomorrow. There will be a full caucus meeting at 10:00 a.m.

ITEM 19: ORDERS OF THE DAY

Orders of the day for Tuesday, February 23rd.

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Oral Questions
6. Written Questions

7. Returns to Written Questions
8. Replies to Opening Address
9. Petitions
10. Reports of Standing and Special Committees
11. Tabling of Documents
12. Notices of Motion
13. Notices of Motion for First Reading of Bills
14. Motions
15. First Reading of Bills
16. Second Reading of Bills
17. Consideration in Committee of the Whole of Bills and Other Matters: Report of Standing Committee on Finance on the 1988-89 Main Estimates, Bill 1-88(1); Ministers' Statement 13-88(1)
18. Report of Committee of the Whole
19. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Tuesday, February 23rd, 1988, at 1:00 p.m.

---ADJOURNMENT

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