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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 29, 1988

MEMBERS PRESENT

Hon. Titus Allooloo, Mr. Angottitauruq, Mr. Arlooktoo, Hon. Michael Ballantyne, Mr. Butters, Hon. Nellie Cournoyea, Mr. Crow, Mr. Kilabuk, 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 (Hon. Red Pedersen): Orders of the day for Monday, February 29th. Item 2, Ministers' statements. Mr. Patterson.

ITEM 2: MINISTERS' STATEMENTS

Ministers' Statement 25-88(1): Olympic Games Closing Ceremonies

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. Marie Uviluq and I were honoured to represent the NWT at the closing ceremonies of the 15th Olympic Winter Games...

---Applause

...in Calgary, Alberta, this past weekend. It was a wonderful event and one our government is glad to have supported. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Patterson. Item 2, Ministers' statements. Mr. Wray.

Ministers' Statement 26-88(1): 1988 Arctic Winter Games

HON. GORDON WRAY: Mr. Speaker, I am pleased to provide the House with a report on the recent Arctic Winter Games regional and territorial trials. Participation in the Arctic Winter Games in the NWT has increased dramatically. The games take place every two years and for the last two sets of games participation has increased from 1556 in 1984 to nearly 2500 this year. The number of communities involved has increased from 31 communities in 1984 to 48 communities.

Mr. Speaker, there continues to be increasing participation from athletes from smaller communities. Each year the team selected to represent the NWT at the Arctic Winter Games comes from a wider range of communities and involves greater native participation. The objective of mass participation for the Arctic Winter Games is being met.

Credit for this increase should go to at least two sources, Mr. Speaker. First, Sport North and the vast volunteer force must be given recognition as the organizing body that has done a marvelous job of delivering the Arctic Winter Games program to residents in the NWT. Secondly, the government has taken initiative in providing new recreation facilities and programs to residents. These facilities and ones planned in the future have allowed opportunities for residents to compete and become involved as athletes, coaches, officials and organizers.

As well, our intercommunity sport competition and sport skills clinic programs continue to provide funding for competitions and skill development leading to increased participation in the Arctic Winter Games. The Legislative Assembly has voted funds this past year for a Winter Games program in off years to further participation, skill development and to promote organized sport development at the community and regional level.

I am also pleased that many Members have indicated their support for the Arctic Winter Games by arranging to attend the games in Fairbanks. Your support for our athletes as Members of the Legislature representing the NWT, shows the importance of our participation in the Arctic Winter Games.

Finally, Mr. Speaker, I would like to congratulate all the athletes who have participated at all levels and give best wishes to our athletes who will participate in Fairbanks. I am sure they will be excellent representatives for their sport and worthy ambassadors for the NWT. Thank you.

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

Ministers' Statement 27-88(1): Workplace Hazardous Materials Information System, WHMIS

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. Mr. Speaker, northern employers and workers will soon be armed with improved access to information vital to the safe and proper use of hazardous materials. Major changes have been made to the workplace hazardous materials information system. It is a national communication network designed to provide for federal regulation of suppliers and importers, as a condition of sale, through the Hazardous Products Act.

The system will provide a consistent approach to concerns and enforcement of safety. It will tell workers about hazardous substances, using three approaches. They include: comprehensive labelling of all packages, containers and vessels containing potentially hazardous substances; provision of material safety data sheets containing detailed information about the substances; and training of workers on the recognition and safe use of hazardous substances.

The act will be administered by Consumer and Corporate Affairs Canada and enforced by provincial, territorial and federal occupational health and safety agencies. Model occupational health and safety regulations will be standardized across Canada. The legislation is expected to become effective on October 31st, 1988.

I am extremely pleased that this program will soon be in effect and that the Government of the Northwest Territories played a key role in its development. It further outlines the commitment of this government to furthering the health and safety of territorial workers. Thank you.

MR. SPEAKER: Thank you, Mr. Ballantyne. Ministers' statements. Item 3, Members' statements. Mr. Kilabuk.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Safe Return Of Stranded Hunters

MR. KILABUK: (Translation) Thank you, Mr. Speaker. I would like to make an announcement which I am very proud to announce. The five people who were stranded out on the floe edge have returned home. They did not lose any of their equipment, including their snowmobiles, and for that we are very happy. We would like to express special thanks to our outpost camps for rescuing the hunters by canoe when they were stranded out on the ice. I am very happy to say "Thank you" to the outpost camp. I think they may have damaged some of their equipment and I would like to pursue this matter a little bit further.

MR. SPEAKER: Thank you, Mr. Kilabuk. Members' statements.

Item 4, returns to oral questions. Item 5, oral questions. Mr. Arlooktoo.

ITEM 5: ORAL QUESTIONS

Question 0178-88(1): Air Pollution From Asbestos In Arctic College, Iqaluit

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Health. I have heard recently that in Iqaluit the Arctic College campus has some kind of air pollution. I am not too sure exactly what this is, whether the asbestos insulation is a health hazard. Can the Minister respond to my question as to whether this is really a health hazard? Also, is the Arctic College part of Ukkivik, which is a student residence? Thank you.

MR. SPEAKER: Madam Minister.

HON. NELLIE COURNOYEA: Mr. Speaker, I am aware of this situation. However, I will take that under advisement. It may be that the tests that were done, were done under the Department of Public Works, so if Mr. Wray would like to bring you up to date on that, I would turn to Mr. Wray to give an update on what is happening in that area.

MR. SPEAKER: Mr. Wray.

Return To Question 0178-88(1): Air Pollution From Asbestos In Arctic College, Iqaluit

HON. GORDON WRAY: Thank you, Mr. Speaker. As a result of the storm during the week of February 14th, the heating system in the Arctic College classrooms -- and it is a federal building -- froze up. The damage and the repairs to the pipes revealed the presence of asbestos insulation, which up until that time had been properly protected. The occupational health and safety staff of the Department of Justice have assisted Public Works in the clean-up. While the heat was restored on February 17th, special protective clothing and vacuum equipment were required to complete the clean-up. In addition, air samples were taken and sent to Toronto to ensure the absence of airborne asbestos fibres before the area is reopened. The Arctic College area has been isolated from Ukkivik residence and it was anticipated that the clean-up could be completed and classrooms returned to service by today. However, unfortunately Canadian Airlines misplaced some of the samples and some of the clothing, and therefore I am not quite sure if we are able to meet today's date. The protective clothing, or at least some of it, arrived on February 27 and the vacuum equipment is expected to arrive today. Repairs and the clean-up are proceeding and they are anticipated to be completed by the evening of Tuesday, March 1st. We are advised that the test results on the air samples should be available by tomorrow, Tuesday, March 1st, and it is therefore anticipated that the classrooms and offices will be available for use on Wednesday, March 2nd, subject, of course, to the test results. Thank you.

MR. SPEAKER: Thank you. Supplementary, Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I am aware that this can be very dangerous because of the hazard to health. I would like to ascertain as soon as possible whether this is really dangerous to the students. There are many people living in that residence and in the Arctic College. I have also heard that sampling will be done and if the air proves to be dangerous the students will be able to return home. I think that you have to be very careful in dealing with this because of potential danger to the students. The particles can spread widely. I also know that the doors to the area where there are suspected to be asbestos fibres in the air are not really sealable in that residence. Thank you.

MR. SPEAKER: Thank you, Mr. Arlooktoo, for that statement but did you have a question in it?

Question 0179-88(1): Chance Of Ukkivik Residents Being Sent Home

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. Yes, my question will be directed to the Minister of Education regarding the Ukkivik residence. The released asbestos fibres could spread within the Ukkivik building, within the federal building. I think all the entrances were open at the time of the damage and I think the students had to leave the building because there were alarms set off by that. For that reason, if you are unable to clean up the air and do the testing right away, will you be able to send the students home until it is certain that the Ukkivik residence is safe?

MR. SPEAKER: Mr. Patterson.

Return To Question 0179-88(1): Chance Of Ukkivik Residents Being Sent Home

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. This matter is being handled by the Department of Public Works and also by the Department of Public Services which is testing, and looking at the danger very seriously. The training/administrative area has been isolated from the residence until the repairs, clean-ups and air tests can be completed and we are satisfied that there is no danger to students living in the residence, which is quite a separate area from the area of damage. So there is no present intention, Mr. Speaker, to remove students from residence and, in fact, alternative arrangements have been made so that they will be able to continue their classes and not interrupt their studies as a result of this damage. Thank you, Mr. Speaker.

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

Question 0180-88(1): Government Policy On Ancestry As Basis For Write-Off Of Debts

MR. RICHARD: Thank you, Mr. Speaker. I have a question for the Government Leader regarding the write-off policy of the government. Mr. Speaker, I was disappointed in the Government Leader's response last Thursday to my earlier question. The Government Leader, Mr. Speaker, is deliberately, I feel, ignoring the real issue which gave rise to the question.

It is perhaps, Mr. Speaker, a delicate topic but it has to be addressed because of the manner in which the Minister of Economic Development left the matter on the public record. I would ask the Government Leader to look at the Hansard transcript in that regard, and if I can paraphrase the Minister of Economic Development's response, he indicated, Mr. Speaker, that he is more sympathetic to a native person who owes a debt to the government than to a white person, who operates a business in Yellowknife, who owes a debt to the government. That Minister, Mr. Speaker, says there is a difference on that ground alone.

Mr. Speaker, the Government Leader's response is dancing around the issue and I am going to ask him to indicate to this House and to the public whether it is government policy for there to be a difference in the treatment solely on the ground of ancestry. The Government Leader has been elected Government Leader and he is to show leadership, Mr. Speaker. At least Mr. Sibbeston was unequivocal in his response. I would ask that the Government Leader be just as unequivocal.

So my question is, Mr. Speaker: Is it government policy for there to be different treatment solely on that ground and if not, will the Government Leader direct his Minister to cease treating these applications differently, solely on the ground of cultural identity?

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

Return To Question 0180-88(1): Government Policy On Ancestry As Basis For Write-Off Of Debts

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. First of all, I can assure the Member and this House that it is definitively not government policy to consider write-offs of debts solely on the ground of ethnic status. Secondly, Mr. Speaker, I can tell the Member that with the greatest of respect to him, I think he has entirely distorted what the Minister said. I think it was very clear from the record that the Minister said that he considered cultural background, amongst a number of other factors, the primary one and the reason that the write-off was presented to the Financial Management Board and presented to this Legislature, being financial reasons. So, Mr. Speaker, that is not government policy and neither was it the sole ground on which the Minister made the decision to recommend that write-off to this Legislature. Thank you.

MR. SPEAKER: Thank you, Mr. Patterson. Supplementary, Mr. Richard.

Supplementary To Question 0180-88(1): Government Policy On Ancestry As Basis For Write-Off Of Debts

MR. RICHARD: Mr. Speaker, again the Government Leader is avoiding the issue. I know it is early in the week but it appears that the Government Leader's train of thought has not left the station yet. Let me quote from the response of the Minister of Economic Development, that without question there is a difference between someone who operates a business in Yellowknife, who is a white person, who comes in from the South, who has generations and generations of family background that have been in business.

Now, Mr. Speaker, the issue here is not the write-off of last fall. The issue is the response given by the Minister of Economic Development to Mr. McLaughlin's question in this session and the answers given by that Minister during the consideration of the departmental estimates.

Now, having given that reminder to the Minister, to the Government Leader, Mr. Speaker, of the response of the Minister of Economic Development, will he, as Government Leader, direct his Minister to cease treating applications differently on that ground?

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

Further Return To Question 0180-88(1): Government Policy On Ancestry As Basis For Write-Off Of Debts

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. Mr. Speaker, does the honourable Member not recognize that each particular application for a loan write-off and the circumstances of each particular application for a loan write-off are fundamentally different? I have explained in the House, as did the Minister, when the question was first put to him by Mr. McLaughlin, explain that there are a number of criteria that are considered. I have also explained, Mr. Speaker, that departmental policy which the honourable Member is concerned about, also provides criteria which are very broad. The criteria are deliberately broad because they should contemplate every possible circumstance.

Mr. Speaker, I well recollect the statements made by the Minister in this Legislature and I am not suffering from jet lag. The comments made by the Minister with reference to what I would describe as a sophisticated type of businessman of which there are many in the honourable Member's constituency, I am sure he would agree, were in response to a general question on the broad policy that the Minister might consider with regard to the Business Loans and Guarantees Act. Mr. Speaker, I feel no need to make any direction on this matter. I think it has been made very clear to the Members that there are a wide variety of factors that depend on the individual circumstances of a particular case and it would be wrong to say that the same approach is going to be taken with all these applications for write-off because each one is extremely different. I do not think it is inappropriate that one considers, for example, the sophistication or experience of a businessperson in determining whether or not a loan should be pursued or written off because that factor bears heavily upon the chances of recovery.

So, Mr. Speaker, in answer to the honourable Member, I do not think that there has been any violation of government policy. I think that the discretion in these particular circumstances is broad and it is not inappropriate for the Minister to give examples of the kind of situation in which that broad discretion might be exercised, bearing in mind, Mr. Speaker, that it is ultimately up to this Legislature, in matters over a certain amount, to give the final approval for those recommendations. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Patterson. Item 5, oral questions. Mr. Nerysoo.

Question 0181-88(1): Appointments To Advisory Council On The Status Of Women

MR. NERYSOO: Thank you, Mr. Speaker. This is a question to the Government Leader. Has the Government Leader had an opportunity to review the act establishing the Advisory Council on the Status of Women and can the Government Leader indicate what findings he has made with regard to appointments?

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

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. The Minister responsible for the Status of Women has been inquiring into the substance of the act and I would like to refer that question to her. Thank you.

MR. SPEAKER: Madam Minister.

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Speaker. I am currently formulating a response to the honourable Member's concern in regard to reviewing the act. That will be forthcoming. Thank you.

MR. SPEAKER: Thank you, Madam Minister. You are taking the question as notice. Oral questions. Mr. Zoe.

Question 0182-88(1): Tabling Of Report On Regional And Tribal Councils

MR. ZOE: Thank you, Mr. Speaker. Mr. Speaker, I would like to direct my question to the Government Leader. On February 10th, Mr. Speaker, I asked if the Minister can table the review of the regional and tribal councils. On Thursday last, he gave a different reply to Mr. Arlooktoo which totally confused me. I in particular, asked for the actual report to be tabled in this House but I reviewed his comments from Thursday to Mr. Arlooktoo and he indicated that they were going to be tabling either the summary of the report or the actual report itself. He indicated that it might not be possible to have it tabled in this House in this session. But on February 10th when I asked him that same question, he agreed that he would be tabling it in this House. Could the Minister clarify as to what is happening with this report? Thank you.

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

Return To Question 0182-88(1): Tabling Of Report On Regional And Tribal Councils

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. Mr. Speaker, I believe this is a very important matter which should be handled responsibly by the cabinet and by Members of this Legislature. I do believe, Mr. Speaker, that it would be appropriate that following the consideration of the report by the cabinet, which we have not yet had an opportunity to do, we table indications of the government's response to the report rather than just tabling the report itself. Mr. Speaker, at the beginning of this session I told the honourable Member that I would consider tabling the report during this session. I anticipated that there might be an opportunity for the cabinet to give the report the care and consideration that it deserves. It is a lengthy report. It contains recommendations that are of great interest to Members of this Legislature. The reality, Mr. Speaker, is that with the pressures of presenting the budget, dealing with the numerous profound questions that are asked in this Legislature and dealing with urgent matters like the transfer of NCPC, it has not, to date, been possible for the cabinet to give the thoughtful consideration to that report that is required. Therefore, Mr. Speaker, I cannot today commit to having the report tabled and the government's response provided to the Legislature. We do consider it an important matter which affects other issues such as the future of regional governments and the reorganization of the government that might be planned in the future. So we will consider it at the first opportunity that our busy schedule presents and we will give consideration to tabling it at the first opportunity that is presented. At the moment, Mr. Speaker, I cannot be sure if that can happen before the close of this session. Thank you.

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

Question 0183-88(1): GNWT Year-End Spending

MR. POLLARD: Thank you, Mr. Speaker. My question is for the Minister of Finance and it deals with year-end spending of the GNWT, Mr. Speaker. I wonder if the Minister has done anything to warn the departments about, shall we say, overenthusiastic year-end spending? Thank you, Mr. Speaker.

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

Return To Question 0183-88(1): GNWT Year-End Spending

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I am sure the honourable Member is complimenting the departments in their zealous desire to carry out the will of this Assembly. But to answer the question, I have sent a letter out to every Minister and deputy minister, February 1st, to explain to them that we do not look favourably on any spending that is not justified. I intend to send out another letter immediately this week to convey the same message. The intention of our government is that spending which is justified will go ahead, but there will not be, as much as we can control it, any spending that is done in order just to expend funds. I can assure the Member that we are on top of it and the message is going out loud and clear to all departments. Thank you.

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

MR. POLLARD: Thank you, Mr. Speaker. If I might ask the Minister of Finance that if some, shall we say, frivolous spending were brought to his attention, particularly at this year end, would he be prepared to take some action in that regard? Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Pollard, that question is not in order; it is based on a hypothetical situation. Oral questions. This would appear to conclude oral questions for today. Item 6, written questions. Mr. Kilabuk.

ITEM 6: WRITTEN QUESTIONS

Question W19-88(1): School Busing Policy

MR. KILABUK: (Translation) Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Education. Could the Minister advise me on the following, concerning school busing in the Northwest Territories? 1) What are the policies and criteria for allocating funds, both capital and operations and maintenance, to provide school busing to communities? 2) Is this service available to all communities in the Northwest Territories? 3) Where is the funding for busing in the Department of Education budget? I would like to get a response, if not today, sometime later. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Kilabuk. Written questions.

Item 7, returns to written questions.

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

ITEM 9: PETITIONS

MR. CROW: (Translation) Thank you, Mr. Speaker. I have Petition 3-88(1), from Sanikiluaq. It is signed by 195 persons regarding the skating rink and hockey arena. They have been requesting this in the past and our previous MLA, Moses Appaqaq, made a motion last year. The motion he made was passed in this House but we have not heard up to now whether the motion that was passed in this House will be carried out. The people who signed the petition wanted to get a response and get further information from the Minister of recreation. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Crow. Petitions, Item 9.

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

ITEM 11: TABLING OF DOCUMENTS

MR. CROW: (Translation) Thank you, Mr. Speaker. The petition that I just read I would like to table, as well as Tabled Document 78-88(1), a letter, dated February 2, 1988, from the recreation committee in Sanikiluaq explaining the reasons why they are requesting the hockey arena. I would like to table this if the petition is not clear on its own. Thank you.

MR. SPEAKER: Thank you, Mr. Crow. Tabling of documents, Item 11. Item 12, notices of motion. Mr. Richard.

ITEM 12: NOTICES OF MOTION

Notice Of Motion 11-88(1): Business Loan Write-Offs

MR. RICHARD: Mr. Speaker, I give notice on Thursday, March 3, 1988 I will move the following motion: I move, seconded by the honourable Member for Mackenzie Delta, that this Legislative Assembly support the principle of equal treatment for all debtors of the GNWT, both native and non-native.

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

Item 13, notices of motion for first reading of bills. Item 14, motions. Motion 9-88(1), AIDS Presentation and Briefing. Mr. Richard.

ITEM 14: MOTIONS

Motion 9-88(1): AIDS Presentation And Briefing

MR. RICHARD: Thank you, Mr. Speaker:

I MOVE, seconded by the honourable Member for Nunakput, that this Legislative Assembly receive a presentation and briefing on AIDS in committee of the whole as the first item of business on Monday, March 7, 1988.

Thank you.

MR. SPEAKER: Thank you, Mr. Richard. Your motion is in order. To the motion. Mr. Richard is the mover.

AN HON. MEMBER: Question.

MR. SPEAKER: Question is being called. Seconder?

AN HON. MEMBER: Question.

Motion 9-88(1), Carried

MR. SPEAKER: Question is being called. All those in favour please signify by raising your hand. Thank you. Opposed? The motion is carried.

---Carried

Motion 10-88(1), Ombudsman for the Northwest Territories. Mr. Gargan. Mr. Gargan is not in the House. I will call the motion tomorrow.

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; Bill 1-88(1), Appropriation Act, 1988-89; Ministers' Statement 13-88(1); and Tabled Document 71-88(1), Direction for the 1990s, with Mr. Angottitauruq 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 1988-89 MAIN ESTIMATES; BILL 1-88(1), APPROPRIATION ACT, 1988-89

CHAIRMAN (Mr. Angottitauruq): The committee will come to order. Would the Minister like to bring in his witnesses?

Department Of Municipal And Community Affairs

HON. GORDON WRAY: Yes, Mr. Chairman.

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

MR. ZOE: Thank you, Mr. Chairman. Mr. Chairman, I would like to raise another issue related to Municipal and Community Affairs in regard to the overall decentralization of this particular department. Could the Minister give us a little summary as to how he perceives his department handling the issue of decentralization? I can get into the specifics as to various regions at a later date, but would the Minister tell us how his department is dealing with the issue of decentralizing?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: I am not quite sure if the Member is talking about decentralization of programs to the regions or is that...

CHAIRMAN (Mr. Angottitauruq): General comments. I guess what Mr. Zoe is asking is overall. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. As much as possible, our department is almost totally decentralized now. The vast bulk of the legislative authority of the department is on behalf of municipalities who actually carry out much of what would have been the department's mandate, if there were no such thing as local governments.

With regard to the specific tasks that are left to the department, we have a fairly small headquarters operation and are in the process of decentralizing the administration and planning of lands to the region. This was tried two or three years ago but met with a singular lack of success resulting, in some cases, in a delay of up to two years in obtaining land and land leases, simply because the resources necessary to perform an adequate job at the regional level were not made available. You had, in some cases, lands administration officers performing administrative, as well as planning tasks, and you had lands planning officers in some other regions performing lands administration tasks. The two are quite distinct and quite separate. We are now in the process of decentralizing that function to the regions. The vast bulk of our work is done at the regional level in the areas of recreation, airports and municipal affairs. It is a very decentralized department and we really only have a small core headquarters staff left. I hope that would answer the Member's question.

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

Decentralizing Of Fort Smith Region

MR. ZOE: Mahsi cho. Mr. Chairman, the Minister indicated the decentralization from headquarters. What about the decentralizing from the region to the communities or to the area service offices? My great interest is the Fort Smith Region. How is your department going to handle the decentralization from the region to the area service office in the Fort Smith Region? The Minister is well aware of the comments of the Government Leader on this issue. He claims that when the Fort Smith Region devolve their area service office, that will bring the government closer to the people. But reviewing this particular department, Mr. Chairman, it does not appear to me that this department can decentralize in that manner because there are various positions at headquarters that cannot be devolved to the area service office. That means that my area would still have to deal with Fort Smith instead of headquarters, as the Government Leader has indicated. There is always going to be another level of government that you have to deal with. So I am particularly interested in how he is going to handle the Fort Smith decentralization of his department. Thank you.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. How we have handled it to date is that, in the area service office in Rae, we have devolved a municipal affairs branch and we have some municipal affairs people for that particular area. We have put some staff into the Simpson office. However, there is a problem in three of our program areas: recreation, airports and lands. We quite simply do not have enough activity in the Rae area to justify a full-time position for that particular function. There is not enough activity in lands or in airports to justify it. So for the time being we have left those functions to be administered out of the Fort Smith regional office. The recreation officer for that particular region works out of Hay River, lands and airports work out of the Fort Smith regional office, and municipal affairs have devolved to the area service office in Rae.

CHAIRMAN (Mr. Angottitauruq): Mr. Zoe.

MR. ZOE: Thank you, Mr. Chairman. Mr. Chairman, I understand that in reality various PYS can be moved only based on the amount of work they have but, as the Minister is well aware, the Government Leader has indicated that because Rae's area service office is close to headquarters, they would deal directly with headquarters. But the way the Minister indicated it is going to be, it does not appear that my area service will be dealing directly with headquarters. We will still be dealing with Fort Smith. Now I am a little confused, Mr. Chairman, as to where this area office should be reporting. Is the Government Leader's statement correct or is this change that is being proposed -- I am a bit puzzled here as to who is correct, as to the way things in reality are, or as to what the Government Leader proposed, that the area service office is supposed to deal directly with headquarters and not necessarily Fort Smith. Thank you.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you. I have no programming capability at headquarters to service the Rae area. I just do not have people in Yellowknife to do that. How we have worked it in Rae is that the area superintendent of municipal affairs reports directly to the chief of municipal affairs here in Yellowknife. So for that function, municipal affairs will report to the chief of municipal affairs but for the other functions, we go through the regional superintendent in Fort Smith. It is not an ideal situation but it is the best that I can do with the PYs that are available to me.

CHAIRMAN (Mr. Angottitauruq): Mr. Zoe.

MR. ZOE: Thank you, Mr. Chairman. Well, Mr. Chairman, I am still puzzled. I was hoping that the Government Leader would take the opportunity to advise this committee as to what the intentions are, particularly for this department, where he indicated that the Rae area service office is supposed to be dealing with headquarters directly. As the Minister has indicated, because the workload is not there, they cannot bring people into the area service office nor can they bring them to headquarters. That means we still end up dealing with Fort Smith. But that is not what the Government Leader has indicated to us. I am sure this is not the only department that is going to have problems like this. If a big department like Municipal and Community Affairs has problems, I am sure Social Services is also in a similar boat.

I am a bit puzzled in terms of the statement that was given to us earlier on in question period. I am still not totally satisfied with the issue of the decentralization of the Fort Smith Region. I will be pursuing it in various departments and, hopefully, I will be questioning the Government Leader during question period on this issue sometime next week once I get my research done. Thank you.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister. General comments on the Department of Municipal and Community Affairs. Mr. Zoe, do you have any more?

Consistent Guidelines For All Regional Decentralization

MR. ZOE: Thank you, Mr. Chairman. Mr. Chairman, could I ask the Minister if he has a set of rules on this decentralizing of various regions? Does he apply them equally in other regions, or are there specific rules only for the Fort Smith Region, something else for Inuvik Region and something different again for Baffin? Do you have guidelines that you follow across the Territories?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Municipal and Community Affairs is not in charge of decentralization and as such we react to directions given by the cabinet. The Inuvik, Baffin, Kitikmeot and Keewatin Regions all operate under one set and we try to operate the Fort Smith Region as closely as possible to the other regions. But because of the large size of the Fort Smith Region and the obvious differences in certain areas, we have had to react to different sets of circumstances. So we have tried to do the best we can with the available PYs in terms of making sure. The bottom line is to ensure that you can give the same delivery of service to every resident right across the NWT. We like to think that at least in Municipal and Community Affairs, while the Fort Smith Region may not operate quite the same as the other regions, the bottom line is that we can still give the same delivery of service that we do in the other regions.

CHAIRMAN (Mr. Angottitauruq): General comments on the Department of Municipal and Community Affairs. Mr. Arlooktoo.

Staff Housing For Hamlet Employees

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I would like to get information about the hamlet houses. There are two staff houses presently that are both occupied. I would like to get more information on how these staff houses are presently operated. Is it because of the lack of housing that there are only two houses for my area? Two people are presently living elsewhere because of lack of housing. When we had a BRC meeting in Igloodik there was a resolution made asking for more housing in the communities in the region. I would like to find out what has been done to correct this problem. Are they going to build more housing for the staff or is that for hamlet employees?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you. Is the Member referring to hamlet housing in general or a specific community?

CHAIRMAN (Mr. Angottitauruq): Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I am talking about how many staff houses are available in my constituency. The secretary-manager is provided with staff housing which belongs to the hamlet. The mechanic is also provided with staff housing, but many of their employees are not supplied with staff housing and they have a hard time finding homes.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Our policy essentially is to provide hamlets with staff housing, equivalent to the number of government positions that were transferred to the hamlet from the government. That is why you will find usually the secretary-manager and the mechanic have housing, because the mechanic's position was previously with the government and there was a staff house and the secretary-manager was usually a settlement manager or some other equivalent position that also had a staff house. So those houses were turned over to the hamlets.

With respect to providing housing for other hamlet employees, we just simply cannot afford to. We make sure that there is adequate housing, at least for a secretary-manager and mechanic, but other than that it is very much on a community by community basis and what housing is available. I have instructed the department to take a look at perhaps providing hamlets with O and M funding so that they can offer the same incentive to hamlet employees as is presently offered to government employees, through the form of a housing subsidy to encourage hamlet employees to go into the home-ownership program or construct their own house. But other than that, we just simply do not have the resources to build any more houses.

CHAIRMAN (Mr. Angottitauruq): Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. Thank you very much for clarifying that for me. I have been asked a lot of questions about hamlet employee staff housing in my constituency. Also I would like to direct another question to you regarding the roads in Cape Dorset. There was supposed to be some kind of surface put on the roads in Cape Dorset but I heard this had been deferred. What is the status of the upgrading of roads in Cape Dorset? Also, the heavy equipment is already in Cape Dorset to do the work so what is the reason for deferring the program? This question was asked by the hamlet council. Thank you.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you. I will have to take that question under notice. We just do not have that level of detail available. But I will undertake to find out and report back to the Member.

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

MR. ZOE: Mr. Chairman, if I could ask the Minister for some information. It is pertaining to the organizational chart of your whole department and the reporting relationships. Could I ask to have that information provided to this committee?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Yes, Mr. Chairman, we will obtain that for the Member.

CHAIRMAN (Mr. Angottitauruq): General comments. Mr. Nerysoo.

Privatization Of Community Maintenance Services

MR. NERSYOO: Thank you, Mr. Chairman. If I could ask the Minister what has been the result of privatization of maintenance responsibilities in communities. I could clarify what I am talking about. A few years ago we took the route of considering privatization of maintenance work or contractual arrangements in communities, as opposed to having hamlets maintain the community roads

and that sort of thing. I just want to indicate that I have a concern at this particular time, not so much with this direction as with the interim steps taken prior to the actual privatization of those types of contracts. I was wondering if the Minister can update me on whether or not the direction has been successful and whether or not the department is considering some interim steps prior to complete privatization of contractual arrangements being reached.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. This is a rather difficult question to answer because we have to tackle it almost on a community by community basis because of the different situations. In some communities we have achieved privatization rather spectacularly. I guess the best example would be the Pangnirtung water reservoir, where as part of the contract in working with the Department of Economic Development, a local heavy equipment construction company was started and actually undertook this project on our behalf. It is now well based in the community and doing a lot more work for us, including gravel hauling, road construction, etc. That is the success story.

Resistance From Hamlet Councils

The failures are probably more, simply because many of the responsibilities like municipal services, road maintenance and so on, already exist under a part of the hamlet council's operation. Quite frankly, in some communities, we have met with major resistance from hamlet councils in our attempts to encourage them to privatize, because we are really reduced to encouraging hamlets to privatize as opposed to us doing it. With some communities we are successful but, by and large, we have met with resistance. I think this is because some hamlets have got used to some of these contracts in terms of providing some form of revenue for the municipality and do not want to give that revenue up. There are some communities who, quite frankly, say, "At least if we do the work, we know that local people are going to get the work." If it is privatized and contracted out the potential is for a southern contractor to take some of the jobs and not hire local people. I am somewhat sympathetic in some cases to that position because there is an element of truth in that position, that hamlets, by and large, do not hire from the South, whereas southern contractors may very well hire from the South.

In other cases it has been a little bit of mix and match. In all communities where there are privately owned heavy equipment companies, for example, then all of those contracts that we have as a government, will either be done through proposal or through public tender. We will not actively encourage or support a municipality competing with a private company. In fact, the situation has not arisen but if a hamlet actively bids against a private company in a public tender on one of our contracts then, quite frankly, I would be quite tempted not to award it to the hamlet but to the private corporation, simply because it is unfair competition. The government is paying for that heavy equipment and hamlets do not have to worry about things like amortization and paying off loans and all of that other stuff. But we have never had that happen. Hamlets, to a certain extent, when we have gone to public tender, have backed off; even though they could have been in a position to compete, they have not.

Then on the other hand, at the other extreme, which is equally as good a success story though, is, for example, Arctic Bay. We are building a road there. The private contractor that we tried was not responsive enough and his price was far too high and the hamlet was able to do the work and do it well. They hired 100 per cent local people and did the work for considerably less than the private corporation which was not a local company anyway. He just happened to be in there on another contract. In a case like that, I was a little more sympathetic to the community than I would be to the private company. If it had been a locally owned private company it would have been a different story.

So there is no real rule of thumb. We have to take it on a community by community basis and use common sense to a certain extent. For me the bottom line in contracting is that a) you get a good job done, but just as importantly that b) the money and benefits from that contract flow to the community as much as possible. So we have to be careful about laying down the law territorial-wide.

Municipal Services Are Responsibility Of Community

With regard to municipal services, that is something that really is out of our control. The communities have a mandate under law to operate those services. Some communities do it through a private contractor; other communities prefer to do it by themselves, simply because of the large

amount of employment that is involved in municipal services. I think at the local level, politically, a lot of communities feel that because they are responsible for municipal services, then they want to be in charge of that segment of the operation to ensure that it is done properly. I know this is a rather long answer but, as I said, it is not a particularly easy question to answer. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. If I could ask the Minister, has there been an assessment done by the department to review what would be the minimum capital requirement -- and I am talking about equipment -- to just maintain at a minimum level the roads and other facilities that are in a community? Has that assessment been done and if not is the Minister going to consider such an assessment?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Mr. Chairman, yes, we have actually a formula within the department that we use, which essentially says every community is entitled to a dump truck, a grader, a loader and a water truck and there is a base level of core equipment that a community is entitled to. Anything above that depends entirely on the size of the community, the needs of that community and what other equipment is in that community. I have had requests from communities where there were major contractors who had equipment and were already performing services. I have had requests from communities to duplicate that equipment and I have turned them down, essentially saying, "No, that equipment is available; it can be had through contractual arrangements." We have turned communities down but there always is a base level of equipment that they are entitled to and we are well aware of that.

CHAIRMAN (Mr. Angottitauruq): Mr. Nerysoo.

Basic Equipment For New Hamlets

MR. NERYSOO: Thank you, Mr. Chairman. Just to indicate that I am personally not opposed to the idea of the privatization direction that the Minister and the department wish to go in those areas where privatization can be successful. I was only concerned about the minimal amount of equipment transferred in some of the most recent decisions where communities became hamlets. The other point that I wanted to raise in terms of privatization was that when the community is making the decision to become a hamlet or another status within the municipal acts senior to that of hamlet, every effort should be made to attract individuals into some private kind of relationship.

The other thing is I am concerned about the initial decisions in terms of capital equipment -- not to suggest that becoming a hamlet from a settlement is not a good idea, but just that in the transfer process, at least those minimal standards that have been set by the department should be initially met and how that is worked out should be part of the final decision of the Minister and the government in terms of reaching that particular status. That is just basically my concern.

CHAIRMAN (Mr. Angottitauruq): General comments on the Department of Municipal and Community Affairs. Mr. Pollard.

Emergency Measures Organization

MR. POLLARD: Thank you, Mr. Chairman. I wonder if the Minister could just run over briefly the EMO section, the emergency measures organization, that he has in his department and what their different duties are across the Territories. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. This is one of the responsibilities that the department has just assumed within the last few months. I have three people, all headquarters staff, who work in emergency measures. I have a director, a co-ordinator and a clerk-typist. There are emergency measures officers designated in every one of the regions and in every community. I believe that our superintendents are the regional emergency measures officers and then in the communities we have appointed individuals. They perform other jobs, however, and are only called in in emergencies when there is a requirement.

We are very close to and we may have already achieved it, but I believe that we now have emergency measures plans in almost every community. We have regional emergency measures plans and we have a territorial emergency measures plan. The responsibility of the emergency measures division is to respond to and give support to communities or regions in the event of a civil or natural emergency, anything from power outages to earthquakes and floods, which the Member is particularly well aware of, tornadoes or whatever. We also have a very close liaison with the armed forces, the RCMP and the local civil authorities. I am not quite sure what else the Member would like to know.

CHAIRMAN (Mr. Angottitauruq): Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. I just was wondering if these three positions apply to the whole of the Northwest Territories. Is that correct?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Yes, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Pollard.

MR. POLLARD: I think, if I understood the Minister correctly, that nearly every community now has its own EMO plan.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Yes, Mr. Chairman, almost every one. I am not quite sure of the numbers. I can obtain those for the Member at a later date but I am quite certain in saying that a majority of communities, if not close to all of them, have them now.

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

MR. POLLARD: Just a final thing. As the Minister said, I have had some experience with this department that he has inherited and I would just like to compliment the government. We have had some really good responses from that particular organization and I think they should keep up the good work. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): General comments. Mr. Kilabuk.

Purchase Of Heavy Equipment By Hamlets

MR. KILABUK: (Translation) Thank you, Mr. Chairman. I do not have very much to say. It will be brief. This is a question in regard to the hamlets in the NWT, in the Arctic. When the communities are dealing with the heavy equipment, they always have to go down south to get the heavy equipment. I was wondering if they are allocated funding for these purposes. I would like to get clarification on that.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: There are different approaches to buying equipment. Sometimes the hamlet has a section of its budget which is called equipment reserve fund and sometimes the hamlets will buy perhaps a crew cab or a smaller piece of equipment on their own. But for any large piece of equipment, whether it be municipal services vehicles or heavy equipment dump trucks, we provide them with the funding to purchase those vehicles.

CHAIRMAN (Mr. Angottitauruq): General comments. Mr. Kilabuk.

MR. KILABUK: (Translation) Mr. Chairman, if they have to buy equipment, do you provide them funds for the air fare? There are usually two people who have to go down south to buy the vehicles. Do you provide the air fares for these people?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Maybe I should back up a little bit. We provide funding to hamlets to purchase vehicles only when they wish to purchase their own themselves. We have done it on a number of occasions, where the hamlet had a surplus and said, "Look, we are due to get a truck next year, but we would like to get it this year. We will buy it if you replace the money." In a situation like that they went out on their own. But the heavy equipment and municipal services vehicles that we purchase for the hamlet are all done through the Department of Public Works. We have people in Public Works who do all that work: the layout, the specifications, going to tender, purchasing the vehicle and inspecting the vehicle. So any situation where hamlet staff are going out on their own, perhaps in one of their own vehicles, would be the hamlet's responsibility unless, of course, we had asked them to go on our behalf and look at a vehicle, in which case we would provide them with funding. But 90 per cent of the vehicles bought for hamlets are bought by the government, using government staff.

CHAIRMAN (Mr. Angottitauruq): General comments. Mr. Kilabuk.

Transfer Of MACA Responsibility To Government Leader

MR. KILABUK: (Translation) I have another question. The Minister of MACA in the past indicated that the Government Leader will become responsible for this. Have they provided adequate information? Have you been informed on what is going to happen in the future in regard to this?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: I am sorry, Mr. Chairman, in regard to what? It did not come across in the headphones.

CHAIRMAN (Mr. Angottitauruq): Would you repeat your question, Mr. Kilabuk?

MR. KILABUK: (Translation) I will try to make it very clear. In the past you have stated to us, as the Minister of MACA, that this responsibility was going to lie with the Government Leader's Office. I want to know whether they have been informed that this responsibility now lies with the Government Leader's Office.

HON. GORDON WRAY: It still did not come across on the headphones, but I understand what the Member is asking. The Member is asking about regional councils. No, this is part of the regional and tribal councils committee report that has been submitted to the cabinet but that we have not had time to deal with yet. That is one of the questions asked in the report and one of the questions that we, as a department, have asked as well: that moving it to the Government Leader's Office be considered. But we, as a cabinet, have not had time to consider this report yet. I do not know when we will be doing it. The hope was to be able to do it sometime during this session, but it looks less and less as though that is going to be possible. Probably we will not be able to get around to it until April. So it has not been dealt with yet.

CHAIRMAN (Mr. Angottitauruq): General comments. Municipal and Community Affairs. Mr. Crow.

Land Lease Approval For Sanikiluaq Business

MR. CROW: (Translation) Thank you, Mr. Chairman. I was not going to bring this up but I was asked to do so by my constituents. Three local people in Sanikiluaq were planning to start a business and were supposed to be approved by the hamlet. They made a proposal through Special ARDA. They have been approved by Special ARDA, but they wanted to open a business in Sanikiluaq and because of a lack of buildings in Sanikiluaq, the Yellowknife office responsible for the land lease had to approve them first before they started up. They have been given assistance from September, 1987 until now by an economic development officer in Sanikiluaq.

We were wondering if that proposal would be approved by the Yellowknife land lease department. I came here February 10th or 11th and have been talking with the person responsible for the land lease and he understands well. He understood what I was talking about. They have been assisted since September, 1987, until now and the land lease office stated that they will be looking after this by next week. The economic development officer in Cape Dorset is practically giving up trying to handle this. The person who works for town planning keeps postponing it and keeps delaying the matter by saying, "I will deal with it next week."

The Sanikiluaq people came here to take part in the Legislative Assembly's ball. I am very sorry that they were here a few weeks ago. If they had been here last week then I would have informed them as to what I am planning to do to help them. I can understand their frustration. Do your employees have too many things to do? Is that the reason why they have been delaying this matter? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Perhaps I will get the details from the Member later on -- the names of the individuals -- and then I will run a check in the department on where their application is. So, I will get those from the Member later on. Thank you.

CHAIRMAN (Mr. Angottitauruq): General comments. Municipal and Community Affairs. Is the committee ready to go by detail?

SOME HON. MEMBERS: Agreed.

---Agreed

Directorate, Total O And M

CHAIRMAN (Mr. Angottitauruq): Directorate. Total O and M, \$4,250,000. Mr. Zoe.

Motion To Recommend Property Tax Rebate System For Disabled

MR. ZOE: Thank you, Mr. Chairman, I would like to move a motion at this time. Mr. Chairman, I move that the Minister of Municipal and Community Affairs and the Executive Council consider implementing a system of property tax rebate for disabled persons similar to that property tax relief available to senior citizens in the NWT.

CHAIRMAN (Mr. Angottitauruq): Mr. Zoe, is your motion translated? It is translated.

MR. ZOE: Mr. Chairman, my motion has been translated and is being circulated at this time.

CHAIRMAN (Mr. Angottitauruq): Mr. Zoe, your motion is in order. To the motion.

MR. ZOE: Thank you, Mr. Chairman. Mr. Chairman, as I indicated in my main motion, I feel that for the disabled people who are living on pension, who own their own units where they pay property tax, our government currently does not have legislation to deal with this. I believe other jurisdictions, such as BC and so forth, have legislation in place to look after the disabled home-owners. I feel that this legislation is warranted and these people need tax breaks, just like the senior citizens do. They are special people that we have to look after and I do not believe that it will be a big burden on the government in terms of finances. It is a limited group of people that we are dealing with. I laboured a point earlier on, I believe it was Friday, when I mentioned the reasoning as to why we should be putting forward new legislation to look after disabled people. So I would encourage all my colleagues on this side of the House also, to support me on this particular motion. Thank you.

Motion To Recommend Property Tax Rebate System For Disabled, Carried

CHAIRMAN (Mr. Angottitauruq): To the motion. Question is being called. All those in favour? Opposed? This motion is carried.

---Carried

Directorate. Total O and M. Mr. Butters.

MR. BUTTERS: A couple of brief questions on this particular section before we move on, Mr. Chairman. I believe, from the opening remarks, that the PYs that were designated will be placed at headquarters. Such placement will not in any way reduce the effectiveness of the regional staffs nor is it the intention of the Minister to reduce the effectiveness of the regional staff. Is that correct?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you. Actually of the PYs, there are only three of them going to headquarters, and that is what we need to bring the level up. We are putting positions into the regions that will complement positions already in existence, where we are trying to undertake some responsibilities that had previously been decentralized. There are three in headquarters. There are three in Simpson, one in Rae, one in Inuvik, 1.2 in Baffin, one in Keewatin and 0.5 in Kitikmeot. So the PYs are fairly well spread out.

Hazardous Product Sites

MR. BUTTERS: Thank you for that, Mr. Chairman. On the emergency services program, would the matter of hazardous products be examined by this particular program or under this particular section?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. That falls under Renewable Resources; dangerous goods, hazardous waste.

CHAIRMAN (Mr. Angottitauruq): Mr. Butters.

MR. BUTTERS: Even when a hazardous product site is to be placed in a community?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: It would be reviewed by our officials in terms of the local authorities and whatever planning acts and zoning acts we have. But Renewable Resources is the lead department to administer that, and Justice.

CHAIRMAN (Mr. Angottitauruq): Directorate. Mr. Butters.

MR. BUTTERS: Do I understand that that particular requirement would be funded also under the Department of Renewable Resources?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Which requirement, Mr. Chairman?

CHAIRMAN (Mr. Angottitauruq): Mr. Butters, would you clarify your question?

MR. BUTTERS: The requirement to provide a hazardous product site or develop a hazardous product site near or adjacent to a community.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: I am almost responding to a hypothetical question, but if a community, a non-tax-based community was to be the site of such a hazardous waste site, then we would probably end up funding it only after, I presume, all of the environmental hearings had been done and the proper planning had been carried out. If funding was to come from this government, it would flow to the community through our department.

CHAIRMAN (Mr. Angottitauruq): Directorate. Mr. Butters.

Clarification On Person Years

MR. BUTTERS: Thank you, Mr. Chairman. I just wish to return to the matter of the person years. I recollect that in the Minister's opening remarks, he indicated that over the last number of years this department led the way in establishing a presence in all program areas in each of the regional centres. However, to a large part, this was done at the expense of the organization's core resources at headquarters. "During my term as Minister, I sought to address this situation. This budget includes an increase of 11 person years, in an attempt to build the central resources of the department to a level at which it should have been all along." I guess that is what I was referring to, not three person years but the 11 person years referred to in the Minister's opening remarks.

CHAIRMAN (Mr. Angottitauruq): Directorate. Mr. Butters.

MR. BUTTERS: Well, I would like an explanation of the discrepancy between the 11 and the three.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. In my opening remarks, and I am sorry if I misled the Member, I was not necessarily addressing all 11 positions. This budget is the final adjustment to headquarters but not all of the 11 are needed at headquarters. The three PYs for Yellowknife are what I was referring to in terms of the central resources.

CHAIRMAN (Mr. Angottitauruq): Directorate. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Just very quickly, there is a note on the directorate page that this directorate provides advice to this Minister on regional councils and alternate forms of community government. In view of what the Minister has indicated, that the report on regional councils is now on its way back or has arrived back at the office of the Government Leader, does this directorate still have that responsibility or is this directorate going to be providing the draft report, the government response to the regional councils report?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: The report was commissioned by the Government Leader's Office and is being administered by the Government Leader's Office and the individuals involved are reporting to the Government Leader, not to my department.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: But, Mr. Chairman, I am asking what is the connection between this function of this directorate and the role of the report that the Government Leader's Office commissioned?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: My deputy minister sat on the committee and as a department we submitted a submission to the committee. That is our only role.

CHAIRMAN (Mr. Angottitauruq): Directorate. Mr. Zoe.

Administration Officer In Fort Simpson

MR. ZOE: Thank you, Mr. Chairman. Mr. Chairman, on page 13.10 there is reference to providing an additional PY to the Fort Simpson area service office; the establishment of an administration officer. Could the Minister elaborate a little on that particular position going to that area? Thank you.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. There is a municipal training officer, a recreation development officer and a finance and administration officer who will service the seven communities in that region.

CHAIRMAN (Mr. Angottitauruq): Directorate. Mr. Zoe.

MR. ZOE: Mr. Chairman, if I am correct, are they not serviced out of the Fort Smith regional office currently? What is the rationale for establishing those positions in one area? I realize they service seven communities but in my area, too, we service five communities. Is the department contemplating devolving more PYs to the area service office?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: These are going with the establishment of the Fort Simpson area office. The seven communities in the Simpson area are much larger and have much more work involved than the five communities in the Rae area.

Directorate, Total O And M, Agreed

CHAIRMAN (Mr. Angottitauruq): Directorate, \$4,250,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Works And Capital Planning, Total O And M

CHAIRMAN (Mr. Angottitauruq): Community works and capital planning. Mr. Butters.

MR. BUTTERS: Thank you, Mr. Chairman. I am looking at the first item, developing and co-ordinating capital planning. I wonder if you might go over that process once more. I know that you referred to it in part a day or so ago.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: I should get Friday's transcript so that I can read it back into the record. Capital planning division -- I really do not know what to say. Could the Member be more specific on what he would like?

CHAIRMAN (Mr. Angottitauruq): Mr. Butters.

MR. BUTTERS: I am referring to the words, "develop and co-ordinate the departmental capital planning and allocation processes". I want a simple explanation of the development and co-ordination of those two processes by the department.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: That is part of my problem. There is no simple explanation. Would the Member prefer that I simply gave the committee a copy of our capital planning process, where it is all laid out?

CHAIRMAN (Mr. Angottitauruq): Mr. Butters.

MR. BUTTERS: What does it include, or what does it say? Is it a volume, or is it a one page description of a process? What is it?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: It is a step by step process, about three pages long, on the development on the capital plan from the time it leaves the community to the time it hits this Assembly.

MR. BUTTERS: Thank you. This is fine, if that could be provided. Thank you.

CHAIRMAN (Mr. Angottitauruq): Community works and capital planning, \$4,063,000. Mr. Zoe.

MR. ZOE: Mr. Chairman, that document that was just referred to, does that also entail the communication all the way back down to the community too? Or is that just until it gets to the Assembly?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: It is the entire process, back and forth.

CHAIRMAN (Mr. Angottitauruq): Community planning, total O and M. Mr. Butters.

MR. BUTTERS: Mr. Chairman, when were the Planning Act and Area Development Act passed?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: I believe it was around 1970.

CHAIRMAN (Mr. Angottitauruq): Mr. Butters.

MR. BUTTERS: In the Minister's opinion, since 1970 was really prior to a lot of development initiatives, are those acts still relevant to the NWT of 1988?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. No, the Planning Act really is not appropriate for 1988 and we are now in the process of redoing that act. We are going into the first draft of a new act which will not take 10 years or a million dollars -- as I see Mr. Richard getting ready to ask a question. We are planning on redoing the Planning Act, but our priority was on the other local government legislation. Now it will switch to the Planning Act.

Community Works And Capital Planning, Total O And M, Agreed

CHAIRMAN (Mr. Angottitauruq): Community works and capital planning, total O and M, \$4,063,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Mr. Chairman, just for the record, because I think we forgot. I have with me as witnesses today Mr. Al Menard, who is the deputy minister of the Department of Municipal and Community Affairs, and Mr. Joe Kronstal, who is the director of finance and administration. On Friday, I had my assistant deputy minister.

Community Planning, Total O And M, Agreed

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Minister. Community planning, total O and M, \$1,190,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Surveys And Mapping, Total O And M, Agreed

CHAIRMAN (Mr. Angottitauruq): Surveys and mapping, total O and M, \$395,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Arctic Airports, Total O And M

CHAIRMAN (Mr. Angottitauruq): Arctic airports, total O and M, \$767,000. Mr. Butters.

MR. BUTTERS: Mr. Chairman, in view of the Minister's frustration with his discussions and negotiations with the federal government on this particular section, is he still quite satisfied with the statement that the devolution of arctic airports program is scheduled for April 1st, 1988? Is he still quite happy with the devolution of the program on that date and the elements of that program?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: No, I am not happy with it. April 1st is no longer an attainable date and it may not be now until sometime in the fall, the way things are going.

Arctic Airports, Total O And M, Agreed

CHAIRMAN (Mr. Angottitauruq): Arctic airports, total O and M, \$767,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): Sport and recreation. Mr. Butters.

MR. BUTTERS: I think it would be remiss of us to pass arctic airports without congratulating the Minister and his staff for the excellent work they have done. I think we appreciate the fact that you are dealing with a government that is not paying out any money or providing any money for any purpose. And I think the Minister and his people have been extremely effective in getting the few crumbs that they have been able to get from the federal government over the last few years.

Sport And Recreation, Total O And M

CHAIRMAN (Mr. Angottitauruq): Sport and recreation. Mr. Kilabuk.

MR. KILABUK: (Translation) Mr. Chairman, I am very happy with the planning under sport and recreation. But I would like the Minister to consider in the future the problem we have with sport and recreation, especially with skiing facilities in the NWT. We still do not have any skiing facilities in the NWT. I would like to ask you if you would consider starting a program on skiing in the communities, especially in the Pangnirtung area. The residents of Pangnirtung do watch the skiing and skating through the media. Can you request funding for that?

HON. GORDON WRAY: The Member made similar comments during the standing committee on finance meetings. I believe at that time he was talking about downhill skiing, which we do not have in the NWT other than, as I am told now, in Pangnirtung and perhaps some other Baffin communities. We have no programs to date to service downhill skiing. We have a territorial ski club or division which is available to help in the development of the sport.

Downhill Skiing As Economic Adventure

With regard to the development of facilities, I think that, as I indicated in the standing committee on finance, perhaps this could be looked at as a form of economic adventure, as opposed to a sporting adventure. I think in Pangnirtung, with its national park and natural beauty and with the tourism industry growing, perhaps downhill skiing is something that could be looked at as an economic initiative of that particular community. But I do know that if there are people interested, if they contact the territorial skiing people, we will be able to assist them in terms of putting them in touch with whatever resources we have available.

CHAIRMAN (Mr. Angottitauruq): Sport and recreation, total O and M, \$6,416,000. Mr. Zoe.

MR. ZOE: Mr. Chairman, what is this department going to do with the recreation facility in the town of Pine Point? Would the facilities be available to other communities who would wish to take on the ice plant or the buildings? I am talking about recreation buildings. Pine Point will be dead by September, I believe. How is the department handling this? Or is town planning to see to this?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: We do not own the assets in Pine Point. The assets are owned by the town of Pine Point. As you indicated, when the town dies, decisions will have to be made on the disposal of those assets. We are presently studying the feasibility of moving the present arena to Fort Resolution. To my way of thinking, Fort Resolution should have first opportunity for any of the assets in that community, at least the ones that can be moved. We have not got the final figures on relocating the arena there. But once we do, we will be in a position to make a decision. There are some other recreational assets there and we will be dealing with them much on an asset by asset case. But I would say that Fort Resolution would have the first opportunity and we will see what happens from there.

Sport And Recreation, Total O And M, Agreed

CHAIRMAN (Mr. Angottitauruq): Does the committee want to agree on sport and recreation before we go for coffee? Total O and M, \$6,416,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): Now we can break for coffee.

---SHORT RECESS

I would like to bring this meeting to order. We left off at page 13.16, Municipal Affairs. Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. Could I ask the Minister in this particular area if he could make available to me or to the House a copy of the formulas used in establishing hamlets? Also, could the department make available to Members of the House the processes that they use in developing the capital planning process that they are utilizing for the communities, as well?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Yes, Mr. Chairman.

Municipal Affairs, Total O And M

CHAIRMAN (Mr. Angottitauruq): Municipal affairs. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Just a couple of related questions on this page and also on the grants and contributions pages. I notice in the grants and contributions under municipal affairs: payment in lieu of taxes, municipal equalization payments and hamlet operating contributions.

Municipal Equalization Payments And Hamlet Operating Contributions

I wonder if the Minister could confirm. Payment in lieu of taxes, is that item for tax-based communities only? And then I would like him to explain the difference between municipal equalization payments and hamlet operating contributions. Are they the same except one is tax-based and one is not?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Correct. The grants in lieu of taxes are to tax-based municipalities and the difference between hamlet operating grants and municipal equalization grants are as the Member stated. One is for hamlets and the municipal equalization grants are for tax-based municipalities. There is a different formula but that is the distinction between the two. Equalization grants are to tax-based municipalities.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Mr. Chairman, on the municipal equalization payments, I understand that those are being reduced in this budget. I am wondering how those are calculated by community. Are they earmarked for any specific program or service?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. There were three questions. The Member is correct, the equalization grants, as well as the hamlet operating contributions are reduced this year, as I stated in my opening address, because of the reductions which this government, as a whole, undertook. We were forced to pass along those reductions because most of our money is in the form of grants and contributions. It is approximately 8.3 per cent in both cases, hamlet operating grants and municipal equalization. About 8.3 per cent on average. I will have Mr. Kronstal explain the formula that is used for the municipal equalization grants. There was a third part to Mr. Richard's question and I am sorry I forget what it was.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Yes, part of my question, Mr. Chairman was: Are the municipal equalization payments earmarked for any particular program or service?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: No, these are unconditional grants to the tax-based municipalities, which means that they are just grants and the tax-based municipality is entitled to do with them what it wishes. I will have Mr. Kronstal answer the question on the formula, how we arrive at them.

CHAIRMAN (Mr. Angottitauruq): Mr. Kronstal.

Formula Used For Municipal Equalization Grants

MR. KRONSTAL: Thank you, Mr. Chairman. The formula, which was established back in 1981, takes three factors into account: municipal assessment, municipal dwelling units and expenditures by tax-based municipalities. The formula then has been used to distribute an overall allocation in this program to the taxing authorities that are eligible for this funding. The formula by which the distribution takes place is: the individual municipal assessments are divided by municipal dwelling units for a factor called "a"; the total of all municipalities' assessments divided by the total number of dwelling units in all tax-based municipalities produces a factor called "b"; and the individual municipality's expenditures divided by the total expenditures of all municipalities that are eligible for this contribution program produces a factor called "c". The distribution formula then is: b divided by a, multiplied by c. That distribution factor then is calculated as a percentage and that percentage is then distributed to the taxing authorities.

CHAIRMAN (Mr. Angottitauruq): Go ahead, Mr. Minister.

HON. GORDON WRAY: We will provide a copy of the formula to the committee.

CHAIRMAN (Mr. Angottitauruq): Municipal affairs, total O and M, \$29,800,000. Mr. Zoe.

MR. ZOE: Thank you, Mr. Chairman. On Friday when we were discussing the formula funding for non-tax-based municipalities, I gave examples when I was talking on the formula funding. I used the secretary-manager's position. There was a minimum funding that non-tax-based municipalities received for settlement secretary-managers. Now is that same formula applied to the tax-based municipalities? Do they have a minimum amount set for them also? Are they both the same, in non-tax-based and tax-based?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: No, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Zoe.

MR. ZOE: That is the point I am trying to make. Why are they not the same? The majority of the managers are certified as municipal administrators. Why would non-tax-based and tax-based municipalities have different funding available to them? It should be equal. An administrator is an administrator, no matter if he is working for a tax-based or non-tax-based municipality.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

Formulas Differ For Tax-Based And Non-Tax-Based Municipalities

HON. GORDON WRAY: The real difference is that we do not provide to the tax-based municipalities things like salaries for administrators. The tax-based municipality pays that out of their own taxes and the money that they raise. They set their own levels. With regard to the hamlets, all we do for the basis of funding, as the Member stated, is have a minimum. In other words, we will provide a hamlet with a minimum of \$25,000, which they can use as a salary for their secretary manager. Now, many hamlets, if not most of them, far exceed the \$25,000. Some hamlets pay \$40,000, some pay \$45,000, some \$50,000, some \$30,000. It is very different from community to community. But essentially they are two very different types of municipalities. One is totally government funded and one funds itself, almost. That is why the formulas are different in both cases.

CHAIRMAN (Mr. Angottitauruq): Mr. Zoe.

MR. ZOE: Mr. Chairman, if I am correct, although hamlets are not tax-based, the government does assess property in the hamlets and collects taxes on behalf of the municipalities. So they do raise their own, in a sense. I realize that their minimum is set at \$25,000; that means the municipality has to find the balance of the manager's salary from within their own budget. That is the point I am trying to make; maybe this area has to be looked at. A lot of municipalities do pay in the range of \$40,000 to \$45,000. So I feel the set amount does not meet the needs of the municipality because they would have to dip into their other O and M. Mahsi cho.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: That is one of the things we are looking at in review of the formula financing. However, there is a major difference between tax-based and non-tax-based. The municipal equalization grants provided to tax-based municipalities on average would account for 10 to 15 per cent of their revenues. The hamlet operating grants, on the other hand, account for 85 to 95 per cent of a non-tax-based hamlet's revenues. The property taxes that we raise from a non-tax-based community probably would not even cover, even in the largest communities, the salary of a secretary-manager. We raise a minimal amount of money in property tax in the non-tax-based hamlets. But it is one of the areas we are looking at in the review on formula financing.

CHAIRMAN (Mr. Angottitauruq): Municipal affairs. Mr. Butters.

Grants In Lieu Of Taxes

MR. BUTTERS: Mr. Chairman. May I ask a couple of questions on grants in lieu here? During the general discussion, the honourable Member for Rae-Lac la Martre raised the matter of grants in lieu. Mr. Wray covered the three areas by which government receives taxes. I wonder, with regard to territorial grants in lieu, when does the municipality receive from this government the grants to which they are entitled?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: We do not per se provide municipal grants in lieu to non-tax-based hamlets. That is all wrapped up in part of the formula and we just give the hamlets quarterly grants. We send the tax-based municipalities their grants in lieu as soon as we get the tax bill or within a reasonable time, 20 to 30 days.

MR. BUTTERS: Mr. Chairman, I was talking about grants in lieu. I am aware that grants are paid to the municipalities. I commend the government for paying quickly to ensure that the communities' cash flow remains as strong as possible.

Federal Government And Grants In Lieu Of Taxes

I want to talk about the experience this government is having, and I do not know whether it gets involved directly or indirectly or whether the municipalities have to fight their argument like a terrier clinging to an elephant, with regard to the federal grants in lieu. The Minister, in his response to Mr. Zoe, indicated that the federal government had decided that it is no longer going to pay its grant in lieu of taxes on land reserved for Indians. Are there any other areas that the Minister is aware of in which the federal government has decided to cease paying its grants in lieu?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: They are refusing to pay on vacant federal land. The Yukon is the other jurisdiction that is experiencing this same problem.

MR. BUTTERS: We know that the federal government is a very -- I was going to say mean government, but I use it in the fiscal sense -- is a very mean government in dealing with the second levels of government. I am concerned because this seems to be an area in which they could effect many savings by just cutting grants in lieu or reducing them by a certain percentage. I am wondering if that is a real concern, or does the Minister feel that he and his officials have a hand on that and have convinced the federal government that such a move would be a mistake of cardinal magnitude?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: I do not know if we have convinced them of anything. We have told them pointedly in letters from myself to Mr. McKnight and Mr. McInnes that it would be a cardinal error and we have asked them to cough up and pay their bills, but they have not as yet. And it is becoming a serious situation. Some of the communities have some major debts outstanding against the federal government. I believe the town of Fort Smith is approaching something like a quarter of a million dollars in unpaid taxes.

The problem is that Public Works Canada seems to be acting unilaterally and, in my opinion, at times in opposition to the Department of Indian and Northern Affairs. We are trying to get clarification of just exactly what it is they are objecting to, or what opinion they received from the federal Department of Justice that said they should not be doing this. But we are faced with federal departments bouncing it back and forth between themselves. I think they are all trying to backtrack from the issue.

Withholding Of Grants In Lieu Of Taxes A Major Concern

It is very worrisome for us and we are continuing to press the federal government to resolve the issue as soon as possible. Obviously the matter of unpaid taxes, particularly involving such large numbers, is a major concern of the municipalities and, in turn, a major concern of ours because obviously if the municipalities do not get the funding they require to provide the services, then they are going to turn to us. And you gentlemen in this room are well aware of the financial position we are in at this point in time. I hope we can resolve it as soon as possible.

CHAIRMAN (Mr. Angottitauruq): Mr. Butters.

MR. BUTTERS: Although the answer is not one I like to hear, I thank the Minister for that response. I wonder if he would correct me on my supposition that the federal government owes grants in lieu for a number of years back and that in some cases the grants in lieu have not been paid with the alacrity of this government. That is why I asked when this government pays its grants in lieu. But some of these grants go back some years and have been built up over an extended period of time.

I know one solution that occurred in a municipality with which I am familiar. The federal government reduced its grants in lieu by a certain percentage, 30 per cent. The mayor and council just decided to give them 30 per cent less service. You could quickly indicate to the federal government that if they do not pay they will not get service. But in some of these areas it would appear that we do not have much of an axe to swing.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: My understanding from the correspondence from the federal government is that they stopped paying grants because they are claiming that they have been overpaying grants in lieu for several years and that they were paying on lands that they should not have been paying on and therefore they stopped paying on annual grants as an attempt to recover the amount they had overpaid for a number of years. That, I think, is the position they are taking. I have written to Mr. McInnes and asked for a clarification on why they would penalize the municipalities for something that nobody was aware of or some obscure policy within the federal government. I have not received that clarification back yet, but I hope to do so within the very near future.

CHAIRMAN (Mr. Angottitauruq): Mr. Butters.

MR. BUTTERS: One last question. Does the Minister feel that we are political children being abused by a parent who is looking at some other objective? Or is it true that the provincial governments are experiencing the same type of restrictions and response in the matter of grants in lieu that would be paid to the provinces?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: I am not sure in the provinces. I know the Yukon is being treated the same way in some instances. I am not sure of the provinces, but I can undertake to find out.

Municipal Affairs, Total 0 And M, Agreed

CHAIRMAN (Mr. Angottitauruq): Municipal affairs, total 0 and M, \$29,800,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Lands, Total 0 And M, Agreed

CHAIRMAN (Mr. Angottitauruq): Lands, total 0 and M, \$767,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Grants And Contributions, Agreed

CHAIRMAN (Mr. Angottitauruq): Detail of grants and contributions. Total grants and contributions, \$34,601,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Detail Of Work Performed On Behalf Of Third Parties

Western Arctic Land Claim Implementation, Agreed

CHAIRMAN (Mr. Angottitauruq): Detail of work performed on behalf of third parties. Total Western Arctic land claim implementation, \$106,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Northern Oil And Gas Action Program, Agreed

CHAIRMAN (Mr. Angottitauruq): Total northern oil and gas action program, \$292,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Arctic B And C Airports, Agreed

CHAIRMAN (Mr. Angottitauruq): Total arctic B and C airports, \$5,605,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Detail Of Work Performed On Behalf Of Third Parties, Agreed

CHAIRMAN (Mr. Angottitauruq): Total department, \$6,003,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): The rest is an information item. Page 13.28 and page 13.29. Mr. Nerysoo.

MR. NERYSOO: Mr. Chairman, may I seek the consent of the committee to return to northern oil and gas action program for a quick question?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): Go ahead, Mr. Nerysoo.

MR. NERYSOO: Just to ask the Minister, has there been any discussion recently with regard to this particular program and has the Government of Canada indicated that there is a possibility of retracting from commitments under this particular program?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: From what I understand there has been some discussion about cancelling the program, but we have not been advised one way or the other. Perhaps Energy, Mines and Resources may know.

HON. NELLIE COURNOYEA: Mr. Chairman, as I expressed a number of days ago, Minister McKnight has committed himself to carry the program, give or take a couple of million dollars on the total program, to cabinet and to Treasury Board. He is supporting the energy that has to go toward taking it to the Treasury Board and he felt that he would have favourable reaction on his preliminary sounding out of other Ministers who will help make that decision.

CHAIRMAN (Mr. Angottitauruq): Total northern oil and gas action program, \$292,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Angottitauruq): Page 13.09, program summary, total O and M, \$47,648,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): This concludes the main estimates on the Department of Municipal and Community Affairs. Now we will go to the capital estimates on the Department of Municipal and Community Affairs.

Directorate, Equipment Acquisition, Headquarters, Total Capital, Agreed

We will go to page 10.07 of the capital estimates. Directorate, equipment acquisition, headquarters, total headquarters, \$15,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Works And Capital Planning

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Community works and capital planning, buildings and works, headquarters, total headquarters, \$325,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Fort Smith, total Fort Smith, \$2,698,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): Inuvik, total Inuvik, \$2,023,000. Mr. Zoe.

MR. ZOE: If I could ask the committee to return to headquarters, buildings and works. If I could ask the Minister, on this piped water/sewer, core areas, \$200,000. Is that strictly for the City of Yellowknife?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: No, this is planning and design money for core facilities for larger communities in the NWT.

CHAIRMAN (Mr. Angottitauruq): Community works and capital planning, buildings and works, headquarters, total headquarters, \$325,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Inuvik, total Inuvik, \$2,023,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Baffin, total Baffin, \$2,092,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Keewatin, total Keewatin, \$2,584,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Kitikmeot, total Kitikmeot, \$1,277,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Total buildings and works, \$10,999,000. Agreed?

SOME HON. MEMBERS: Agreed

---Agreed

Equipment Acquisition, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Equipment acquisition, Fort Smith, total Fort Smith, \$537,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Inuvik, total Inuvik, \$618,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Baffin, total Baffin, \$8000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Total Keewatin, \$658,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Kitikmeot, total Kitikmeot, \$593,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Total equipment acquisition, \$2,414,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Headquarters, Total Capital

CHAIRMAN (Mr. Angottitauruq): Contributions, headquarters, total headquarters, \$2,365,000. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, I have some questions, comments, motions, debate on this section of the capital estimates. I believe the Minister is aware that I am going to speak to a particular item, which is a request by the City of Yellowknife for contribution for the water and sewer upgrading in the central business district of the city.

Water And Sewer System, Yellowknife

I have written to the Minister, Mr. Chairman, twice last month on this issue, January 21 and January 29. I have yet to receive a response from the Minister. I have always questioned Mr. Wray on the strategy that he uses. I do not know whether his strategy was to wait until 3:30 p.m. this

afternoon to give me the information so that I would only have a few minutes to consider it before we go into debate. It is an old trick but even our friend Gordon resorts to that, Mr. Chairman, every now and then.

In any event, Mr. Chairman, in 1985, Mr. Ballantyne, who then was an ordinary Member in the Legislature, went into some detail and explained to the 10th Assembly a problem in the City of Yellowknife -- and I will not go into the technical aspects of the problem involving the water and sewer lines -- but basically the water and sewer system in the central business district was then, and is now, collapsing to the point that I understand in sections the sewage is running backwards in an area that requires upgrading at this time. I believe the Minister's officials in the department are aware of the actual technical problem. I guess it is a system that is 20 or 30 years old and it is just in a state of collapse.

---Laughter

Mr. Chairman, I want to thank Ms Cournoyea for passing me this crying towel. Mr. Chairman, I have seen copies of five year capital plans dated January, 1986 and April, 1986 where there are substantial funds allocated for the coming year, 1988-89, for this particular project. The City of Yellowknife requested, at one point, \$2.9 million for the year just ending, 1987-88, for the upgrading of that collapsing system. That sum was denied. There were zero funds originally allocated for 1987-88. I have a copy, Mr. Chairman, of a letter dated May, 1986 where that denial is set out. The department basically says that they cannot do it in 1987-88. They are going to put it off until 1988-89. This is a letter from the assistant deputy minister, Mr. Gerein, to the city administrator. The important part of the letter states that the Department of Local Government, as it was then called, is committed to assist the City of Yellowknife to a level of 80 per cent of project costs in this three phase project. But it stated at that time that they could not put any money into the 1987-88 year but they would commit \$2.9 million to the 1988-89 year, which is the year of these capital estimates.

Following that letter one year ago, the 10th Assembly voted zero dollars for the central business district water and sewer upgrading. The city did receive in excess of a million dollars for other water and sanitation projects. Subsequent to that, in May, 1987, the department or the Minister had a change of heart, together with the city, and a figure in excess of a million dollars for water and sanitation projects was reallocated among City of Yellowknife water and sanitation projects and one million of those moneys was allocated for the upgrading of the water and sewer system in the central business district.

Capital Plan Proposal, 1988-89

Now, that brings us to the current capital estimates, Mr. Chairman. During 1987, the city submitted its capital plan proposal for this coming year, 1988-89, and included in that proposal was 80 per cent of the \$1.5 million it expected as the cost of the next phase of the upgrading in the summer of 1988, this coming summer. They sought, based on the commitment, \$1.2 million from the department for this coming season.

Now I presume, Mr. Chairman, from Mr. Wray's responses last Friday, that that request of the City of Yellowknife went with the requests from all the other communities into this detailed and complex process that Mr. Wray indicated. And when he gets the mike, Mr. Chairman, I would ask him to indicate to me which of the seven categories this water and sanitation project request from the City of Yellowknife would have gone into, which of the seven that he listed on Friday. In any event, Mr. Chairman, the response that the department and the government gave to the City of Yellowknife for this project was zero dollars for 1988-89 and also zero dollars for 1989-90, next year as well. And this, Mr. Chairman, this denial, despite the fact that the urgency of the upgrading of this collapsed system has been accepted by the Minister's department and I believe that the priority of it has been acknowledged by the department. They are now renegeing on a commitment but the urgency of the project has not diminished. The urgency of the problem is just as urgent as it was in 1985 when Mr. Ballantyne originally stood in the 10th Assembly with a sample piece of this collapsing system, this rotting pipe.

City Resorting To Band-Aid Solutions

In fact, Mr. Chairman, it is more urgent today than it was then. The City of Yellowknife is now, as I believe the Minister and his officials are aware, resorting to band-aid solutions. The thing is collapsing in parts. They are attending to repairs which cost, I am told, a magnitude of

\$20,000 or \$30,000 or \$50,000 each time this happens. I think the Minister and the Minister of Finance and his colleagues would agree that that is not a wise expenditure of funds, whether it is the ratepayers' money or the taxpayers' money generally. It is a waste of dollars to do a \$20,000, \$30,000, or \$40,000 repair when you have to replace the entire system within a year.

So, Mr. Chairman, I am going to ask the Minister to attempt to provide some justification for the denial of this request. I set out in a letter to him in mid-January that I had just learned of this denial and asked him to reconsider it and I subsequently asked the Minister to provide me with a copy of the prioritization list of projects, such as this, across the Territories because I am well aware that the Minister receives requests for more dollars than he has available for capital projects such as this. With that background, Mr. Chairman, it is my view that a commitment was made by the government and they are now renegeing on it and I would ask the Minister to attempt to justify that renegeing. Thank you.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister. (Translation) Would you like to respond to that?

HON. GORDON WRAY: Mr. Chairman, it is not a renegeing, it is a reshuffling of priorities. The department agrees that the system is in a serious state; the department agrees that it has to be repaired. We did agree to sponsor submissions to the Financial Management Board to have money included and we were successful in getting the money for phase one and, if things had stayed the same, there would have been funding for phases two and three. We originally had money in for 1987-88 and 1989-90. In the fall of 1986 I went to a meeting at the city hall in Yellowknife with my deputy minister, with Mayor McGrath and the city administrator, Mr. Barry Robb.

Just before I disclose the discussions, the Yellowknife water and sewer does not fall within any policy guidelines that we have. The decision to advance the money to the City of Yellowknife was a political decision and a political decision only. We do not have a policy for replacing infrastructure like this. We normally do not do it. In other words, it was a political decision based upon the technical assessments and urgency that had been given to us, plus the debate in this Legislature, plus the Yellowknife MLAs. But we do not have any policies covering this, whatsoever. However, it is classified as extraordinary funding. In other words, funding that we would not normally make available to any other community.

City Request For Second Extraordinary Funding

In the summer of 1986, and keeping in mind that we had money in our budget for the downtown water and sewer, I was approached by city officials who requested a second extraordinary funding for the swimming pool and curling rink project in the amount of three million dollars. I thought about it and then I went to a meeting in the fall of 1986 in city hall, and essentially what I said to the mayor of Yellowknife was, "I am prepared to sponsor one extraordinary funded project for the City of Yellowknife to cabinet and in the Legislature; I am not prepared to sponsor two, because it would take far too much of my budget if I were to allocate all of that money to one city." The requests were in the neighbourhood of four million dollars, if the requests had been followed through. I said I did not think that it was politically salable. "I cannot justify extraordinary funding for two major projects for one community when I have so many other communities that do not have anything and therefore I leave it up to you to tell me and give me direction on which project you wish me to proceed with and which project you want me to fund extraordinarily through my budget." At that meeting I was advised by the mayor that the swimming pool and curling rink was their priority and that that should be inserted in the budget and that the downtown water and sewer should be deferred for the two years that we are funding the curling rink and swimming pool. And that is exactly what I am doing. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Mr. Chairman, I have some difficulty with the Minister categorizing these requests as extraordinary funding. I have been in this business for only a few short years, but if these decisions were extraordinary or political, then I would say that 80 or 90 per cent of the decisions that have been made during Mr. Wray's tenure on the Executive Council can be categorized that way as well. I have a copy of a fairly comprehensive letter from the department to the city administrator dated May, 1986. It describes the water and sanitation, the road construction, the sport and recreation, urban planning. There is no reference to some decisions being political or

extraordinary and others not. There is reference to the sport and recreation being a special program requiring an Executive Council decision. But there is nothing unusual about the commitment made in this document by the department to pay 80 per cent of the project costs of this three-phase project.

No Documentation To Substantiate Trade-Off

Insofar as the Minister's statement that the Minister met with the mayor of the city at the time and got permission or agreement to trade off a new swimming pool/curling rink complex against a collapsing water and sewer system, I have some difficulty with that, Mr. Chairman. I recently had cause to question the then mayor of the City of Yellowknife about that meeting. Mr. McGrath indicated to me he recalls no such trade-off being committed. Now, if the Minister is going to rely on that kind of a trade-off as the justification for putting this project off for two more years, why is something like that not documented in writing? I have here this extensive discussion of the capital projects for the City of Yellowknife. It goes on at some length in May of 1986. That was all documented. There is another one where the water and sanitation funds of \$1.35 million for the current year were reallocated. That was documented in a letter from the Minister to Mayor McGrath in May, 1987. Why was this substantive change of commitment not documented in a letter between the two governments?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you. First of all, under the existing policies of the department, the City of Yellowknife is not entitled to any funding for their downtown water and sewer. Not one penny. Under the existing policies of the department, the City of Yellowknife is only entitled to \$1.6 million in recreation funding. The commitment made by this government was three million dollars in recreation and over eight million dollars in water and sewer. It is a political commitment. It is not covered by any policies of our government. We do not fund these projects. That is why they are extraordinarily funded projects.

City Set Its Own Priorities

Secondly, I do not set the priorities for the City of Yellowknife. But I do know what I can carry forward into cabinet and through this Legislature. I went to that meeting and those are the instructions that I was given by the mayor of the City of Yellowknife. Unequivocally, for the record, I will state that in this meeting, because I could not carry forward two requests for such a large amount of money in my budget for one city, I went to the city and I told them that. I said, "I cannot do it. You have got to give me your priority." The money was already there for the water and sewer and they told me to change priorities. I do not set the priorities for the City of Yellowknife. It is the city administration and as the Minister of Municipal and Community Affairs I take their direction on what they want as a priority for their city.

In terms of documentation, I admit that it was a failure of ours to confirm that arrangement; we did not think we had to; I thought I was dealing with honourable men who would live up to their commitments and to the agreements that they made. I did not know that they would get the money for the recreation complex, then turn around and try to deny they had ever made such a deal and try to get additional money for their downtown water and sewer. In terms of the downtown water and sewer, if the situation is so urgent, the City of Yellowknife has more capacity to fund that water and sewer than we do as a government. They have borrowed \$14 million out of a potential tax. Potentially, they can borrow six to eight million dollars. They have borrowed only \$14 million. If it is so urgent and falling apart, they have the capacity, right now, today, to fund that downtown water and sewer. Secondly, as an indication of the agreement that was made, the City of Yellowknife did not go to debenture in December of 1986 for any funding portion of the water and sewer because they knew the...

AN HON. MEMBER: (Inaudible comment)

HON. GORDON WRAY: In December of 1986, they still had to fund 20 per cent; they did not go to debenture for any portion of that downtown water and sewer because they knew it was not going ahead because they instructed me not to put it ahead.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Mr. Chairman, we can come back to the documentation of agreements between executives of government but let me ask the Minister, because I am aware that he has a background in municipal affairs, and certainly, he has been Minister for some time and I know he takes a keen interest in this particular portfolio. Does the Minister agree that it is a responsible thing to do, to trade off a swimming pool/curling rink, on the one hand, for a collapsing water and sewer system, on the other hand?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

Not A Responsible Decision

HON. GORDON WRAY: No, I do not happen to think it is responsible, but it is not my decision to make; it is the people who run this city who make that decision; they are the ones who set the priorities. If you want me to set the priorities for the City of Yellowknife, then you do not need a city council or a mayor.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Well, Mr. Chairman, if we are talking about not needing people, if the Minister is not going to make any decision, we do not need a Minister, we just need someone to stamp a cheque and send it on its way.

HON. GORDON WRAY: In terms of the tax-based municipalities, that is what we do.

MR. RICHARD: Mr. Chairman, can I ask the Minister to, again, address -- both the shock and curiosity that I have as to why this comprehensive deal, between a Minister and a mayor, was not documented by his department? His department is very thorough in documenting these discussions and decisions. I am aware of that, not just on this issue, but on other issues. Why is it that, in May of 1987 -- now we are talking between the Minister's office and Mr. McGrath's office, about a change in the funding of the central business district water and sewer upgrading -- there is no reference, at all, to the discussion in the summer and fall of 1986?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: There was no need to document. It was understood. We were dealing with a future capital plan and we simply went there and asked them what was their priority, what did they wish us to go forward with. I indicated to them that in this year, we were planning on the \$1.6 million which you see; there was \$1.6 million that they wanted for a recreation complex; they wanted over two million dollars for water and sewer. I told them there was no possible way that I could find all that money for the City of Yellowknife and I asked them to indicate to me what their priorities were that I could put in my budget, which is the same process that we use with every other community, and a lot of it is not documented. It is a planning process. I would be more than happy to fund the water and sewer because we had the money in our budget but I did not change priorities; the City of Yellowknife did.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Well, Mr. Chairman, whatever happened in the summer or fall of 1986, and the absence of correspondence or documents, we have a collapsing water and sewer system in the central area of this city and that, I am sure, the Minister is aware of because his officials are aware of it. Perhaps, then, I can ask the Minister to discuss what is the role of MACA in helping the city with this real problem. What would the Minister suggest the city do? Should they be spending the little pockets of money -- and I am not an engineer but I understand it is of a magnitude of \$20,000 or \$30,000 or \$50,000 per occurrence -- repairing this thing piecemeal, the band-aid solution, and then rip it all up when the 80 per cent money is finally freed up through the subjective process? What would the Minister suggest that the city do? The problem is not going to go away.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

City Could Go To Debenture

HON. GORDON WRAY: I would suggest the city do several things: First of all, I would suggest that they go to debenture and acquire the money to repair the project, which they can do without any damage to their tax base whatsoever. I would suggest that they pass along the cost to the people that are profiting from that system, namely the city and the downtown businessmen and the many large office buildings that you now see around and, obviously, we would assume those costs. Then, I would advise them to continue to work with us and hope that, in the next three or four years, we will be able to find the money, from within our small base, to repay, at least, the 80 per cent that we agreed to commit to them. They have much more capacity to borrow money than this government does. If that system is in such a bad shape as you say it is, and I know it is, then why are they not out there borrowing money right now? Why are they continuing to advocate for territorial government money?

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Mr. Chairman, money that is borrowed by a city, just like money that is borrowed by the territorial government, has to be repaid. A debenture floated or moneys borrowed is going to affect the mill rate or the ratepayers' cost of running the city. The Minister is well aware of that. The cavalier answer that the Minister just gave could apply to every other municipality in the Territories, as well. Perhaps, I can ask the Minister next if there are any other capital projects in other communities, which MACA was committed to because of their genuine urgency, where they have now withdrawn their commitment; if other communities have suffered a similar fate to that of Yellowknife.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

Commitment Remains To Fund Later

HON. GORDON WRAY: First of all, we are not withdrawing from our commitment. The commitment to fund 80 per cent of that project is still there. What we are not able to do is fund it this year, so there is no withdrawing from the commitment. I am merely shifting priorities as per the City of Yellowknife's instructions. I am funding \$1.6 million last year and \$1.4 million this coming year, for the recreation project; then, I am going to be funding the water and sewer the two years after that. It could have been the water and sewer last year, the water and sewer next year, and the recreation facilities, the next two years, but the city told me not to do that. They said to change them around, so there is no withdrawal of commitment to fund that water and sewer system. The commitment is still there -- we have merely moved it down in the capital plan as per the city's direction.

The Member talks about other capital items. I could give you, for this year alone, \$38 million worth of capital items which are urgent and needed that we cannot fund because we do not have the money. You talk about a collapsing system. Well, at least you have a system to collapse. Most of the communities I am dealing with do not even have a system that can collapse. And that is where we are into a disagreement on the level of funding to this City of Yellowknife. But we are not withdrawing our commitment to fund it. It has just merely been moved down in the plan to be funded at a later date. I have always given that commitment. In fact, I even told the city that there is \$1.6 to \$1.7 million in this year's budget for water and sewer projects. I told them if they wish to reallocate that to the downtown water and sewer, then I will agree to your reallocating that \$1.7 million. But it seems to me that the City of Yellowknife wants its cake and to eat it too. It wants everything at once. It has to learn to wait just like every other community. It cannot have everything at once. If it wants a five million dollar recreation complex built, then it is going to have to wait for its downtown water and sewer. I cannot fund both of them, Mr. Richard. I simply do not have the money.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Mr. Chairman, can I ask the Minister where on the prioritization list, with water and sanitation that the Minister spoke of on Friday -- and this is something I asked for last month in correspondence to the Minister -- where does the central business district water and sewer upgrading project appear on that list?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you. I do have the Member's draft letter here by the way, just for your information. No, mine was a draft letter. Mr. Chairman, the proposal is to put in \$3.8 million between 1990 and 1993.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Mr. Chairman, I had understood from the Minister in his theoretical discussion on the capital planning process last week, that there is a prioritization list done in the department, from top to bottom, within water and sanitation, based on urgency or need. My question is: Where on that list of various community requests for water and sanitation capital projects does the Yellowknife central business district one appear?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: It is about a third of the way down.

CHAIRMAN (Mr. Angottitauruq): Contributions, headquarters. Mr. Richard.

MR. RICHARD: Sorry, Mr. Chairman, I am waiting for Minister Wray to respond to my last question.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

Yellowknife Project At Top Of Priority List

HON. GORDON WRAY: Thank you. After basic needs have been met, the Yellowknife water and sewer is at the top of the priority list.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Mr. Chairman, is there a list in writing on which the central business district project appears?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Yes, Mr. Chairman and I will provide that list to the Member with a copy of my reply to him. There is a list enclosed with the letter that I replied to him.

CHAIRMAN (Mr. Angottitauruq): Contributions, total headquarters. Mr. Richard.

MR. RICHARD: Mr. Chairman, could I ask that you leave the vote on this item open and continue with the other items for now?

CHAIRMAN (Mr. Angottitauruq): Mr. Richard, I did not get your comment. Could you repeat it? Thank you.

MR. RICHARD: Mr. Chairman, I am asking sir, that you not call the vote agreed or not, on the item total headquarters, but go on to the other items and come back to this later.

CHAIRMAN (Mr. Angottitauruq): Does the committee agree to what Mr. Richard requested?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Fort Smith, total \$435,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Total Inuvik, \$311,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Angottitauruq): Total Baffin, \$1,458,000. Mr. Minister.

HON. GORDON WRAY: Just so the Baffin MLAs are aware. Earlier on page 10.13 there was only a nominal sum of \$8000 for Baffin. That is because Baffin's mobile equipment is included on this page and not on the other pages, as the other regions. As you see, the total equipment for Baffin is \$798,000. I just wanted to point that out because this does not show up where the other regions show up.

CHAIRMAN (Mr. Angottitauruq): Total Baffin, \$1,458,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): Total contributions, \$4,569,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): Total community works and capital planning, \$17,982,000. Mr. Butters.

MR. BUTTERS: Does that include the item that Mr. Richard wanted left open?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister, the question was: Does that include what Mr. Richard wanted left open, total community works and capital planning?

HON. GORDON WRAY: Yes, it does. It includes \$1.7 million for the water and sewer but not where he wants it.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

Contributions, Headquarters, Total Capital

MR. RICHARD: Yes, Mr. Chairman, if we could go back then, so that the committee can conclude this section, to contributions, total headquarters. Can I, Mr. Chairman, try once more with the Minister, to explain for me why this change in priorities between the water going through the sewer system and the water going into the swimming pool? Why was this not documented? Who was at the meeting? I mean, there were officials there. It was not two politicians, I take it. There were officials there. Why was the thing not documented and confirmed going one way or the other? I suppose you cannot explain why there is no letter coming from the city, but why is there not one coming from the department to the city confirming that you have now given up a multimillion dollar urgent program for two years or more? Can the Minister explain why that is not documented?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. GORDON WRAY: Thank you. First, present at the meeting were Mike McGrath, Barry Robb, Al Menard and myself. Secondly, we do not normally document these kinds of things. This was a planning process that we do with every community across the Arctic. Communities change their priorities from time to time. Last year Coral Harbour phoned us and said, "Look, we want you to delay our community hall for a couple of years because we get an arena first", which we did. A community will phone us and say, "We have thought about it and we would rather get a garbage truck this year and a water truck next year." We do not document those types of discussions that take place.

I, as the Minister of Municipal and Community Affairs, essentially sponsor a capital budget which is a result of discussion with those communities. We provide the communities, at least in non-tax-based communities, with advice on the technical aspects of a water system or a sewer system but the bottom line for us is that the community dictates to us what the community's priorities are.

Essentially, that is what happened in this case. For whatever reason, and I do not know the reason, the City of Yellowknife, or at least the mayor, in that meeting changed the priority and said that because they had phase one done and they figured it could hold out for a little while longer, they were willing to push the downtown water and sewer further down in the capital plan in order to make room for the recreation project -- and I do not know if this was a political priority or a priority based on need. I do not know what goes into the city council of Yellowknife and how they decide what their priorities are, political or otherwise.

City's Priorities Changed

Originally they wanted both projects funded at the same time. I said I cannot do that, that it is just too much money going into one community. I can perhaps get away with sponsoring one through but I am not going to get away with two. They said okay, then the recreation project is our priority to be funded over two years, \$1.6 million and \$1.4 million. Then for two years after that, we will defer the water and sewer until that point. I remember in the discussions they were fairly comfortable with doing that because they felt that phase one would probably hold them for two or three years. I do not know what went into changing their priorities. I am sorry. I remember the debate in the newspapers and I was quite surprised because after the case that Mr. Ballantyne had made -- and you know the debate that took place -- I thought the water and sewer was the number one priority, but that is not what they indicated to me.

I changed my capital plan to reflect the advice that I got from city officials. I think, as the Member indicated, we did provide one million dollars last year, which was a reshuffling of priorities. That one million dollars had originally been allocated for something else and the city changed its priorities and put the one million dollars into the water and sewer. I have indicated again to them that I have \$1.7 million in this year's budget for water and sewer for the City of Yellowknife and if they wish to change priorities then again they are entitled to do that. I am not going to insist that they live by our priorities. I know the downtown water and sewer is in bad shape.

CHAIRMAN (Mr. Angottitauruq): Mr. Richard.

MR. RICHARD: Mr. Chairman, the Minister has gone on to repeat himself again and again on these items. My question was why it was not documented. The Minister's only response to that was that we do not document these things. I do not accept that, Mr. Chairman, because I have in my hand, on the same project, in the same time frame, a letter from the Minister to the mayor confirming a reallocation of funds. It was in response to a city initiative. The pertinent paragraph says, the Minister Wray to Mayor McGrath, "As you know, I supported this reallocation to my Executive colleagues, based on the revised project scheduling requested by city council in its recent revised capital plan submitted to my department." So that is the norm, I suggest, Mr. Chairman. These conversations and deals and discussions are documented. I am at a loss, Mr. Chairman, to understand why the Minister's scenario of such a dramatic change in funding by his department to the city government in late 1986 was not documented.

Departmental Responsibilities In Capital Planning Process

But, Mr. Chairman, I am going to leave it at that with this Minister for the moment. I simply make the observation that in the departmental responsibilities, under community works and capital planning, they talk about a capital planning process that is both technically sound and politically responsive. With due respect to the Minister, sir, he may think it is politically responsive. I cannot see anything in writing that he was responding to a political request from the community, but technically sound it is definitely not. Thank you.

CHAIRMAN (Mr. Angottitauruq): Thank you. Any comments, Mr. Minister?

HON. GORDON WRAY: Most certainly. In the fall of 1986, the department was preparing its budget for submission to the FMB. I was requested in person by the mayor to attend a meeting at city hall to discuss the priorities of the City of Yellowknife, because through the officials, there had been correspondence going back and forth about the various projects. The mayor called my office and asked if I could attend a meeting. I agreed to it. I went to the meeting and I told the mayor at that meeting that I could not fund all of the projects they were requesting, in my budget that I was preparing to submit to FMB. I specifically asked him for direction on what items he wanted to include in my budget. That is how we do it with every community in the Northwest Territories. That is what was done in this case. After receiving the direction, I went back to my office -- my deputy minister was with me -- and I informed my officials that this was the preferred route that the City of Yellowknife wanted and we adjusted our planning process accordingly. I would say that half the time changes are made like that, without anything being done in writing. Besides just remember the fact that the Yellowknife project does not fall under any policy that my department or this government has.

CHAIRMAN (Mr. Angottitauruq): Thank you. Mr. Richard.

MR. RICHARD: The Minister reminds me of the time frame and his trips off to FMB to get approval for his things. I think it is important, Mr. Chairman, that we put this in context of the rampage that the Minister was on, building recreation facilities in that one particular year, last year. I do not criticize him for that. I mean, he has made many speeches about the importance of those recreation facilities in the communities throughout the NWT and there were a lot of projects started under this Minister in that time frame. But I suggest, Mr. Chairman, that the Minister did not go to those communities and say, "Hey, I am going to give you a recreation facility but you have to give up something else in the water and sanitation or basic needs area in return for this new gym or recreation complex."

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Richard. Do you want to add anything to that, Mr. Minister?

City Of Yellowknife Entitled To Only \$1.6 Million

HON. GORDON WRAY: Just to say that the Member is correct. I do not tell communities that they have to give something up to get this, because those communities are entitled to what they are getting. The City of Yellowknife was not entitled to what it was asking for. It was asking for extraordinary funding of three million dollars for recreation when it was only entitled to \$1.6 million. It was asking for funding of eight million dollars for a water and sewer system that it was not entitled to at all. That was why I could not carry all those forward. In fact, communities have given up projects. As I say, Coral Harbour gave up their community hall in order to get their hockey arena advanced. The exact same thing happened in Coral Harbour. Their community hall was moved down the capital plan. It was switched with their hockey arena. Many other communities have asked me to switch similar capital projects. This is what happened this time. Now, the city is coming back and saying that: (a) we did not say that; and (b) can we please get our money now because we want it all at the same time, we are not willing to live by the deal that we made.

CHAIRMAN (Mr. Angottitauruq): Thank you. Mr. Pollard. Order. Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. Being a junior Member here I am watching these heavyweights going at it. I am somewhat reluctant to get into the debate because they just might chew me up but I am just a little confused here, because the Minister says that this was a political decision. In another area the Minister is saying that every community is the same in the NWT. So my question first of all is this, was the funding originally for the sewer upgrade? Was that extraordinary funding?

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

HON. GORDON WRAY: Yes, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Pollard.

MR. POLLARD: So, if the money was extraordinary funding it was over and above normally what Yellowknife was going to get. Is that correct? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. GORDON WRAY: Correct, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Mr. Pollard.

MR. POLLARD: So in a particular year, Mr. Chairman, I wonder if the Minister could tell me how much money does his department put out in extraordinary funding?

CHAIRMAN (Mr. Zoe): Mr. Minister.

Extraordinary Funding For Project Did Not Fall Within Guidelines Or Policies

HON. GORDON WRAY: Almost none, Mr. Chairman. A couple of years ago we had to spend some money for erosion control in Tuk, which was extraordinary funding. But in water and sewer, almost none of it is extraordinary funding. This is the only project that I can remember which does not fall under any of the guidelines that we have or policies that we have.

CHAIRMAN (Mr. Zoe): Mr. Pollard.

MR. POLLARD: So if there were other communities who wanted funding over and above their regular allocation...

AN HON. MEMBER: Here it comes.

MR. POLLARD: Well, if I see Yellowknife is trying it and I see Yellowknife manages to convert it from sewer into, you know, swimming pool, a recreational complex, and I am saying, you know, are other communities in the NWT able to come to this Minister and say, "Over and above what we normally get, we would like some extraordinary funding." It is just a question, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. GORDON WRAY: They try but very few of them meet with success. In this case, it was not a case of just asking once for extraordinary funding. They turned around and asked for two extraordinary fundings. Once in the recreation area and once in the water and sewer. The water and sewer was extraordinary funding and what drove the meeting at city hall was they came in and asked for -- a second scenario involving extraordinary funding, which was money for their swimming pool and curling rink, and because of the money the government had put in previous years into recreation facilities in Yellowknife under our policies, the city was only entitled to \$1.6 million. They asked for three million dollars in extraordinary funding for that project as well.

CHAIRMAN (Mr. Zoe): Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. So I take it that the Minister is now committed to extraordinary funding in this year because they are finishing the swimming pool off and then next year and the year after for the water and sewer upgrading. My question is, if another community comes forward requesting extraordinary funding, the precedent has been set with Yellowknife, will those other communities be given due consideration? Thank you, Mr. Chairman.

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

HON. GORDON WRAY: Yes, Mr. Chairman, they will be given due consideration.

CHAIRMAN (Mr. Zoe): Total headquarters. Mr. Morin. Mr. Lewis.

No Evidence Of Deal Having Been Made

MR. LEWIS: Mr. Chairman, my friend Mr. Richard has left no stone unturned and I have listened to the discussion between the Minister and my friend for the last half hour. I have been really impressed with the job that Mr. Wray has done in convincing us that there was a deal. However, I attended a meeting on January 12 where Mr. Richard and my friend Mr. Ballantyne were present. I must remind the House that this major upgrade of this system is in Mr. Ballantyne's riding -- right near the Emporium, for those people who go out to eat at night. There is a major problem down in

that area leading down toward Old Town. However, the three of us were at that meeting and there was no one in that room who knew anything about a deal. Now, either that says an awful lot for the amount of turnover we get in the staff at city hall or it says something about the ability of people to keep secrets. Because we attended another meeting where people could do a bit more digging maybe to find out if anything had happened and we met again on January 20th and at that meeting, Mr. Ballantyne was not present. We pursued again this business of a deal, as to whether a deal had taken place, and we were assured that there was no deal.

Now to me, even if there had not been a document such as Mr. Richard would prefer, I would have thought that people would know about it. Even if it was not written somewhere, that it would be general knowledge within the city that such a deal had been made. I find it difficult to pursue a lot of these questions that I wanted to raise because for the last two weeks, I have been trying to find every horror story that exists in this city about problems with pipes. I have done an awful lot of work which is now going to be wasted because of the masterful job you have done in convincing this House that that deal was made. If no such deal was made, the problems still exist. If there was a deal made, I would be the kind of person who would say, "If a deal was made, fine, okay, I accept that, and we suffer the consequences." But, without any proof of that, it seems to me, now, we have people in the centre of the city, heading north, who continue to have major problems that they face practically daily. Over the last six weeks, there have been four major breaks, not small ones, major breaks, in that system. A short while ago, there was a major problem, so large that they had to remove a fire hydrant in order that they could get down to solve the major problem which, if they had not had to do that, they would have had to spend in the neighbourhood of about \$200,000. There continues to be back-up in that area.

Problems With Dilapidated System

I should explain, just for the benefit of Members, the kinds of problems that people have. From your house to the main, if there is a break, it is a personal responsibility; however, if there is a problem of blockage in the main system, that is a city responsibility and they will bear total cost for that problem existing in the main system. However, many of these problems that the home-owner gets stuck with, are some kind of problems where the pipe from the house joins this dilapidated, run-down, main system which is the responsibility of the city, so that the guy in the house is continually fighting with the city to decide who is really responsible. Well, we all know what the responsibility is. The responsibility, obviously, is to provide the kind of pipe that you can stick something into and it stays stuck but after the graphic illustration given by Mr. Ballantyne in this House not long ago, you know that such a join is not going to last very long with the current state of that main sewage and water system.

Mr. Wray has convinced, I suppose, everybody that such a deal was made and all this work, house to house, trying to find out various problems that people have had with their sewage system, is for naught because what they have to do is not complain to the MLA, but go to the city because it was the city that made the deal, and they made a bad deal and they, therefore, have to suffer because such a bad deal was made. As I said at the beginning, if that was the case, if there had been a deal made, I would not be making a big fuss today. If I knew that that had really happened, we would not be making such a big fuss. However, I should point out that the major problem is in Mr. Ballantyne's constituency. It is in that area that this major problem exists and he must be aware of it, too, and must have brought it to the attention of the Minister, that this is a major problem for people who live in that area.

Question Of Public Safety

So, my question, if I may be permitted a question, is, when some decisions are made to relieve people in danger, if there is a safety issue, is that something that the Government of the Northwest Territories will turn a blind eye to? I know, for example, on January 16, Mr. Patterson made an announcement in Hay River that there would be a new school for \$2.7 million. I look in the capital estimates and there is no new school planned for Hay River in the main capital estimates; it was not in any kind of plan. However, a decision was made to build a facility in that community because there was a safety factor. That school had been sinking for some time and the decision was made that children there were at risk.

Well, I would like to tell the Minister, today, that in my opinion, there are several people throughout that central area there who are at some degree of risk. I am not an engineer; I do not know what the nature of risk is and the magnitude of it. All I know is that it is costing the city

an awful lot of money to upgrade and to retain current services in that area and there are many people there, and I quote: "Living in this area has caused me more grief than many of the isolated places that I have lived in in the Northwest Territories." Talk to Betty Harnum, who has lived in many isolated places and talk to her about her experience on Friday, when she had a battle between city hall and various outfitters in town who tried to advise her on how she could get her water restored and into her house. I can go on at great length on the various problems that exist for people who are living in that area and who, in my opinion, from the stories that I have picked up, to date, are at some degree of risk. So, my question is, when there are safety issues involved here, where does the responsibility lie?

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

HON. GORDON WRAY: The responsibility, in this case, lies with the City of Yellowknife. They own the water and sewer system; they are responsible for the maintenance of the water and sewer system; they are responsible for dictating the priorities in their own community, not me. Just as a comment, an indication of why this has become a political issue -- why did we hear nothing about this all last year, even through main estimates when there was a change in city administration in the last three months? Now it has become a political issue. They knew, in the fall of 1986, that there was no commitment because the funding was originally scheduled for 1987/88 -- that was the original commitment -- and not a word was said on it because the city administration in office knew that a deal had been made because they made the deal with me. And that is how you know a deal was made because, you take my word for it, I went to that meeting and that is where the deal was made. You know me, you know that I am not going to fund all of those projects; you know that I would go to the city; you know that I would ask them what their priorities were. They requested the recreation facility; they requested the water and sewer. You know, as a department, that we would go back to the city and ask them what their priorities were. Why should any exception be made in this town? That is the process that we have followed for the last 15 years in the Department of Local Government and Municipal and Community Affairs, and nothing extraordinary happened here, except the city, for whatever reasons, changed its priorities. I was quite willing to fund the water and sewer; I had the money in my budget.

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

Problems With Both Sewer And Water Systems

HON. MICHAEL BALLANTYNE: Since Mr. Lewis has mentioned my constituency, I want to thank him for working on behalf of my constituency. I would like to clarify a few things where I think Mr. Lewis is totally wrong. I have been working on this project for a long time and I am very aware of the situation. Starting in 1980, when I became mayor, when Mr. Lewis was still happily collecting his pay cheque from the Government of the NWT, I was working on this particular project. I am the one that initiated the original study to identify the problem. That sewer line was put in there in 1952 and there was a major problem. Mr. Wray is totally correct. There was not and is not a program for replacements of mains anywhere in the Territories. Because of the work done by the MLAs and the city, this government undertook to deal with that problem, and a five year commitment was given -- as much as any government can give that sort of commitment. Over five years, depending on changing priorities, there would be some eight to nine million dollars -- forthcoming to the City of Yellowknife to pay for 80 per cent of the cost. The city would be expected to pick up another 20 per cent. That first payment of three million dollars was forthcoming. Now, since that time, a number of things have happened that I do not think have been made really clear. One is that the original problem was a sewer problem. It has been since that time that the water problem has become worse. The city has to, at some point, decide what is worse, the water or the sewer. It is both. This year, there is \$1.7 million in the budget for the water problem because that has come up as a serious problem.

AN HON. MEMBER: (Inaudible comment)

CHAIRMAN (Mr. Zoe): Order! Order! Order! A point of order for Mr. Lewis.

MR. LEWIS: Mr. Chairman, I understood that, when we were discussing a particular Minister's budget, such exchanges were not going to be allowed. I thought there had been a ruling on that. There is not? Okay.

CHAIRMAN (Mr. Zoe): Mr. Lewis, on your point of order, there was not a question raised to the Minister, but the Minister was speaking as an ordinary Member. He has that opportunity to speak to the budget, too.

SOME HON. MEMBERS: (Inaudible comments)

CHAIRMAN (Mr. Zoe): Continue, Mr. Ballantyne. Order! Order! Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman, I do admit this is fun -- to speak as an MLA again. I can get into it here.

SOME HON. MEMBERS: (Inaudible comments)

---Laughter

Recollection Of Agreement Made

HON. MICHAEL BALLANTYNE: Okay, exactly. Both aspects of politics have their good points and their bad points and this is one of the good points of being an MLA. To clarify another statement made by Mr. Lewis, I was at that first meeting. He said nobody was aware of a deal; that is not true. At that meeting, I said, very definitively, "I recall that there was a deal." I said that. The other two parties that Mr. Lewis is talking about were not there, the former mayor and the former city administrator. My recollection is that in fact there was an agreement made. So I want to put that on the record also. The third one is an interesting technical point about my constituents. Luckily because of the money that we already have, his constituents are looked after because of the work that I did from 1980 to 1986. I am happy to see he is fighting for my constituents right now. The problem of the laterals going from a house to a main is a separate issue altogether, not necessarily related. I went through this probably a thousand times as mayor, as to who is responsible. Generally the problem is a blockage. Where the blockage happens, that is who is responsible. Generally the blockage is in the lateral and not in the main. I would like to get some more technical details as to how this particular problem is affecting all these people. I find it interesting. To end what I am saying, as an MLA, I totally agree that there is a major problem. I am the one who first identified the damn thing. I apologize for the language.

What I say is, there is limited money and it is the responsibility of the municipal government to set their priorities straight. I heard Mr. Wray clearly say if the sewer and water system is that bad this year, they can reprofile that \$1.7 million. If they add some debenture money of their own, that would essentially have gone in anyhow. So if it is a matter of safety being involved, then they have within their wherewithall to deal with that situation. I am glad as an MLA that this issue is coming forth again and I want to assure my honourable colleague for Yellowknife Centre that I have not forgotten the concerns of my constituents. Thank you.

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

MR. POLLARD: Thank you, Mr. Chairman. My, we are getting heated, are we not? Well, I just want to point out for the Yellowknife MLAs, Mr. Ballantyne included, seeing as he has doffed his ministerial hat, that for any of the other communities, if you want to get an arena or swimming pool, first of all you identify a crisis in your water and sewer and then in midstream you say, "Hey, I want to change this, Gordon", and Gordon says, "Hey, you go ahead and build your arena." So if you are short a swimming pool, that is the way to do it. I just want to say though, Mr. Chairman, that I think the people in Yellowknife should understand that in my community we have the same problem. We have a water and sewer system that is costing a lot of money to patch. We are not hollering and crying about it. We are trying to get the thing into a capital budget.

I also want to point out that in my constituency, on Vale Island, the people there have sewage running in the ditches in the summertime. We are not proud of that fact but I am saying that we have problems as well. We have gone to the Minister and advised the Minister of those problems and he has said, "Hey, get in line." And we have accepted that. So when I see the Yellowknife MLAs with their noses out of joint because they did not get quite what they wanted, I am sorry I cannot feel sorry for you, fellas. Thank you, Mr. Chairman.

Contributions, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Are there any further comments on this particular issue? If not, total headquarters, \$2,365,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Contributions, Agreed

CHAIRMAN (Mr. Zoe): Total contributions, \$4,569,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Workers And Capital Planning, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total community works and capital planning, \$17,982,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Planning

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Moving right along. Community planning. Buildings and works, headquarters, total headquarters, \$115,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Fort Smith, total Fort Smith, \$762,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Inuvik, total Inuvik, \$559,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Baffin, total Baffin, \$1,306,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total Keewatin, \$1,310,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Kitikmeot, \$662,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total buildings and works, \$4,714,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Contributions, Baffin, total Baffin, \$295,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Planning, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total community planning, \$5,009,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Surveys And Mapping

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Surveys and mapping on page 10.21. Buildings and works, headquarters. Total headquarters, \$665,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Surveys And Mapping, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total surveys and mapping, \$665,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Arctic Airports

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Arctic airports, buildings and works, Fort Smith, total Fort Smith, \$152,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Inuvik, total Inuvik, \$51,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Baffin, total Baffin, \$25,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total buildings and works, \$228,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Equipment acquisition, total Fort Smith, \$60,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total equipment acquisition, \$60,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Arctic Airports, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total arctic airports, \$288,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Sport And Recreation

CHAIRMAN (Mr. Zoe): Sport and recreation. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, under sport and recreation, I wonder if I could ask the Minister if his department still has this fictional rule about five years, that so many dollars are going to go into the recreation pot for each community in a five year period. This was a fiction, Mr. Chairman, that existed, I know, two or three years ago and I saw it again as one of these rules that apply to Yellowknife but not to any other community. Prior to Mr. Wray's cutting this deal with the mayor to trade a swimming pool for water and sewer, the city was admittedly seeking funding from the territorial government for the curling rink/swimming pool complex in this city but it was being met with a response from the government that said, "Well, you cannot have that many dollars. You can only have this many within a five year period." It was my recollection upon inquiry at that time, Mr. Chairman, that was a rule that was adhered to the letter for the City of Yellowknife but not so for other communities where recreational facilities had been built. That was admittedly partially prior to Mr. Wray's tenure as recreation Minister. It was Minister Sibbeston and Minister Wah-Shee before that. Can the Minister tell me whether this fictional policy still exists in fiction?

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

HON. GORDON WRAY: Yes, it is still a policy. It is for what is called "additional" facilities. We have converted arenas to basic facilities and the funding would apply to things such as swimming pools and curling rinks which are additional facilities. But we still use it.

CHAIRMAN (Mr. Zoe): Mr. Richard.

MR. RICHARD: Would the Minister agree with me that, generally speaking, the rule or policy is breached more than it is followed?

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

HON. GORDON WRAY: I was just checking out to see if I had breached that policy. What I am told is that in almost all circumstances, we stick to the policy. There have been a couple of extraordinary requests but, by and large, we stick to it.

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

Review Of Recreation Facilities Funding Policy

MR. NERYSOO: Just to be a little more reasonable, if I could, Mr. Chairman, ask if the Minister could consider reviewing the policy with the idea of making appropriate amendments where it is necessary so that it meets the requirements and requests of every community as opposed to only the smaller communities. That includes larger municipalities.

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

HON. GORDON WRAY: It is actually under revision right now because of the occasional breach of it that took place. Essentially, the direction I gave to the department was to come out with a policy that we can live with, that we do not have to break all the time if we want to do something.

CHAIRMAN (Mr. Zoe): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. If I could also ask if the Minister could consider reviewing the recreation facilities policy so that for those communities that are interested in hosting such things as the Arctic Winter Games in those years for which the NWT is responsible for hosting them, some method of providing additional financial resources to meet those requirements could be considered.

I will give you an example of that. Some years ago when, with the involvement of Mr. Ballantyne, Yellowknife hosted their last Arctic Winter Games here, we in the government provided additional financial resources so that certain facilities could be upgraded so that we could accommodate the Arctic Winter Games and certain sports that had been added to the competition. In your review, could you look at and consider what changes are necessary so that those communities that bid on or at least participate in sponsoring those games can at least upgrade or provide the necessary facilities whenever they win the bids on those particular contests? I just thought that I would

raise it with you here. I know that your department is probably aware of it already but it seems that most communities other than Hay River and Yellowknife are not able, at least at this particular time, to accommodate the games in their community. I thought maybe you would consider that in your review.

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

HON. GORDON WRAY: Yes, that will be considered.

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

MR. NERYSOO: Mr. Chairman, in this particular area, after having gone to see the opening of such a fine facility in Aklavik, I think that it is only proper to indicate how pleased and happy people in at least one community in my constituency are with regard to their arena/community hall complex. But I think that I can indicate to you that there was a bit of a flaw in the construction and I think that the deputy minister also noticed that, especially in the arena, where wire mesh was attached to the arena or to the skating rink. If any decisions to construct more skating rinks are being proposed here, I suggest that you review the construction of those other facilities and make the appropriate changes that might in fact improve the other buildings wherever they are being constructed. It is just a matter of suggestion to you despite the fact that they are very good facilities. I thought I would just make a note of the little flaw in the construction.

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

MR. BUTTERS: Mr. Chairman, the Minister has mentioned on a couple of occasions in his opening remarks the fact that there was an increased construction of recreational infrastructure approved last year. I believe the previous Government Leader called it "fast-tracking". One of the problems occurred during that particular time because the fast-tracking impetus was to ensure that a lot of the capital expenditure occurred in the communities. I am wondering whether the Minister has had a chance to review that experience and if there is a report available which has indicated what did occur as a result of fast-tracking those projects. Have there been some suggestions or recommendations how, in the future, we may prevent the overheating that occurs in the communities where there are too many construction projects going ahead? I wonder if you might just comment on that study.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. We will be doing a report on things like the employment created and the problems caused. However, the problem we have right now is that many of those facilities have not been constructed yet. Some are halfway through and some have not yet even begun. For example, Pangnirtung will not start until next summer. Cape Dorset is sort of half done. Lot 500 will not be going ahead until this fall so quite a number of them have not been completed. So until all of the projects are completed, I will not have the information but I have instructed Public Works to do a comprehensive report particularly as it pertains to the employment created on those projects. Once that is available, I will make it available to Members.

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

Avoiding Overheating In The Future

MR. BUTTERS: Yes, I think that the supp document when it appears before us will indicate the number of delays in that particular program. I would expect that the report, if it is to include the experience of the work that occurs in the communities where the projects were deferred will not reflect the same overheating that occurred in the previous year. I think overheating did occur in some communities and I think it would be important that we learn why it occurred and how we can get away from such overheating in the future.

A few hours ago we were discussing the establishment of a capital infrastructure plan and planning by the communities. It seems to me that communities might accept deferred gratification of a particular capital need if they knew that they could build it themselves. If it were a choice between building it in 1990 and having somebody come in from Edmonton and hire a few labourers or a few apprentices, against the possibility of taking a little bit longer and putting it together themselves, I feel that gratification deferment in the capital situation might be accepted by many communities. So I am awaiting your report to find out what really did happen during the fast-tracking.

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Sport and recreation, buildings and works, headquarters. Total headquarters, \$593,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Fort Smith, total, \$2,995,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Inuvik, total Inuvik, \$2,468,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Baffin, total Baffin, \$1,901,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Keewatin, total Keewatin, \$356,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Kitikmeot, total Kitikmeot, \$348,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total buildings and works, \$8,661,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Equipment acquisition, headquarters, total headquarters, \$50,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Contributions, headquarters, total headquarters, \$1,510,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Fort Smith, total Fort Smith, \$350,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Inuvik, total Inuvik, \$1,535,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Baffin, total Baffin, \$1,520,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Keewatin, total Keewatin, \$84,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Kitikmeot, total Kitikmeot, \$28,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Sport And Recreation, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total sport and recreation, \$13,738,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Lands, Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Lands, buildings and works, headquarters, total headquarters, \$500,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Lands, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total lands, \$500,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Capital Recoveries, Agreed

CHAIRMAN (Mr. Zoe): Capital recoveries, \$300,000, an information item. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Back to page 10.05, total capital expenditures, Department of Municipal and Community Affairs, \$38,197,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): That completes the Department of Municipal and Community Affairs. I would like to thank the Minister and his witnesses.

HON. GORDON WRAY: Thank you very much.

CHAIRMAN (Mr. Zoe): The Chair understands that the next department that will be appearing before us is the Department of Education. Am I correct, Mr. Government House Leader?

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. Yes, that is correct. I believe we might have time to go into the department.

CHAIRMAN (Mr. Zoe): Is the Minister prepared to go ahead with his opening remarks? Mr. Minister.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. Yes, I am prepared.

CHAIRMAN (Mr. Zoe): Mr. Minister, you may proceed.

Department Of Education

Minister's Opening Remarks

HON. DENNIS PATTERSON: Mr. Chairman, I do have somewhat lengthy opening remarks, but I hope that by providing some detail in my opening remarks, I will answer some questions that Members might otherwise have. Mr. Chairman, I am very pleased to present introductory comments for review of the Education estimates, I think for the seventh year, in my case.

Education affects everyone personally, in terms of benefits achieved or costs incurred in developing and delivering programs. Thus, everybody has a point of view. Everyone is an expert on education because almost all of us have been to school. The Northwest Territories is no different than any other jurisdiction in Canada in terms of debate on education. Some people say it is not working at all. Others agree that the system is good, and many more believe some things are done well, while some need improvement.

To me, the bottom line is whether or not the results are better. Without a doubt I can tell you that, in my view, education and training have improved dramatically in the past few years. If we concentrate on improving our strengths and successes we will, in the near future, have a system which will serve the needs of all residents. The budget estimate I have prepared reflects our concentration on practices and programs that work, and deletion of those that do not work. I will continue to give careful consideration to all programs in light of future trends and projections.

Mr. Chairman, attendance has improved dramatically in some communities and has improved in all regions. The Keewatin Region has reported an average attendance of almost 85 per cent so far this year, an increase of about 15 per cent over the last three years. Communities like Fort Liard have improved from attendance levels of 50 per cent in the 1982-83 school year, to almost 80 per cent last year, and attendance for the first half of this school year is at 88 per cent. Other communities, like Paulatuk and Rae Lakes, are still struggling with attendance levels of 65 per cent. I will continue to emphasize the importance of regular attendance and through individuals like school-community counsellors, will strive to improve attendance in all communities so that every student will have a chance to succeed.

Divisional Boards Being Developed

Two new divisional boards will be established this year, in the Kitikmeot and Keewatin Regions. I have encouraged the development of divisional boards across the Territories because I believe that to improve education results, we must increase both public commitment and responsibility for education. By allowing decisions to be made by locally elected bodies, who are aware of the needs of their students and are concerned about their progress, the provision of education will be more effective and efficient. By 1990-91, I hope that divisional boards will govern all the remaining school districts. Support for the development of divisional boards is strong in the Inuvik Region. The Inuvik Regional Education Committee voted to make this their goal in 1989, and recently the Sahtu communities decided to support the development of a divisional board for that area also. Although progress toward divisional boards has been slower in the West, it does not result from a lack of interest. The Dogrib divisional board will be established within two years and communities south of the lake are reviewing this option carefully.

Special needs education has improved from almost none, to over 2000 students who, now, have received special education assistance. Over 2700 people are enrolled in adult education programs. Full-time university and college enrolment has improved from 505 in 1983-84, to over 900 in 1987-88. The number of programs delivered by the Arctic College has also grown rapidly and students enrolled in college programs have now reached over 800, in spite of a downturn in the economy. In 1988-89, we are anticipating a levelling off as we reach maximum participation in many of our programs. Less than 300 school age young people are not enrolled in school, and we are quickly reaching the point where all people who have the academic requirements are enrolled in training programs if they choose to do so, and if they are not already employed. Basic academic upgrading, for those who have not attended much school in the past, continues to be a major challenge, especially as CEIC funding is diverted, increasingly, to specific job training.

Forced Growth

In total, the Department of Education faces forced growth, in the coming year, of \$2.5 million and 17 person years. Because of growth in the student population 11 more teaching positions are required. Mr. Chairman, we are one of the few jurisdictions in Canada that is experiencing a growth in student enrolment. Also seven and a half custodial positions are required because of additional new classroom space. As well, two more clerical staff are needed to cope with the increased workload in the student financial assistance program. Student assistance has increased by \$1,125,000 over last year's main estimates and \$990,000 has already been received through supplementary funding. The Arctic College, in its first year of operation as a separate entity, requires additional support for Board of Governors' meetings and administrative and organizational requirements as it manages more campuses and a growing student population.

Even though forced growth is considerable, I feel it is positive in that it is a result of more students going to school or college and not dropping out; in other words, it is a nice problem to have.

New Initiatives

Mr. Chairman, we are proposing new initiatives in this budget costing \$1.2 million and 12.5 person years. Last year, grades offered in community schools were extended in four cases. Pangnirtung and Rankin Inlet now offer a full kindergarten to grade 12 program and Eskimo Point and Arctic Bay have introduced grade 10 programs. In 1988-89, I am projecting extension of grades in one community.

Mr. Chairman, the debate about the advantages and disadvantages of boarding schools has continued over the past year. Research and experience have shown that boarding schools have had a devastating effect on native families. Yet many native leaders credit their training and experience at these institutions for their success today. I believe most parents support my initiatives in developing community high schools, although I realize that boarding arrangements will be necessary for some time because some communities are too small to support a local high school. Children should remain in a home environment as long as possible. The only exceptions that can be justified are where boarding homes are not available, or where students can benefit from special leadership or educational programs. I have asked my staff to look very carefully at the possibility of increasing student boarding allowances so that we are able to close our most expensive and least successful residences.

Training Of Counsellors

Mr. Chairman, when compulsory attendance enforcement legislation was introduced, we realized that disciplinary action was only a last resort and that counselling support for parents and children was an essential first step. In February 1987, 15 counsellors, all native residents of communities with poor attendance, began a training program through the department and Arctic College. Of these, 11 are still in the program and it is expected that all will graduate in April. Consequently, I am budgeting 11 PYs and salary dollars for the counsellors. As well, \$360,000 is included in our estimates to begin training more counsellors in August, 1988. I expect that, as was the case when the last program was introduced, demand will exceed available places and it will again be necessary to select trainees from communities most in need of counsellor support.

A principal training and certification program was begun in 1987-88 in an effort to improve school management and teacher effectiveness. This program will continue in 1988-89. The 72 principals enrolled will receive NWT certification in January, 1989. This training program is costing \$70,000 in 1988-89.

Aboriginal culture and language development will receive increasing emphasis in 1988-89. Programs in Inuit and Dene studies which have been developed for grade 10, will be continued for grades 11 and 12. These programs are being successfully piloted this year and are providing students with a rich perspective on historical and contemporary aspects of aboriginal cultures. Curriculums will continue to be developed for the Dene and Inuit languages. These curriculums will provide the structure and program organization so urgently needed in this area. Training and program support will be provided to each of our centres for teaching and learning across the NWT. These initiatives will be achieved within existing allocations.

The absence of native people in professions like medicine and engineering has long been a concern, Mr. Chairman. We have entered into an agreement with the University of Manitoba for four seats in the special native engineering and medical access programs they offer. This program is budgeted for \$135,000.

Arctic College Programs

Arctic College has also had to become very creative in order to meet training demands. A course in journalism at Aurora Campus began in October, 1987. An interpreter-translator course began at Thebacha in January and will be offered in Iqaluit in September. The health career preparation program, with upgrading to university entrance in science and math, has been initiated and will enable many people to enter health careers who would not otherwise be able to do so. A training program for day care workers is being developed and a travel industry training co-ordinator has been given the task for planning a travel industry program. This will be presented to CEIC and the Department of Education for support when completed. The joint training plan between CEIC and the department for 1988-89 is now being finalized.

The college is also providing training to enable people to take advantage of job opportunities in renewable resources. This year, Iqaluit Campus hosted a three day introductory course in offshore fishing, in co-operation with the Inuit Development Corporation and the Nova Scotia School of Fisheries. The college is now investigating the training needs of the fishing industry and the Department of Education is developing a program to train people to run sport fishing businesses. Another new program is being developed to train people as interpretive naturalists. Two guide training programs are offered through Iqaluit and Thebacha Campuses and a short course for guide trainers was recently conducted at Thebacha. The renewable resources technology program at Thebacha and the environmental technology program at Iqaluit, which began this year, continue to attract and train many students.

Reductions

Now I turn to reductions. Mr. Chairman, like all departments, Education has been required to fund its forced growth and initiatives from within. This has meant having to propose the termination of programs like home management, labour pool officers -- which were established in the Inuvik Region during the peak of oil exploration work -- plans for computer systems development and even the extra support which has been provided to some regions for additional cultural inclusion instructors. Reductions have been placed on travel and discretionary contracts, and supplies and materials. Support for programs such as one-to-one professional development and private sector training on the job have had to be reduced. These reductions, I believe, made a small impact in meeting demands created by forced growth and new initiatives. Clearly, some major reductions have also been necessary.

The Arctic College Board of Governors has had to be very critical in reviewing course offerings, particularly in light of the need to maximize pupil/teacher ratios, and the \$859,000 decrease in CEIC direct purchase support in the coming year. At least three courses with low enrolment will therefore not be offered in 1988-89, to enable funding to be made available for new courses. These include the heavy equipment operator program, welding and the youth care worker program. The demand for the heavy equipment operator program is being carefully reviewed and all funding alternatives investigated for heavy equipment training projects in 1988-89.

The student financial assistance program is also being carefully monitored. Post-secondary enrolment has increased from 585 in 1985-86 to over 900 in 1987-88. Native enrolment has increased from 110 to over 300 in the same period. These increases in post-secondary education are very positive but the budget cannot continue to stretch to meet the demands of all students if benefits remain at their current generous level. In order to live within the budget, the department has analysed the regulations to determine those areas where reductions can be made without seriously compromising the ability of students to complete their education. A number of changes were recommended and presented to the standing committee on finance. After carefully considering the committee's concerns, I have modified my original plan to continue to provide most of the benefits enjoyed by northerners who qualify for loans under our student financial assistance program which, you should know, remains the most generous in Canada. Changes I am now making include:

- 1) Students who receive financial assistance from their employer will have that amount reduced from their student financial assistance entitlement. For example, students who are employees of the NWT government and who receive paid education leave will no longer be eligible for student financial assistance. This change will save \$50,000 in 1988-89 and more in future years.
- 2) Short-term residents will be eligible for one year of remissible loans for each three years they have lived in the NWT. Those people who are very new to the NWT and those who have used their remissible entitlement, but have not reached the maximum assistance available, will be able to apply for loans which are fully repayable.

In 1987, the NWT served notice to the federal government that it was opting out of the Canada student loans program. As a result, effective January, 1990, and for each subsequent year, this government will receive over \$700,000 to set up our own program in place of the Canada student loans program. Few students from the NWT apply for Canada student loans, so we are financially better off to set up our own repayable loan system and use the additional funds to retain our present system of remissions for long-term residents.

Impact Of Financial Assistance Will Be Monitored

These changes are expected to enable the department to continue to provide an excellent level of financial support to students. NWT student financial assistance will still remain the most generous in Canada. As these changes are implemented, I have instructed my staff to carefully monitor the impact to ensure that no category of students is facing unusual hardship.

Mr. Chairman, during the past two years, funds were provided to enable boards and regions to set an elementary school pupil/teacher ratio of 19 to one and a high school ratio of 16 to one. In addition to this ratio for school staff, we have provided support for consultants and other support staff at the discretion of the boards and regions. Last year, we added 25 person years for employing special needs assistants and \$2.2 million in funds for this program. We are now adding

11 school-community counsellors and beginning training for 15 more. As well, and I am pleased to announce this, cultural inclusion funding will increase from \$42 per pupil to \$75, through internal reallocation. It would be great if we could afford to keep our pupil/teacher ratio down, while adding new and necessary services and specialized support, but given the restraint position we are in and the cost of teacher salaries, I see no alternative but to provide funding for teachers to a level that will enable every region and board to have a pupil/teacher ratio of 21 to one at the kindergarten to grade nine level and continue the current high school pupil/teacher ratio which is at 16 to one. To make changes at the high school level would, at this time, only further frustrate efforts to ensure that as many students as possible receive a top quality high school education.

The affirmative action program has been a very successful program that the GNWT supports aggressively. In 1987-88, the in-service training program was increased by two million dollars to provide 50 additional training opportunities for native northerners. Combined with the existing pool of 67 PYs, training positions exceeded demand by northerners and it proved to be impossible to fill all 113 positions. In view of the limited availability of qualified applicants for training, the budget estimate has been reduced by 20 PYs and \$700,000 in 1988-89. Until educational initiatives result in higher overall education levels, training solutions, which demand the completion of some high school courses, will be limited.

To overcome this problem I am proposing to develop a literacy strategy. It will increase public awareness of literacy issues, develop strategies for greater public involvement in overcoming this problem and explore ways of making more effective use of social assistance funds as education allowances.

Affirmative Action Training On The Job

The affirmative action training on the job program has not been utilized as anticipated during 1987-88. It was designed to provide casual funds to allow employing departments to hire a native person on a casual basis to gain experience on the job, to be in a better position to apply for the job on a permanent basis. However, since departments can use the continuing salary funds they saved when the permanent positions were vacant, there would be little negative impact if this program were to be cancelled. A total of \$227,000 will be saved in 1988-89.

The affirmative action academic upgrading program was designed to allow native employees with low academic levels to attend the academic upgrading programs part time. The academic upgrading would allow them to access jobs that are currently unavailable to them because they lack the required education. The concept was good but it was found that it did not work in practice. The employees found it difficult to keep up with part-time education and part-time employment. In order to achieve results, most employees felt that they had to enroll full time, and many applied for and were successful in obtaining short-term education leave for periods of up to six months. This meant that only \$28,000 of the \$73,000 was spent in 1987-88. It is therefore proposed that this program be cancelled in 1988-89.

In summary, the affirmative action program is being reduced by \$1,044,000 and 21 PYs. This leaves the program with a balance of \$2,180,000 and 30 PYs, in addition to the base of 67 PYs.

Plans For Capital Expenditures

The department's capital plan and main estimates for 1988-89 reflect the ongoing requirements to provide school and student residence facilities to meet expanding programs, increasing enrolments and the replacement of ageing and inadequate buildings. The capital plan also provides for college facilities. Projects entering the construction phase in 1988-89 are new schools in Iqaluit, Pangnirtung and Repulse Bay. Schools in Yellowknife, Eskimo Point, Rankin Inlet, Pond Inlet and Gjoa Haven will be completed in 1988-89. As well, the modular classroom units presently being used in Frame Lake South in Yellowknife will be relocated in Detah. As you know, the proposed school in Grise Fiord has been postponed until decisions are finalized with regard to relocation.

A standard design for stand-alone primary/elementary schools has been developed, to make more effective use of our capital funds. The modular design can accommodate schools with between eight and 18 classrooms and can incorporate a medium-sized community gym when required. The design is being used for all schools currently under construction.

Design will commence in 1988-89 for new or replacement schools in Hay River, Paulatuk, Tuktoyaktuk, Cape Dorset, Hall Beach, and Baker Lake. Design will also start for a student residence for Iqaluit Campus of Arctic College and final design for the applied arts administration building at Thebacha Campus is scheduled for next year. Design for a new school for Broughton Island has been postponed for one year since the new school is now scheduled for construction in 1990-91, instead of 1989-90. The delay has been made to accommodate a request by the hamlet council to integrate the proposed school with a new gymnasium to be built by Municipal and Community Affairs. To meet the request, Municipal and Community Affairs will change their plans for construction of a new community hall to a new gymnasium and move the project ahead one year to 1990-91. Building the gymnasium and school as one project will realize sufficient savings to upgrade the gymnasium project to school construction standards.

The department's ongoing program to retrofit old schools to code requirements for the disabled and handicapped will address needs at Diamond Jenness High School in Hay River, Sir Alexander Mackenzie School in Inuvik, and Maani Ulujuk School in Rankin Inlet.

Funding for furniture and equipment and minor projects budgeted as capital in prior years, is now budgeted under O and M expenditures for all activities, due to a change in accounting policy.

I am confident that the main estimates for Education include initiatives that are consistent with our goals and needs. The recommendations of the special committee on education continue to guide our plans and provide the framework to improve the education system. The committee's report made 49 recommendations. I am pleased to be able to tell you that 43 of them have been acted upon and those in which no action has been taken have been set aside on purpose.

In 1985, my department set out a five year plan. Again, I am pleased with the thoughtful planning and goal setting, as well as the implementation schedules. An obvious question is the extent to which the goals and activities have made a difference. In some areas, such as attendance and numbers of students in various programs, success is obvious. Other more complex questions relate to whether or not students now do better in school or in life after school. These are harder to measure. My department has instituted a program performance measurement system and a grade nine territorial student assessment program, as two ways of assessing our success. Tentative results are available and included in the 1987 annual report which I propose to table today.

Those are my opening remarks. Thank you very much, Mr. Chairman.

---Applause

CHAIRMAN (Mr. Zoe): Thank you. The hour being six o'clock, I will now rise and report progress.

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

CHAIRMAN (Mr. Zoe): Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Report of Standing Committee on Finance on the 1988-89 Main Estimates and Bill 1-88(1).

Motion To Accept Report Of Committee Of The Whole, Carried

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

MR. SPEAKER: Thank you, Mr. Zoe. Is there a seconder for that motion? Thank you. To the motion. All those in favour. All those opposed. The motion is carried.

---Carried

Mr. Angottitauruq.

MR. ANGOTTITAUURUQ: Thank you, Mr. Speaker. At this time, I would like to make a comment and record it in this House that I have two gentlemen in the gallery that just came from the Olympics. At the same time, I would like to thank the Department of Economic Development for recognizing my region and my community and letting us participate in the Olympics. So the Northwest Territories has participated and there is no doubt I am proud of the two gentlemen.

---Applause

Their names are Nick Sikkvark and David Nanook.

---Applause

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

HON. DENNIS PATTERSON: Mr. Speaker, could I seek unanimous consent to table the Northwest Territories Education Annual Report?

---Agreed

MR. SPEAKER: Unanimous consent is being sought to return to tabling of documents, Item 11. Do I hear any nays? Mr. Patterson, you have unanimous consent.

REVERT TO ITEM 11: TABELING OF DOCUMENTS

HON. DENNIS PATTERSON: Yes, thank you, Mr. Speaker. I wish to table Tabled Document 79-88(1), the Northwest Territories Education Annual Report 1987. Thank you.

MR. SPEAKER: Thank you, Mr. Patterson. For the record, Mr. Butters was the seconder of the motion to accept report of the committee of the whole today. 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 morning. There will be a caucus meeting tomorrow at 10:00 a.m.

ITEM 19: ORDERS OF THE DAY

Orders of the day for Tuesday, March 1st, at 1:00 p.m.

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 1988-89 Main Estimates; Bill 1-88(1); Minister's Statement 13-88(1); Tabled Document 71-88(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, March 1st, at 1:00 p.m.

---ADJOURNMENT

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