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TABLE OF CONTENTS

WEDNESDAY, APRIL 13, 1988

	<u>PAGE</u>
Prayer	1405
Ministers' Statements	
- 61-88(1) Expo '88, Brisbane, Australia	1405
Members' Statements	
- Mr. Kilabuk on Housing Corporation Statement	1406
Returns to Oral Questions	1406
Oral Questions	1408
Tabling of Documents	1411
Notices of Motion	1411
First Reading of Bills	
- Bill 15-88(1) Education Act	1411
Consideration in Committee of the Whole of:	
- Bill 1-88(1) Appropriation Act, 1988-89	
- Department of Executive	
- Women's Secretariat	1412
- Department of Social Services	1414
- Equal Employment Directorate	1431
- Department of Finance	1434
- Financial Management Secretariat	1450
Report of Committee of the Whole of:	
- Bill 1-88(1) Appropriation Act, 1988-89	1461
Third Reading of Bills	
- Bill 1-88(1) Appropriation Act, 1988-89	1462
Orders of the Day	1462

YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, APRIL 13, 1988

MEMBERS PRESENT

Hon. Titus Alloo1oo, Mr. Angottitauruq, Mr. Arlooktoo, Hon. Michael Ballantyne, Mr. Butters, Hon. Nellie Cournoyea, Mr. Crow, Mr. Ernerk, Hon. Stephen Kakfwi, Mr. Kilabuk, Mr. Gargan, 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 Wednesday, April 13th. Item 2, Ministers' statements. Mr. Sibbeston.

ITEM 2: MINISTERS' STATEMENTS

Ministers' Statement 61-88(1): Expo '88, Brisbane, Australia

HON. NICK SIBBESTON: Mr. Speaker, I have a statement with respect to our small involvement in Expo '88 in Brisbane, Australia. I am pleased to announce that the Department of Economic Development and Tourism will be participating, in a small way, in Expo '88. This event is being held from May 1st through October 31st, 1988 in Brisbane, Australia.

Our contribution to Expo '88 will involve the construction of an inukshuk just outside the Canada Pavilion. I am pleased that we could secure the skills of Mr. Alvin Kanak and his son from Rankin Inlet to build this noteworthy sculpture. As you may be aware, Mr. Kanak's inukshuk at Expo '86 was highly regarded by visitors from around the world. We are also pleased to have the support of Tourism Canada, Canadian Airlines and PCL Constructors, who have agreed to assist us in this venture.

The unveiling ceremonies are scheduled for April 24th, when once again the Northwest Territories will, hopefully, be on the front stages of the world. Mahsi.

Well, that is worth a clap, isn't it?

---Applause

---Laughter

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

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Housing Corporation Statement

MR. KILABUK: (Translation) Mr. Speaker, in the statement I made, and the question I put forward to the Housing Corporation, I found out that I made a mistake yesterday. The question that I asked is recorded in the Hansard and I am asking to have my question retracted because I had inaccurate information. Thank you, Mr. Speaker.

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

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Question 020-88(1): Study On Coal Mines In The NWT

HON. GORDON WRAY: Thank you, Mr. Speaker. Mr. Speaker, I have a return to oral Question 020-88(1), asked by Mr. Lewis, with regard to coal mining in the NWT. Mr. Speaker, I was unable to find a Hudson's Bay coat or a Scottish hat and I had trouble trying to get my Scottish accent back because we are not allowed to come into the chambers intoxicated.

---Laughter

But I wore some Scottish cloth.

The response is to a question asked by the honourable Member which was a supplementary to Question W19-75(1), asked by Mr. John Steen in this House in 1975.

The Hudson's Bay Company archives which were consulted brought forth the following information on coal mining in and around "Ponds" Inlet -- "Ponds" Inlet, I am using the terms of the day.

It was the intention to mine 1500 tons of coal per year: 500 tons to be used by Pond Inlet and surrounding communities; 500 tons for bunker coal; and 500 tons to develop new industries like oil extraction and drying meat and fish.

The coal was thought to be of good quality, as least as good as Nova Scotia's coal, but this was not confirmed by a subsequent analysis done on December 11, 1928, by the Canada Department of Mines.

Over a five year period, the output of the coal mines was as follows: 1924, 30 tons; 1925, 40 tons; 1926, 70 tons; 1927, 44 tons; and 1928, 56 tons. This information was obtained from a letter from Mr. Ralph Parsons, the district manager of the Hudson's Bay Company, to the Governor of The Bay, dated December 22, 1928. One interesting feature of the proposal which was written by Mr. Charles Townsend, who I assume was the post manager at the time, and obviously a Scotsman, was that Welsh and Scots be used for the mining. I presume the Scots were to supply the brains while the Welsh supplied the muscle.

---Laughter

In our own archives I found a report dated April, 1978, prepared by Archtech Services of Inuvik for the Department of Economic Development and Tourism. The title of this report is "Community Coal Utilization in the Northwest Territories". A subsequent study was prepared in November of 1983 by Mr. Peter Poole for the hamlet council of Pond Inlet. The purpose of the study was to determine cff-oil options for Pond Inlet, with special emphasis on the prospects for developing local coal reserves. I also discovered through the good offices of the Commissioner the fact that Petro-Canada in 1981 did a report on the Salmon River coal deposit near Pond Inlet, as well.

Mr. Speaker, I hope this information is useful to the Member and I have copies of all the documents to give to Mr. Lewis from the Hudson's Bay Company archives and other related studies and I am glad to present them to a Welshman, descendant of those earlier mine workers, from a Scotsman, who were going to be their bosses. Nothing has changed in 50 years. Thank you.

---Laughter

MR. SPEAKER: Thank you, Mr. Minister. I am sure the House thanks you for the thoroughness of your research. Returns to oral questions. Ms Cournoyea.

Return To Question 0375-88(1): Evaluation Of Meningitis Vaccine Trial

HON. NELLIE COURNOYEA: Mr. Speaker, I have a return to oral Question 0375-88(1), asked by Mr. Butters on April 12, 1988, regarding the haemophilus influenzae type B, HIB, immunization project:

Mr. Speaker, the trial has not been concluded. To February 19, 1988, 58 infants were enrolled: 39 Inuit, 11 Dene and eight "other". In order to complete the trial there must be 30 Dene babies and 60 Inuit babies involved in each of the study and control groups; that is, a total of 60 Dene and 120 Inuit. The vaccine cannot be approved for licensing until these numbers have been attained and the blood samples which have been taken are analysed. However, in addition to the infants identified above, a further 24 Inuit are enrolled and awaiting their first doses of vaccine.

From these enrolments and from data regarding anticipated births by month in study communities, it is possible to project the dates by which the required number of Dene and Inuit infants will have received three doses of the study or control vaccine schedule. It is projected that the requirements for Inuit participation will be met by July, 1988, and that immunization and blood sample collection will be completed by December, 1988. Dene enrolment will be completed by September, 1988, and immunization and blood sample collection will be completed by February, 1989. Only after the blood samples from 180 babies are analysed will the vaccine be available for general use. This is anticipated for early 1989.

MR. SPEAKER: Thank you, Madam Minister. Returns to oral questions. Mrs. Marie-Jewell.

Return To Question 0290-88(1): Request To Relocate Inmate To Iqaluit; And Further Return To Question 0367-88(1): Removal Of YCC Inmate To Iqaluit

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, I have a return to Questions 0290-88(1) and 0367-88(1), asked by Mr. Kilabuk on March 25 and April 11, regarding Yellowknife Correctional Centre inmate, Mr. Leslie Maniapik. I had given the reply to Mr. Kilabuk earlier but, for the record, I guess I should reply in the House.

Mr. Speaker, in September of 1986, the individual was sentenced to a federal sentence for a collection of serious, violent crimes. On one of the warrants, the judge requested that psychological assessment and follow-up be given to this offender.

On August 11, 1987, he was denied full parole, also on the grounds that he needed assessment and treatment. On August 31, 1987, the individual was voluntarily sent to Alberta Hospital as per the professional recommendations. He returned to the Yellowknife Correctional Centre on September 18 after refusing to accept assessment and treatment help.

He has previously requested transfer to the Baffin Correctional Centre, the most recent being on January 21, 1988. A decision was made to deny the requests due to the fact that this inmate had refused assessment and treatment. As the offender has a history of uncontrolled and violent behaviour in the community, transfer to a lower security environment of the Baffin Correctional Centre was denied until he shows that he is willing to accept help for his problems.

There is a scheduled review to be conducted in May of this year as part of this inmate's prerelease planning procedures, and part of that review will include another assessment of his suitability for transfer to the Baffin Correctional Centre.

The department feels that it is in the best interest of the inmate and the community to keep him at the Yellowknife Correctional Centre until that review. Thank you, Mr. Speaker.

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

ITEM 5: ORAL QUESTIONS

Question 0379-88(1): Status Of Legislation Changes, Workers' Compensation Board

MR. McLAUGHLIN: Thank you, Mr. Speaker. Yesterday during the committee of the whole the Minister responsible for the Workers' Compensation Board advised us, concerning the 133 recommendations that were made in October, 1986, with the intention of leading to major legislation changes after the public review in July, 1987, chaired by Mr. McCallum on a caucus assignment, that there was progress being made toward legislation. I know that in the Department of Justice there is quite a backlog, but I would like to ask the Minister of Justice, concerning the verbal agreement he and I made last October that we would try to get the Workers' Compensation to come up with the money to contract a lawyer to draft the legislation because he did not have enough bodies at the time. What is the status of that within his department now?

MR. SPEAKER: Mr. Minister.

Return To Question 0379-88(1): Status Of Legislation Changes, Workers' Compensation Board

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. In the following discussions with the former Minister responsible for WCB, I indicated that our department would work closely with the Workers' Compensation Board in an attempt to develop legislation. After the election and after discussions with the present Minister responsible for the Workers' Compensation Board, I suggested to the Minister that perhaps a better approach would be for the Workers' Compensation Board to develop a policy paper with options because the recommendations envisioned some fairly substantial changes in philosophy and direction of the Workers' Compensation Board. Because of the heavy legislative schedule we had during this session, because of the many other priorities of the government with Health and NCPC, and actually getting the budget done, it should be developed that way.

So the intention now is for the Workers' Compensation Board, through the Minister, to come forward to Executive Council with policy options. After the Executive Council, in consultation with the board, obviously, has looked at those and made some policy decisions, then would be an appropriate time for arrangements to be worked out with our Department of Justice and the Minister to prepare the legislation. I think it probably would also be advisable, and I advised the Minister, that after we as an Executive Council have decided on some of the policy options, that perhaps we should circulate the equivalent of a white paper out to the various parties so they will have a possibility of input before we actually draft the legislation. So as a government we are still committed to preparing the legislation, but I think the process I have outlined will ensure that the legislation is the sort of legislation that we want.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. McLaughlin.

Supplementary To Question 0379-88(1): Status Of Legislation Changes, Workers' Compensation Board

MR. McLAUGHLIN: I wonder if either one of the Ministers could give me an indication when they expect that the legislation might be before the House. Will it be in the October session or the February session next year? Realizing that it is of great interest to a lot of people -- so there might be quite a bit of debate once any legislation is tabled -- I was wondering which of those two sessions they were aiming at.

MR. SPEAKER: Mr. Minister.

Further Return To Question 0379-88(1): Status Of Legislation Changes, Workers' Compensation Board

HON. MICHAEL BALLANTYNE: At this point in time, until we have carried out the consultation process, I cannot give a definitive answer. We would like to try to have something here for the fall and will attempt to, but if not, it will be in the winter session. We will make every effort to have something before the Assembly in the fall session.

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

Question 0380-88(1): Federal Bill Concerning Sale And Transfer Of NCPC To GNWT

MR. BUTTERS: Mr. Speaker, as of April 12th, from my determination, second reading had not yet been given to the federal bill that is the companion legislation to our legislation for the sale and transfer of NCPC to GNWT. I would ask the Minister of Energy, is there any reason for this delay that should give us cause for concern or the government cause for concern?

MR. SPEAKER: Madam Minister.

Return To Question 0380-88(1): Federal Bill Concerning Sale And Transfer Of NCPC To GNWT

HON. NELLIE COURNOYEA: Mr. Speaker, the only reason why the dates have been changed is because of the issue of attempting to get these documents on the docket. At this very minute or hour, it is anticipated the second and third reading of the bill is being done at this time.

MR. SPEAKER: Thank you, Madam Minister. Supplementary, Mr. Butters.

Supplementary To Question 0380-88(1): Federal Bill Concerning Sale And Transfer Of NCPC To GNWT

MR. BUTTERS: Thank you, Mr. Speaker. When is it anticipated it will be on the Senate docket?

MR. SPEAKER: Madam Minister.

Further Return To Question 0380-88(1): Federal Bill Concerning Sale And Transfer Of NCPC To GNWT

HON. NELLIE COURNOYEA: Mr. Speaker, the arrangements between the Minister putting forth the bill and the Senate are that the Senate would be dealing with that almost immediately. They do not have a date certain at this time, but it was hoped that the end of next week would be the outside date that the Senate would deal with it.

MR. SPEAKER: Thank you, Madam Minister. Mr. Butters.

Supplementary To Question 0380-88(1): Federal Bill Concerning Sale And Transfer Of NCPC To GNWT

MR. BUTTERS: In view of the fact, sir, that this House acted expeditiously to pass the necessary legislation and approved the required loan legislation, is there any possibility that the delay by the federal government in effecting their part of the deal will have negative results for the management of the energy corporation?

MR. SPEAKER: Madam Minister.

Further Return To Question 0380-88(1): Federal Bill Concerning Sale And Transfer Of NCPC To GNWT

HON. NELLIE COURNOYEA: Mr. Speaker, I do not anticipate that the actual proceedings would have a negative impact on management. We have our board in place. As well, we are working diligently in resolving all the issues and management controls as well as the financial arrangements to deal with it. So, Mr. Speaker, the delay is possibly costing the federal government a little bit more money and they are apologetic for their delay because they understand that, and they have been told that this Legislature acted expeditiously in allowing certain bills to proceed in this House. So the only cost, Mr. Speaker, would be to the federal government.

MR. SPEAKER: Thank you, Madam Minister. Oral questions. Mr. Butters.

Question 0381-88(1): Confirmation Of Terms Of Job Offer, Health Transfer

MR. BUTTERS: Mr. Speaker, yesterday the honourable Minister for Personnel took a portion of my Question 0376-88(1) under advisement with the exception of the last part, items one to seven. He indicated that as far as he knew, these issues had been addressed and communicated to the interested individuals at the Inuvik General Hospital and the Inuvik Region nursing stations. My understanding is that to date only one nurse has signed her offer and returned it. There remain 54 nurses who have not signed the offer, 31 in the Inuvik General Hospital and 23 in the nursing stations. My question is that, contrary to the Minister's advice, there has still not been a written confirmation from this government that items one to four have been agreed upon. I understand from discussions on March 15th and 17th, that the government concurred with the items

one to four and indicated to the nursing staff there that a written confirmation of that concurrence would be provided. It has not been provided as of five minutes to one this afternoon. Items five, six and seven are exactly as the Minister said, still under examination and review by both sides.

MR. SPEAKER: Mr. Minister.

Return To Question 0381-88(1): Confirmation Of Terms Of Job Offer, Health Transfer

HON. GORDON WRAY: After the question yesterday I do not yet have an answer for the first part of the Member's question but as I said in the House, I indicated that regardless of what has been done, instructions were issued to the Department of Personnel to send written confirmation. Even if it had been done already, it was to be done again. My understanding is that the letters are ready to be sent out today. That was the last discussion I had with my staff about five o'clock last night.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. Butters?

MR. BUTTERS: I thank the Minister for that response.

MR. SPEAKER: Oral questions. Mr. Lewis.

Question 0382-88(1): Appointment To Economic Development Portfolio

MR. LEWIS: Mr. Speaker, I have had little time to go through this supply of research from the Minister responsible for Personnel and various other departments but my question is to the Government Leader. Having heard how wonderful Scots people are at predicting the demand for things, the need for things and the fact that they expected to mine so much coal in that distant place so long ago, is he seriously considering, given the evidence that would be given by this Minister, giving the responsibility for Economic Development to that individual?

---Laughter

---Applause

MR. SPEAKER: Mr. Government Leader.

Return To Question 0382-88(1): Appointment To Economic Development Portfolio

HON. DENNIS PATTERSON: Mr. Speaker, since I must confess that hidden away in my genealogy is a substantial proportion of Scots blood, I must declare a conflict of interest and decline to answer that question, Mr. Speaker.

---Laughter

MR. SPEAKER: Thank you, Mr. Government Leader. Oral questions. Mr. Kilabuk.

Question 0383-88(1): Distribution Of Planning Document

MR. KILABUK: (Translation) Maybe it will be better if I direct this to the Government Leader. I received a phone call from my community from my constituents. I am wondering if the communities have been given 1990 plans. I am wondering if the organizations have been given the capital plans in those communities. Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Government Leader.

Return To Question 0383-88(1): Distribution Of Planning Document

HON. DENNIS PATTERSON: Mr. Speaker, I believe the honourable Member is referring to the "Directions for the 1990s" paper that was tabled earlier in this session by the government. If I am correct, Mr. Speaker, I would like to inform the honourable Member that I have widely distributed copies in Inuktitut as well as English of the "Directions for the 1990s" document to communities and I have sent to each mayor, including, of course, the mayor of Pangnirtung, a copy of the document. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Government Leader. Oral questions.

Item 6, written questions.

Item 7, returns to written questions.

Item 8, replies to Opening Address.

Item 9, petitions.

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

ITEM 11: TABLING OF DOCUMENTS

HON. NELLIE COURNOYEA: Mr. Speaker, I wish to table Tabled Document 132-88(1): 1987 Annual Report of the Public Utilities Board of the Northwest Territories, in English and Inuktitut.

MR. SPEAKER: Thank you, Madam Minister. Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I wish to table Tabled Document 133-88(1), Public Committees, Boards, and Councils Handbook, of the Government of the Northwest Territories, revised January, 1988.

MR. SPEAKER: Thank you, Mr. Patterson. Tabling of documents. Item 12, notices of motion.

ITEM 12: NOTICES OF MOTION

Notice Of Motion 24-88(1): Terms Of Reference Of The Standing Committee On Agencies, Boards And Commissions

MR. ZOE: Mr. Speaker, I give notice that on Friday, April 15th, I will move, seconded by the Member for Deh Cho, that the terms of reference for the standing committee on agencies, boards and commissions, be approved. Thank you.

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

Item 13, notices of motion for first reading of bills.

Item 14, motions. Item 15, first reading of bills.

ITEM 15: FIRST READING OF BILLS

First Reading Of Bill 15-88(1): Education Act

HON. DENNIS PATTERSON: Mr. Speaker, I move, seconded by the honourable Member for Yellowknife North, that Bill 15-88(1), An Act to Amend the Education Act, be read for the first time. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. The motion is in order. To the motion. Question is being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Bill 15-88(1) has had first reading.

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

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

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

Bill 1-88(1), Appropriation Act, 1988-89

Department Of Executive

CHAIRMAN (Mr. Zoe): The committee will come to order.

Women's Secretariat

We are dealing with the Women's Secretariat. Madam Minister made her opening remarks. In our main estimates book we are on page 2.18 under Executive. At this time, Madam Minister, would you wish to bring in your witness?

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. Yes, I would like to ask the acting executive director to be allowed in the ropes, Ms Jenifer Rigby. Thank you.

CHAIRMAN (Mr. Zoe): Thank you. Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard, chairman of the standing committee on finance, do you have any comments on the Women's Secretariat?

Comments From Standing Committee On Finance

MR. POLLARD: Thank you, Mr. Chairman. The secretariat derives its mandate from caucus and the Assembly. There were no new programs; there is no specific measurement system. Performance is measured by success in fulfilling its mandate. No change in person years.

Travel was discussed under the Executive. Highlights included activities expanded to include an in-depth study of issues of concern to women; strong community liaison activities, as well as involvement in intergovernmental meetings; funding available to community groups to pursue areas of specific interest. The issues and concerns -- and I think this is where my colleague, Mr. Butters, stopped when he was reading it under the PUB -- in response to Members' questioning, the Minister addressed the issue of overlap by the secretariat with other GNWT-funded women's groups. It was explained that there is an attempt to provide complementary services. The work of the secretariat is guided by a five-year action plan. That started in 1985, Mr. Chairman. The Minister addressed the problems and advantages of the council being at arm's length with the government, concluding that the council can be most effective at arm's length. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Thank you. General comments, Women's Secretariat. Are there any general comments on the Women's Secretariat? Member for Yellowknife South.

Review Of Role Of Advisory Council

MR. RICHARD: Thank you, Mr. Chairman. The Minister will not be surprised if I ask, when is it expected that the review of the role of the advisory council and their independence vis-a-vis the secretariat, when is it expected that that review will be completed?

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. In regard to the review, there is some work done by the Women's Secretariat in the administrative part. As I have indicated earlier, I would like to bring the review to completion for the fall session. So I anticipate it will be done, hopefully, by this summer, and that it will be brought forth to the House in the fall.

CHAIRMAN (Mr. Zoe): Merci beaucoup. Mr. Richard.

MR. RICHARD: Mr. Chairman, I understand that the advisory council themselves are meeting next month. Does the Minister intend to involve the current advisory council members in this review process?

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

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. Yes, I intend to. I have had quite lengthy discussions with the advisory council president as to her concerns, which have been all addressed to me. There are further issues to be worked out but I will be consulting with them for further input.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Women's Secretariat. Member for Mackenzie Delta.

MR. NERYSOO: Thank you, Mr. Chairman. If I could ask the Minister, is the Minister going to contact other women's organizations, including the native women's organizations, to make them aware that this particular review is taking place, to seek their input as to what they consider the role of the secretariat or the independent body should be, and also what they might consider their role to be in the renewed organization?

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

HON. JEANNIE MARIE-JEWELL: I have considered that to be one of the terms of reference in the request for the review.

Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. General comments. Women's Secretariat. Total O and M, \$508,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Grants And Contributions, Agreed

CHAIRMAN (Mr. Zoe): The following page, under details of grants and contributions -- I do not believe this has been approved yet. Total grants and contributions, \$649,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. Could I ask the Minister if she could table, Mr. Chairman, the details of the projects, the communities in which those projects are being carried out, and maybe even a short, written summary of those types of projects, at some time? It does not necessarily have to be now, but as soon as she has the opportunity to do so.

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

HON. JEANNIE MARIE-JEWELL: Just for clarification, Mr. Chairman, are you asking for the detailed projects from 1987-88 contributions by the Women's Secretariat? Yes, I would be able to. Thank you.

Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Mahsi cho. The Executive, total O and M, \$13,919,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Thank you. That concludes the Department of the Executive and also the Women's Secretariat. Madam Minister, I would like to thank the witness at this time. Thank you for appearing before our committee.

Department Of Social Services

I believe we will continue with the Department of Social Services, capital. I believe that is the only thing that is outstanding in the Department of Social Services. So we will be dealing with the Department of Social Services with Madam Minister, Mrs. Marie-Jewell. We are on page 12.05 in our capital books. Madam Minister, would you like to bring in your witnesses at this time?

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. Yes, I would like to ask the House if they would allow my deputy minister, Bob Cowcill, and the director of finance, Phyllis Sartor, in.

CHAIRMAN (Mr. Zoe): Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Thank you. We will get into the detail of capital. There is nothing under directorate.

Family And Children's Services

Buildings And Works, Fort Smith, Total Capital, Agreed

Family and children's services. Buildings and works, Fort Smith, total Fort Smith, \$15,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Inuvik, total Inuvik, \$10,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total buildings and works, \$25,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Equipment acquisition, headquarters, total headquarters, \$40,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Keewatin, Total Capital, Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total equipment acquisition, \$65,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Contributions, headquarters, total headquarters, \$70,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Contributions, Agreed

CHAIRMAN (Mr. Zoe): Total contributions, \$70,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Family And Children's Services, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total family and children's services, \$160,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Correction Services

Buildings And Works, Headquarters, Total Capital

CHAIRMAN (Mr. Zoe): Correction services, buildings and works, headquarters. Mr. Butters.

MR. BUTTERS: Mr. Chairman, in the debate on this item some -- it feels like weeks -- but some days ago, during which a new page was inserted into our capital books, a number of Members made some very impassioned statements. Some of those statements contained omissions of fact and I am pleased to see that the Minister of Personnel is in the House because I wish to refer to a statement that he made on that occasion. I wish to point out to the House that one aspect of his statement was incorrect. I do not think he attempted to mislead the House, but it was incorrect in part. I will just read the statement so he will remember what it was. "I have sat in this House for five years and I wished to hell that this House would pay as much attention to issues when the concern is in Rae-Edzo or Baker Lake or Pangnirtung, as we do every time there is an issue that concerns Yellowknife or Fort Smith or Inuvik." Now I have had some research done.

---Laughter

No, it is funny, but I think one should be accurate when one makes a statement, especially when you are referring to constituencies. Now, I did have research done, and the Hansard index for the 10th Assembly and the latter part of the Ninth Assembly under the subject categories of Inuvik, Inuvik Region, and my name were reviewed by our research staff. And that happens to be the exact time that was referred to by Mr. Wray. Now in that time there were seven brief references, some of which I think were raised by my colleague for Mackenzie Delta because they dealt with the services being provided by the Inuvik Regional Hospital. There was one occasion, and probably the longest time in which Inuvik was discussed, when Mr. MacQuarrie was dealing with, on his legislation committee, concerns that the town of Inuvik had with regard to the Property Assessment and Taxation Act. During that time I also made five replies in those five years which took 10 pages of Hansard text. Interestingly enough, Mr. Wray, in his response to the Commissioner's Address in the ninth session of the 10th Assembly, took 16 pages of Hansard alone. So I am saying to the House that the reference that Mr. Wray made to Inuvik in that context was not correct.

CHAIRMAN (Mr. Zoe): Thank you for your comments, Mr. Butters. Correction services, buildings and works, headquarters, total headquarters. Member for Inuvik.

MR. BUTTERS: I wonder if the Minister could indicate to me how many people from the Inuvik Region are currently serving time in the Yellowknife Correctional Centre.

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

HON. JEANNIE MARIE-JEWELL: Mr. Chairman, I believe I updated the information for Mr. Butters when he requested it earlier, but right off-hand I cannot recall the number of inmates in there.

CHAIRMAN (Mr. Zoe): Thank you. Member for Inuvik, any further comments?

Correctional Facility For Inuvik

MR. BUTTERS: Yes, the information that the Minister updated was relative to constituents of mine who are serving in the centre but I think if you looked at the percentage of people from the Inuvik Region who are currently serving time in the Yellowknife Correctional centre, of the 145 or so inmates I think 20 per cent of that population comes from the Inuvik Region. I would like the Minister to address and to look at the initiative of some six or eight years ago to put into the Inuvik Region a correctional facility or a correctional camp, so that people could be served closer to home.

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

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. I would like to refer this to my deputy minister.

CHAIRMAN (Mr. Zoe): Mr. Cowcill.

MR. COWCILL: Mr. Chairman, at this point in time there is no initiative under way to reconsider the requirement for an adult correctional centre in the Inuvik Region. Our present indication is that the existing adult facilities, with the present renovations that have been carried out, are at least adequate for our short-term requirements.

CHAIRMAN (Mr. Zoe): Thank you. Member for Inuvik.

MR. BUTTERS: I think the deputy minister will recall that some eight or 10 years ago there was a capital item in the budget books at that time, which was reviewed on an annual basis to keep up with the requirement. I am sorry that that annual review no longer seems to be carried out. On the matter of adult offenders, during the debate on the young offenders facility and its relocation to Fort Smith, a great deal of time or discussion occurred with regard to the principles on locating such facilities. One of the principles we discussed, and I think the Minister at that time agreed that it was an operative principle, was to provide facilities as close as possible to each young offender's residence. Now we have gone through that debate but I wonder if that principle applies also in the case of adult offenders.

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

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. I guess I should advise the Member that if the need was required and if we do have the money to be able to deliver the program in the regions, we certainly would. If the demand for such a facility was required we would certainly look at it.

CHAIRMAN (Mr. Zoe): Mahsi cho. Member for Inuvik.

MR. BUTTERS: Thank you, Mr. Chairman. I take that to be a "yes". I would point out that it should be a "yes" because the people that are locked away in our facilities are not there for the rest of their lives. We do not throw away the key. They return to society. I, as a result of the Minister's kindness in providing me with the names of my constituents currently in the Yellowknife facility, have on occasion over the last two months visited a number of them. I feel that they would be much better served if they were incarcerated closer to home where they could be visited by relatives, by wives, by family, by friends, to assist them in making the very difficult adjustment

back into society again. I welcome the Minister's answer that she would agree with me on that principle and should the number of people who are serving time in Yellowknife increase, and should money be available, that she would look seriously at providing such facilities closer to the offender's residence.

CHAIRMAN (Mr. Zoe): Thank you. If I may, with the concurrence of the committee, we are dealing with capital. It appears to me that the general questions that are being asked are more of the operation and maintenance questions. So I would suggest Members to basically -- your point of order, Mr. Butters.

MR. BUTTERS: Yes, Mr. Chairman, I was talking about a principle that related to the siting of the facility and you site a facility as part of the planning process to put capital infrastructure in place, so I say my questions are totally in order.

CHAIRMAN (Mr. Zoe): Well, I would just caution Members that we are dealing with capital. We have already discussed operations and maintenance, and my interpretation of your little question there, Mr. Butters, was a little on the falling edge here. But I will let it go for this time. Madam Minister, any comments? If not, Member for Mackenzie Delta.

MR. NERYSOO: Thank you, Mr. Chairman. I would ask, firstly, Mr. Chairman, through you to the Minister, has the department done a review of the capital requirement for open custody facilities or closed custody facilities in the smaller communities, and is this government responding to the needs for closed custody on a minor basis? I am referring to cell blocks in the RCMP barracks which hold these individuals.

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

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. I would like to refer this to my deputy minister.

CHAIRMAN (Mr. Zoe): Mr. Cowcill.

Requirements For Open And Secure Custody Spaces

MR. COWCILL: Thank you, Mr. Chairman. In response to the honourable Member, the department has, on a fairly regular basis, been attempting to update its requirements for both open custody and secure custody spaces. We are having a real problem in the open custody area because there has been a wide variation in demand from month to month. It has fluctuated to a great extent, and so yes, we are fairly constantly reviewing our requirement for open custody spaces, including, wherever possible, making use of small wilderness camps or, in fact, open custody homes which would be similar to a foster care type situation, so that we are not constantly having to construct facilities for that aspect of the program. In the secure custody area, our projected bed requirement -- I think it is approximately 42 -- appears still to be valid. There again, we have had wide variations in demand during the past year. Thank you.

CHAIRMAN (Mr. Zoe): Mahsi cho. Member for Mackenzie Delta.

MR. NERYSOO: No, that is not what I am referring to. I am referring, Mr. Chairman, firstly, to what is being done with regard to community needs. Whenever the RCMP have to lock up a young person who may be causing trouble, or may not be, we may not be able to control that individual once we release him. I do not think we have the facility to do that in any community. I am just wondering whether the department is meeting with the Department of Justice to make available closed custody facilities or at least utilize the facilities that are in the community now to retain those individuals or that particular individual.

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister, or Mr. Cowcill.

MR. COWCILL: With respect to the kind of short-term custody or detention that the Member is referring to, we have designated, I believe in all communities, the use of the RCMP cells where absolutely necessary for temporary detention, but we have not designated the RCMP cells for any longer-term custody. We do not feel that the use of the cells is appropriate except in emergency situations when we cannot find an alternative short-term solution.

CHAIRMAN (Mr. Zoe): Thank you. Member for Mackenzie Delta.

Contrary To Existing Legislation

MR. NERYSOO: Thank you, Mr. Chairman. If I could ask the department and the Minister to review this situation, because I believe we may be breaking the law in certain circumstances where we ask for temporary detention and no cells are available in which adults are not being housed. In fact, it goes right against the legislation that we have been supporting. So I would ask the government to review this situation and meet with the Department of Justice to consider appropriate plans that might be helpful to the RCMP and to the communities as well.

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

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. I will take the Member's concern under advisement.

CHAIRMAN (Mr. Zoe): Thank you. Member for Mackenzie Delta.

MR. NERYSOO: Thank you, Mr. Chairman. In terms of capital expenditures for the planning process, there are a couple of concerns I have. Firstly, the comment made by the deputy minister of 42 beds required in your own key planning principles suggests that we avoid constructing secure custody facilities with a capacity of more than 25 beds. The other concern I have is that the planning principle would suggest a difficulty in recruiting and training qualified staff to man these facilities, particularly outside the Fort Smith Region. I would ask you to review those comments and make the appropriate adjustments because I am not sure if it is truly reflective -- because I am pretty sure that previously we probably said the same thing about the Iqaluit adult centre -- but the simple fact is that once we constructed that building we had a better working relationship and a better situation for people in the Baffin Region and the Inuit, because we were able to recruit Inuit people who can communicate, culturally and in language, with the people with whom they have to work. So I would ask you to review that situation.

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

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. I thank the Member for his comments and I will take them under advisement.

CHAIRMAN (Mr. Zoe): Thank you. Member for Aivilik.

Young Offenders Facility For Keewatin Region

MR. ERNERK: Thank you, Mr. Chairman. If my comments or my statements or my questioning are of aberational nature I know you will cut me off. If not, please let me continue. Mr. Chairman, with regard to the young offenders facilities. Two to three years ago when I was involved with the alcohol and drug friendship centre in Rankin Inlet we encouraged the other communities within the region, especially from Chesterfield Inlet, Baker Lake, Eskimo Point, that we should have a young offenders facility in the Keewatin Region. One of the sites that was selected by the people in conjunction with Social Services people in Yellowknife was a place called Padlei. However, the idea sort of died after people decided that young offenders should be housed by the seashore. The reasoning for that was because young people should be able to learn from both the land and the sea in terms of cultural values, cultural issues, hunting and trapping, things of that nature.

I am wondering, Mr. Chairman, if the Minister is aware of this and if there are any plans to establish such a facility for young offenders for correctional purposes in the Keewatin Region following the idea that we had a couple of years back.

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

HON. JEANNIE MARIE-JEWELL: Mr. Chairman, it appears that this issue was brought forth to the deputy minister some time ago. I am not fully up-to-date on that specific issue. But I am aware that in the event that the demand and request from that specific area is within the available resources and funding, it would be looked at.

CHAIRMAN (Mr. Zoe): Member for Aivilik.

MR. ERNERK: Thank you, Mr. Chairman. I think I am correct in indicating that, as a matter of fact, materials such as drywalling and lumber were brought over to this outpost. The deputy minister refers to it as a wilderness camp. As a matter of fact, some renovations were taking place at that particular facility then.

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

HON. JEANNIE MARIE-JEWELL: Mr. Chairman, if I may I would like to refer this to my deputy minister.

CHAIRMAN (Mr. Zoe): Mr. Cowcill.

MR. COWCILL: Thank you. Our current projection of demand for secure custody is met through the existing planned facilities. As I mentioned earlier, we are constantly having to review exactly what we need by region for open custody resources because the demand has been fluctuating wildly month to month. We could certainly have another look at the Keewatin to determine whether there is sufficient demand for open custody resources and see whether in fact a small wilderness operation is indeed required and feasible.

CHAIRMAN (Mr. Zoe): Thank you. Member for Aivilik.

MR. ERNERK: Thank you, Mr. Chairman and I thank the government for their answer as well. I think it would be good to have some kind of review of the need or a needs study in the Keewatin Region because when I was talking about cultural issues, there is quite a lot of feeling out there in the Keewatin Region where people want to be able to teach their young offenders about the land in order to be able to survive on the land as well as on the sea. I think it is important that we take a look and do such a needs study in the Keewatin Region.

CHAIRMAN (Mr. Zoe): Any comments, Madam Minister?

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. I will take those comments under advisement.

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total headquarters, \$90,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith, Total Capital

CHAIRMAN (Mr. Zoe): Thank you. Fort Smith, total Fort Smith, \$3,229,000. Member for Pine Point.

MR. McLAUGHLIN: Mr. Chairman, the other day when the Minister of Public Works was before the House, I asked him about what type of records were kept by his department on the status of buildings, what their state of repair was. The reason I had asked him that was because when we were going to renovate the facility in Hay River a couple of years ago, I asked my officials after we spent \$400,000 to \$500,000 on a building, surely the building must have more than just a two year life. I was told then that the water boiler heating system in the building and the foundations of the building itself, which are on piles because of permafrost in the area, would require substantive work, probably in the area of half a million dollars again, in order to give that building that type of life. Now we are being told in this savings plan that is going to happen in the movement of the maximum secure custody facility from Yellowknife to Fort Smith, that the building in Hay River now has a good life expectancy.

I told the Minister of Public Works the other day that I would like to see the actual report signed by the official in Public Works, who originally gave the plan to the Department of Social Services when I was the Minister, that the building would only have a couple of years life and I would also like to see the new recommendation or report by Public Works signed by an official in that department, preferably a professional engineer or architect because if this advice was given to us that the building only had two years life in it, that official should be at least reprimanded because now it has longer life. If the life of that building is now being given to us as 10 or 20

years or whatever and if we find out two years down the road that the building has to have a new water boiler heater and has to have new pilings set under the foundations, well then, that official who has put the new report out should go down the road. So what I would like to see is the reports from DPW that went to Social Services giving us two different scenarios -- that the building would only have a couple of years life after the \$400,000 or \$500,000 worth of renovations and the current opinion of DPW that the building will have a fairly indeterminate life.

CHAIRMAN (Mr. Zoe): Nice eloquent speech, Mr. Member for Pine Point.

AN HON. MEMBER: What was the question?

CHAIRMAN (Mr. Zoe): I did not understand the question though, but any comments, Madam Minister?

Renovations To Hay River Facility

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. In regard to the issue that the honourable Member is bringing forth, I had received further information indicating that the facility was evaluated in early 1985. DPW was asked to do an evaluation of the existing building. It was used formerly as the adult education centre in Hay River and as the children's receiving home.

On April 10, 1985 it was reported to the Department of Social Services that the building was sound of structure, that the roof was leaking and the vapour barrier was damaged and that the three original furnaces had only three to four years of life left and would have to be replaced. It was also reported that the windows needed replacing, partitions and finishings needed upgrading. DPW advised that in its current state it was unsuitable for secure custody because of the nature of construction -- it was a combustible building -- but that, if necessary, renovations could be made to temporarily accommodate young offenders as closed custody by including in the renovations a non-combustible cell block.

A cost of \$325,000 was estimated to make good the roof, the vapour barrier and the exterior cladding, installing seven new windows, six doors and to carry out the repairs of interior partitions and finishes, construct temporary secure cells, provide new showers and bath facilities and carry out minimum mechanical and electrical work.

A project was then identified to renovate the receiving home for its use as a temporary young offenders unit, which was for approximately three to four years until permanent facilities could be ready. Therefore a capital budget of \$400,000 was set up and design work was begun in May 1985. The construction was carried out in late 1985 for approximately \$400,000 and in addition to the work mentioned in the report, it was found necessary to provide a new kitchen exhaust hood and exterior fencing. In 1987-88, the furnaces were converted to propane but the original furnaces are still in use and appear to have a few more years of life in them. The original assessment would appear to have been in error.

The building is currently being used as a secure facility although confinement of residents can only take place in the attached, non-combustible cell block. It is estimated that the building has a life expectancy of 15 or more years with continued proper maintenance.

CHAIRMAN (Mr. Zoe): Thank you. Total Fort Smith, \$3,229,000.

SOME HON. MEMBERS: Nay.

CHAIRMAN (Mr. Zoe): Member for Pine Point.

MR. McLAUGHLIN: Yes, I would like to ask then that...

HON. MICHAEL BALLANTYNE: Is there a message there?

---Laughter

MR. McLAUGHLIN: Concerning the minimal mechanical work done, I imagine that refers primarily to the heating system. The Minister indicated that the heating system can operate for a period of time. I would like to know what the estimated capital cost will be to replace the heating system and nothing has been mentioned about the state of the foundations or pilings as indicated to me, at that time.

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

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. I would like my deputy minister to respond further on this.

CHAIRMAN (Mr. Zoe): Mr. Cowcill.

Program Operated Effectively In Hay River Facility

MR. COWCILL: Thank you, Mr. Chairman. We have been assured by DPW that the buildings, with the minor renovations that we have referred to previously, are suitable for 15 to 20 years. This does not mean that five years down the road or seven years down the road one of the furnaces could not clunk. With respect to the foundation, they have indicated absolutely no problem in that respect. I believe that some of the confusion around the potential permanence of this building goes back to when we asked for the initial work to be done. When the Young Offenders Act was first proclaimed we really did not know in total what our capability would be in terms of supervising some of these kids, in meeting the requirement of secure custody in that particular building. As it has turned out, I think largely the credit should go to our staff. We have found in fact that the Hay River facility has turned out to be suitable. So when we have had the condition of the building confirmed as acceptable and good over the longer term we feel that we can continue to operate the program effectively in that particular facility.

CHAIRMAN (Mr. Zoe): Thank you. Member for Pine Point.

MR. McLAUGHLIN: Mr. Chairman, I would like to indicate that I could accept that explanation, basically, if I could just get an undertaking from the Minister of Public Works that some professional person in his department, an architect or an engineer, will submit that information in writing and sign it, that that is the condition that building is in. If the Minister of Public Works can give me that undertaking, then I will accept that explanation on the building in Hay River.

CHAIRMAN (Mr. Zoe): Thank you. Any comments, Madam Minister, or Mr. Wray?

HON. GORDON WRAY: Thank you, Mr. Chairman. I can give Mr. McLaughlin that undertaking. This is the advice that the department is giving us and I would assume that they are therefore -- this is a summary I would suppose of a larger report and therefore I can undertake to provide Mr. McLaughlin with that. Thank you.

CHAIRMAN (Mr. Zoe): Thank you. Total Fort Smith. Member for Pine Point.

MR. McLAUGHLIN: Now that we have resolved the Hay River building situation, I would like to ask the Minister why this facility on this amended page is being called the "Western Arctic maximum secure facility"?

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

HON. JEANNIE MARIE-JEWELL: Mr. Chairman, it was put forth by the department because of the fact that it was in the Western Arctic. It really should indicate the "NWT" or the "territorial".

CHAIRMAN (Mr. Zoe): Thank you. Member for Pine Point.

Location In Fort Smith Not Justified By Statistics

MR. McLAUGHLIN: Thank you, Mr. Chairman. So in fact this building is going to be serving the whole Northwest Territories for maximum secure custody and when the Minister appeared before the standing committee she told us that one of the main reasons she had to defend this move was the very high number of young offenders from the Fort Smith Region. Later, I asked a written question as to exactly how many young offenders came from each region and in the Minister's answer to me, we were told that 26 out of 202 secure custody clients, if you want to call them that, or secure custody young offenders came from the Fort Smith Region. Well, that is 12 per cent and here we are going to put two thirds of our resources, 67 per cent of our beds for young offenders, are going to be located south of the lake where only 12.5 per cent of the young offenders are coming from.

So, once again, I just cannot believe that this is a decision that has been made in the best interests of the whole Northwest Territories or the young offenders that are going to be served and I guess I would like to ask the Minister, is there any change or correction she would like to make in the stats she gave me on my written question about where all the clients are coming from? Has something happened since then, a dramatic change in where clients are coming from?

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

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. If the honourable Member would note when I replied to his question, the Fort Smith Region was separated from the Fort Simpson area, which is technically by this government recognized in the Fort Smith Region. The statistics are as given to him but in actuality if you include the Rae-Edzo area, which has always been under the Fort Smith Region, the Fort Simpson area and the Fort Smith area, you would get a higher number than 26.

I would also like to reiterate that the recurrence of young offenders are basically, at least twice per young offender. So I still would indicate that in my reply to the question, the information would remain as is.

CHAIRMAN (Mr. Zoe): Member for Pine Point.

MR. McLAUGHLIN: Thank you, Mr. Chairman. The Minister can use all the math she wants and I guess if you change that from the Fort Smith Region to the Fort Smith area, it still means that basically if you take off the Simpson, Yellowknife, Rae-Edzo areas, that for the three communities on the south side of the lake that you have left, you basically have 12 per cent of the young offenders requiring secure custody coming from that area and yet they are going to have 67 per cent of the resources and beds for young offenders secure custody in those two communities. It just does not seem to me that this is proper or serving the program like it should.

Effectiveness Of Programs

The other thing is, as Mr. Butters said, when you look at where you locate your capital facilities, one of the determining factors is the O and M costs that are going to be incurred, such as travel and movement of court parties and whatever other costs. You also have to look at how successful programs are. I would like to ask the Minister or her deputy if recidivism rates are kept track of in the young offenders program, which I believe is part of a statistical contract that is made between the federal government and the department.

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

HON. JEANNIE MARIE-JEWELL: The department has recently initiated a system to develop that concern that the Member has expressed.

CHAIRMAN (Mr. Zoe): At this time the Chair would like to recognize Chief Alexis Arrowmaker of Snare Lake who is in the gallery. Welcome to the House.

---Applause

Total Fort Smith, \$3,229,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Zoe): Member for Pine Point.

MR. McLAUGHLIN: Mr. Chairman, I would like to ask the Minister and her officials, how many employees of Social Services are working in each of the three facilities right now?

CHAIRMAN (Mr. Zoe): Madam Minister.

Person Year Requirements For Three Facilities

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. There are currently 19.5 person years identified for the Hay River facility and the Fort Smith facility. There are currently 10 person years in Yellowknife.

CHAIRMAN (Mr. Zoe): Member for Pine Point.

MR. McLAUGHLIN: Could I ask the Minister how many people will be working in these facilities if there is going to be a maximum secure facility in Fort Smith, a medium secure facility in Hay River and a medium secure facility in Iqaluit?

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. JEANNIE MARIE-JEWELL: In each facility, Mr. Chairman, 19.5 PYs or approximately 20 people.

CHAIRMAN (Mr. Zoe): Thank you. Member for Pine Point.

MR. McLAUGHLIN: So right now we are running a maximum secure facility in Yellowknife and we have a medium secure facility in Hay River and a medium secure facility in Fort Smith. So we are going to have an increase of 9.5 person years in order to operate one of these facilities when there is not one in Yellowknife any more. I would like the Minister to explain why it is going to take more person years to make this move from Yellowknife to Fort Smith, to Hay River, to Iqaluit?

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. JEANNIE MARIE-JEWELL: I would like to ask my deputy minister to clarify it. It does not appear that I am clarifying it to the degree that I should be.

MR. COWCILL: Thank you, Mr. Chairman. As the previous Minister will remember, in our negotiations with the federal government, we negotiated a staffing model of 19.5 person years for each of the three secure facilities. The Yellowknife Correctional Centre situation was set up as a temporary model until we had independent facilities to operate. All we are proposing to do is to utilize the person years that we negotiated with the previous Minister's assistance, to operate each of the three programs.

CHAIRMAN (Mr. Zoe): Thank you. Total Fort Smith, \$3,229,000. Agreed?

SOME HON. MEMBERS: Agreed.

SOME HON. MEMBERS: Nay.

CHAIRMAN (Mr. Zoe): Inuvik, total Inuvik, \$15,000. Mr. McLaughlin.

Reprehensible That Standing Committee Was Not Informed

MR. McLAUGHLIN: Mr. Chairman, I do not think you had majority agreement to leave that yet. I think that basically what has happened here is that the Minister made this recommendation to the Executive Council and then, as she said to the standing committee, she was told not to tell it to the standing committee until she had told it to her department. So her department was not involved in making this decision, from what she said.

I think that the Executive Council did not pay very much attention to this decision when they made it and I think it is a mistake. The department aligned the secure custody facilities and the supervision of these facilities with corrections in order to save money. This saving of money would affect our capital program. You cannot just go bouncing around capital money like this when it is going to have downstream effects on your O and M and it is going to affect and be detrimental to the program itself and cause more money to be spent. I have never seen in my eight, going on nine, years in this Assembly, a Minister ever appear before a standing committee before and not be fully outright with a substantive change like this. Never before has the Executive taken the main estimates, after they have already been delivered over to the standing committee on finance, and made a substantial change like this and then not informed the committee.

I realize that with a new Minister, not knowing all the niceties and stuff -- I do not think she purposely wanted to offend the committee but there were certainly experienced Members of the Executive Council who must have known that to do something like this to a standing committee is I think pretty reprehensible. It bothered me to find the Executive Council's decision was on the morning of the 18th and then the Minister appeared on the afternoon of the 18th and did not disclose this. But I do not blame the Minister for it because I think she got bad advice.

Then the next day I get a phone call from a CBC reporter asking me about this capital decision that had been changed and we then find out that this change has happened. So I run down to the standing committee and I ask Mr. Lewis, "Did the Minister advise you of this capital change?" and he said, "No." So we find out upon phoning around that the newspaper, News/North knows about it, CBC knows about it, the Fort Smith mayor and some of the town councillors know about it but they are keeping the Members of the standing committee in the dark. We are the last to know and I think it is an insult to the Assembly and the standing committees of this House. It is one of the worst things I have ever seen done and I still think inadvertently on the part of the Minister, but surely I think the whole Executive Council has to share some blame in the handling of this and it really disturbs me and I hope it never happens again.

I think it was not looked at. In talking with other Ministers on the Executive on this matter when it came up, I found that two of them did not even know that there was presently a secure custody facility in Hay River. So how could they have spent any time looking at this? They obviously did not. I also think it was reprehensible of the press and the media to imply nepotism and pork barrelling because I do not think that is what happened.

Issue Badly Handled

If the Executive Council had made a decision that this is decentralization and this is why they did it, why did they not just come out and say that? We would have said, "Well, we disagree with you maybe but you have done it for that reason." Instead they came up with all these program reasons why they did it which do not make sense and finally, in the end, they end up using the argument, "This is decentralization." Just because it is in Yellowknife, to heck with Yellowknife. So the handling of this was pretty awful, I think. I just cannot let this go by so easily because I have never seen a standing committee treated in a manner like that in the time that I have been in the Assembly. I think it is reprehensible that a decision like this would be made in this fashion.

I just cannot let this go by without spending some time on it. I think it is a very significant thing that is going to affect the attitude of probably seven or eight of us on this side of the House for the next three years and what we think about the eight of you over there and the way you have handled it and the way you have defended it with such disinformation and stuff like that and covering over and not disclosing it until you absolutely had to and we have to find out from other sources.

So I can only think that on the surface it was a mistake and it was kept from us as long as possible and then once we found out about it, it was covered up with a bunch of stuff that did not work and, finally, you just said, "Well, this is decentralization." If that is an example of the way decentralization is going to be handled, if that is the system that is going to be used to do it, I fear for the coffers and treasury of the government.

I do not know. I am not in a situation where I want to vote this item out of the budget because I believe that we do need the facilities in the NWT. We have got the funds. We have negotiated with the officials and I commend the deputy minister, who did all the footwork on that and got this money for us. So I do not really want to vote this out of the budget, but I am beginning to think if we do vote it out of the budget right now, the government does have the opportunity to look at it again and bring a supp in. Maybe that is the route we should go, because I would hate to lose the money, but that is an option the government has if we vote this out of the budget.

I am inclined right now to want to vote this out of the budget, to tell you the truth, if the government is not willing to put this facility back in Yellowknife or look at putting the facility in Inuvik where we find that something like 25 per cent of the clients are coming from, I believe. So I am in a quandary as to what to do here but we will see if other Members have anything to say. I do not know if they do or not.

CHAIRMAN (Mr. Zoe): Thank you. Total Inuvik, \$15,000. You want to return to Fort Smith? I have already called it once and it was agreed. Agreement was reached; unless somebody puts the motion forward, then we can do something to -- you already had your comments, Member for Pine Point. You made your point already. You want to return back to Fort Smith? Any further comments on the total of Fort Smith, \$3,229,000? Agreed?

SOME HON. MEMBERS: Agreed.

SOME HON. MEMBERS: Nay.

CHAIRMAN (Mr. Zoe): Member for Pine Point.

Motion To Relocate Capital For Construction Of Young Offenders Facility To Yellowknife From Fort Smith, Ruled Out Of Order

MR. McLAUGHLIN: Mr. Chairman, I would like to move that the \$1,714,000 allocated for capital in Fort Smith for the young offenders maximum secure facility be allocated instead to Yellowknife for construction.

CHAIRMAN (Mr. Zoe): Member for Pine Point, can I get a copy of your motion? As soon as I receive the motion I will have it typed up and I will have it translated so at this time I will take a few minutes for coffee break.

---SHORT RECESS

The committee will come back to order. Mr. McLaughlin, the motion that you put forward reads: "I move that \$1,714,000 indicated for the maximum security custody facility in Fort Smith be relocated to Yellowknife." The Chair rules that your motion is out of order. Total Fort Smith. Member for Pine Point.

MR. McLAUGHLIN: Thank you, Mr. Chairman. I apologize for making a motion that was out of order, as I did it in haste.

Motion To Recommend That Executive Council Reconsider Relocation Of Maximum Secure Custody Facility To Fort Smith

I would like to make another motion then, and I will just move that this committee recommends to the Executive Council that it reconsider the decision to relocate the proposed Yellowknife YOA maximum secure custody facility to Fort Smith.

CHAIRMAN (Mr. Zoe): Mr. McLaughlin, can I get a copy of your motion, please?

MR. McLAUGHLIN: In expectation of your wise ruling, Mr. Chairman, I gave a copy to the assistant clerk and I believe it is being typed up right now.

CHAIRMAN (Mr. Zoe): Well, the motion is currently being translated. In order for us to wait for the motion to be circulated, I will take exactly 10 minutes, precisely, and then we will return back to our committee of the whole.

---SHORT RECESS

The committee will come back to order. After reviewing the Member for Pine Point's motion, I find that the motion is in order. To the motion.

---Applause

Member for Pine Point.

MR. McLAUGHLIN: Thank you, Mr. Chairman. As I said before, I had the alternative of making a motion to delete the item from the budget, but I do not want to do that because I do not want to lose the facility from the budget and I do not want a vote of confidence in the government because the government has my confidence at this time. So, instead, I am just going to make a recommendation that they reconsider it. I would like to suggest to the Members that they do make a serious reconsideration and some of the things they look at is the fact that north of the lake, and the Inuvik and Kitikmeot areas have the largest percentage, probably about 65 or at least 70 per cent of the total YOA offenders that require secure custody, and so possibly you might want to look at something like having three medium secure custody facilities, none in Yellowknife, and maybe sending the terribly bad actors down south somewhere on a contract with Alberta where they have people who can handle the extreme cases.

Shared Expertise

You should also consider that the Department of Social Services is making a contract with William Roper Hull Home in Calgary to operate a treatment facility for extremely disturbed youth, and that most of the young offenders, especially those requiring remand, and a lot of the ones assigned to maximum secure facilities require that same treatment. If that facility and those staff are going to be here in Yellowknife, then their expertise could be shared in the YOA facility, if it is left in Yellowknife.

You might also consider -- the department has realigned the young offenders secure custody facilities -- moving them from children's services and putting them in with adult corrections in order to be cost effective so maybe you should consider having a young offenders maximum secure custody facility in Yellowknife because there is a correctional centre here, and the superintendent can be responsible for both buildings; put one in Iqaluit because there is an adult corrections centre there, and the superintendent can be responsible for both functions; and leave the one in Hay River open because there is a corrections centre there, and the superintendent can be responsible; close the one in Fort Smith and do something really positive for decentralization -- move the Workers' Compensation Board and its 50 employees to Fort Smith. If you did something like that, I would congratulate the Minister from Fort Smith, and I would applaud the Executive for doing real decentralization. So I think you should consider some of these things and that is all I have to say. That would be a real positive move. The Minister would get 50 jobs in her constituency, you would get decentralization at the same time, and you would still have a more effective young offenders program, in my opinion.

CHAIRMAN (Mr. Zoe): Thank you. Order, order. Could I have some order, please? To the motion. Mr. McLaughlin, I guess you want to wrap it up.

MR. McLAUGHLIN: Mr. Chairman, just the one final thing is that I know talking about moving the 50 WCB jobs from Yellowknife to Fort Smith might cause some concerns here, but it has been proven in the past that just natural growth of the government at headquarters will offset that in just one year and the movement of the treatment contract and those Yellowknife PYs will not show up in the budget. Moving that contract from Calgary to here for the treatment is probably going to put another 15 jobs into Yellowknife as well so that Yellowknife will not even notice if 50 jobs from WCB are moved to Fort Smith.

---Laughter

CHAIRMAN (Mr. Zoe): Thank you, honourable Member for Pine Point. To the motion. Mr. Angottitauruq.

MR. ANGOTTITAUURUQ: The first time we voted on this correction stuff I was in favour of the motion -- no, I opposed the motion that time. But this time, consulting with my constituents, I am happy to say to the Member for Pine Point, that I will support his motion. Yellowknife is a centre and there are a number of people that can visit Yellowknife and go to see their young offenders. That would sometimes indicate to the offender or the prisoner that he is still being remembered by the family or friends and I think that way it could better help some young offenders to go straight rather than taking them far away over the lake where a lot of people do not really go sometimes. In saying that I will just support the motion, just to record why I changed my mind. Thank you.

---Applause

Motion To Recommend That Executive Council Reconsider Relocation Of Maximum Secure Custody Facility To Fort Smith, Carried

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

---Carried

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total Fort Smith, \$3,229,000. Agreed?

SOME HON. MEMBERS: Agreed.

SOME HON. MEMBERS: Nay.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Inuvik. Total Inuvik, \$15,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Baffin, total Baffin, \$2,330,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Keewatin, total Keewatin, \$10,000. Member for Aivilik.

MR. ERNERK: Thank you, Mr. Chairman. Just a question on this \$10,000. What is it for? Renovations, YOA facilities, various.

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

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. Basically that funding is utilized for open custody care required in the regions on a temporary basis.

CHAIRMAN (Mr. Zoe): Thank you. Total Keewatin, \$10,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Kitikmeot. Total Kitikmeot, \$20,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total buildings and works, \$5,694,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Equipment acquisition. Total headquarters, \$55,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Fort Smith. Total Fort Smith, \$30,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Inuvik, Total Capital

CHAIRMAN (Mr. Zoe): Thank you. Total Inuvik, \$10,000. Member for Mackenzie Delta.

MR. NERYSOO: Thank you, Mr. Chairman. On this particular issue of wilderness camps, I just wanted to ask if the government could consider and the Minister could consider the utilization of outpost camps in this particular area. I know that it seems we are identifying it as a separate camp but I think some of the facilities we have in our outpost camps and the type of expertise could be extremely helpful to the young people in teaching them traditional and good hunting and trapping skills. I would ask that the Minister could review this and develop a program in conjunction with wilderness camps and outpost camps wherever this is necessary. I would also recommend that for the adult inmates as well, wherever possible.

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. The issue is currently considered and, in fact, is currently implemented on a small scale version in the Inuvik Region.

CHAIRMAN (Mr. Zoe): Thank you. Member for Mackenzie Delta.

MR. NERYSOO: Thank you, Mr. Chairman. As I indicated, if the Minister could review this situation and maybe ensure that it is not a camp that is sort of in competition with outpost camps, where we can use that expertise to help the young inmates, just so that we do not have duplication of expenditures but rather a program that is extremely helpful in both cases.

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. JEANNIE MARIE-JEWELL: Mr. Chairman, as I indicated, it is currently being implemented and in review, but I will continue to monitor the issue.

Equipment Acquisition, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total Inuvik, \$10,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total Baffin, \$27,000. Member for Baffin South.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. It states here, a wilderness camp for young offenders. There are some wilderness camps for young offenders, outpost camps for young offenders. Would this apply to just the one in Iqaluit or would they be talking about Allen Island? Are the outpost camps included in this?

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. There is some funding allocated for minor capital for the open custody places. They are identified in the budget.

CHAIRMAN (Mr. Zoe): Member for Baffin South.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. She did not give me an adequate response to my question. My question was: The wilderness camps are mentioned in this; are the outpost camps included as well or are they separate?

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. JEANNIE MARIE-JEWELL: Sorry, I should have clarified it. It basically depends whether or not we buy the space from the outpost camps to be able to utilize them in this fashion. Does that answer the Member's question?

CHAIRMAN (Mr. Zoe): Thank you. Total Baffin, \$27,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total equipment acquisition, \$122,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Contributions, total headquarters, \$125,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total contributions, \$125,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Correction Services, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total correction services, \$5,941,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Alcohol, Drug And Community Mental Health

Contributions, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Alcohol, drug and community mental health. Contributions, total headquarters, \$100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Alcohol, Drug And Community Mental Health, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total alcohol, drug and community mental health, contributions, \$100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community And Family Support Services

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Community and family support services. Buildings and works, Baffin, total Baffin, \$20,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total Keewatin, \$60,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total Kitikmeot, \$50,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total buildings and works, \$130,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Contributions, total Fort Smith, \$50,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total Baffin, \$150,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total Keewatin, \$418,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Contributions, Agreed

CHAIRMAN (Mr. Zoe): Total contributions, \$618,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community And Family Support Services, Agreed

CHAIRMAN (Mr. Zoe): Total community and family support services, \$748,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): The following pages are information items. Any questions on page 12.19? If not, any questions on page 12.20? If not, any questions on page 12.21?

Total Capital, Agreed

Total capital expenditures for the Department of Social Services, \$6,949,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Department, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total O and M and capital for the Department of Social Services, total expenditures, \$67,746,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): That concludes the Department of Social Services. I would like to thank the Minister and her witnesses for appearing before our committee. I believe the next department we will be dealing with is the Equal Employment Directorate.

SOME HON. MEMBERS: Agreed.

---Agreed

Equal Employment Directorate

CHAIRMAN (Mr. Zoe): If we can turn to page 7.08 in our main estimates. We are dealing with the Equal Employment Directorate with the honourable Member for Kivallivik, Mr. Wray. Do you have any opening remarks?

Minister's Opening Remarks

HON. GORDON WRAY: Mr. Chairman, as the Members of the Legislative Assembly are aware, I recently assumed the responsibility for the Equal Employment Directorate and in that short period of time I have tried to become familiar with the details of the directorate's activities. Since there are several new faces in the Legislature, I would like to provide some background information on the Equal Employment Directorate and why it was formed in 1985.

The directorate was established to implement the native employment policy. This policy states that the GNWT is committed to a public service which is competent and representative of the population it serves and will support employment and career development of aboriginal peoples indigenous to the NWT. This was established as a government priority in 1985 and I would like to reaffirm that native employment is still a top priority of this government.

To support the policy, all departments were required to develop individual native employment plans based on guidelines provided by the directorate. The plans identify barriers and propose solutions to native employment. They set departmental objectives and identify who is accountable. In June of 1986, these plans were amalgamated in a servicewide plan which sets short term, 1986-87, and long term, 1989-90, objectives aimed at increasing the representation of native people in the public service. These plans are reviewed and updated annually. The plans include special measures aimed at creating equity of employment opportunity in the public service. Such special measures apply to training, hiring and promotion, awareness and public relations, job accommodation, and information systems.

Since its formation, the Equal Employment Directorate has taken a number of steps to address some of the factors, including the enhancement of several existing programs and the creation of several new ones. These programs include basic academic upgrading, training on the job aimed at giving people the work experience they need, a secretarial arts program, a supervisory/management training program for employees working in the trades and cross-cultural orientation workshops. Two existing programs, education leave and in-service training, were significantly enhanced to assist in achieving the objectives of the native employment plan.

Approximately \$3.5 million has been allocated to native employment programs for the 1988-89 fiscal year. Special measure programs totalling over \$2.1 million this coming year are in the Department of Education budget. A total of \$823,000 has been allocated toward native employment and the implementation of action plans within all government departments. The remaining funds are allocated toward human resources support in Personnel, cross-cultural orientation, and DPW and Highways for office space. Because of the fiscal restraints introduced by the government, the \$3.5 million is a reduction from the 1987-88 funding of \$4.2 million. The directorate's budget, which is separate from the allocation of funds for the native employment public service action plan, has also been reduced for this coming year from \$1,116,000 last year to \$1,063,000 in 1988-89.

Mandate To Include Women And Disabled Persons

As part of the native employment policy, the Executive Council indicated that the Equal Employment Directorate's mandate would subsequently be broadened to include women and disabled persons. Work on the development of a policy for women and disabled persons has continued at a steady pace over the past year and the draft policy is currently on my desk. The directorate has been working closely with the NWT affirmative action advisory committee made up of management, labour and representatives of disadvantaged groups to develop and refine a policy that serves the target group needs and states the government's commitment to achieve equality for disadvantaged groups.

The Equal Employment Directorate has a staff of 12 led by an executive director. Seven of the staff are located in the Yellowknife office. Seven of the 12 staff members are equal employment officers. The two working out of Yellowknife are responsible for the Fort Simpson and Rae-Edzo areas. The other five are located in the five regions. These officers provide counselling support services to target group clientele. They work with the regional managers of Personnel but report to the directorate.

The directorate is also responsible for developing and maintaining a statistical data base and talent banking system for target groups, which provides information on individuals who have indicated an interest in working for the Government of the Northwest Territories.

Our initiative in native employment has been a collective learning exercise which has produced results. There are now 25 per cent more native employees in our public service than when we started in 1985. These 1348 native employees represent just over 31 per cent of the administration. We had a net growth of 106 permanent native employees, from 1242 on January 1, 1987, to 1348 on December 31, 1987. Although this is only a one per cent overall increase in the public service, it is a healthy 9.2 per cent increase within the target group. We still have a long way to go and some major barriers to cross to achieve our objective.

We have learned that we have a significant supply problem. Of the 13,000 native people currently in the NWT work force, only 2600 have an education of grade 10 or better. In order to reduce our native employment gap, we must rely heavily on our educational institutions and this represents a long-term goal. The recent forum on continuing education held in Inuvik fully supported the need to enhance the delivery of basic academic upgrading. Only through improved literacy levels in our native labour force will we begin to alleviate our supply problem. In the interim, I can only predict slow steady progress.

Early Amalgamation With Personnel Department

As a result of these findings, it has become rather obvious that the work of the Equal Employment Directorate cannot be fulfilled within the time frame assigned to it, that being April 1, 1990. I have, therefore, instructed the executive director and the deputy minister of Personnel to examine the reamalgamation of these two units immediately, rather than two years from now. Reintegration could reduce some duplication of effort and would give us more effectiveness and efficiency in providing personnel services, while retaining our strong initiative in native employment. Thank you very much, Mr. Chairman. I would be pleased to respond to any questions Members may have on the Equal Employment Directorate's activities or budget.

CHAIRMAN (Mr. Zoe): Thank you, Mr. Minister. Mr. Minister, would you be prepared to bring in your witness at this time?

HON. GORDON WRAY: Yes, sir.

CHAIRMAN (Mr. Zoe): Sergeant-at-Arms, would you escort the witness to the witness table? For the record, Mr. Minister, would you identify your witness?

HON. GORDON WRAY: Thank you. I would like to introduce Mr. Darryl Bohnet who is the executive director of the Equal Employment Directorate.

CHAIRMAN (Mr. Zoe): Mahsi cho. Mr. Pollard, chairman of the standing committee on finance, do you have any comments?

Comments From The Standing Committee On Finance

MR. POLLARD: Thank you, Mr. Chairman. The Minister appeared before the standing committee on finance on January 19th of this year. The mandate of the directorate comes from the native employment policy passed in 1985. There were no new programs. There is no direct measurement of the directorate's performance. The success of the government as a whole in implementing the native employment policy is taken as a measure of performance. There was no change in person years. There was one vacant position on January 19, 1988. Travel is authorized by the executive director and the regional managers of Personnel.

Highlights were work on the development of a policy covering women and the disabled. Issues and concerns include the cross-cultural orientation program. The Minister indicated that the implementation of this program has been successful. The directorate is also continuing in its efforts to improve and strengthen the program. Human resource talent bank. Members questioned how the talent bank is related to initiatives by other departments to determine education and skill levels of the NWT residents. In response, the Minister described the format of the talent bank as well as the reasons why it was created. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Equal employment directorate.

Total O And M, Agreed

Equal employment directorate, total O and M, \$1,063,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): The following page 7.09 is information items. Any questions on distribution of budget? If not, that concludes the Equal Employment Directorate. I would like to thank the Minister and his witness for appearing before our committee. Mahsi cho. I believe our next department we will be dealing with is the Department of Finance.

Department Of Finance

We are on page 5.10 in your main estimates books. Mr. Minister, are you prepared for your opening remarks at this time? Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: Yes, Mr. Chairman, I am prepared to proceed. Mr. Chairman, with the committee's permission, if we could do the Department of Finance, the administration, treasury and comptrollership, and I would like to bring into the House Mr. Nelson and Mr. Nielsen. And then for fiscal policy and for FMS, Mr. Voytilla and Mr. Nielsen.

CHAIRMAN (Mr. Zoe): Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Proceed with your opening remarks, Mr. Minister.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. I will give my opening remarks for the Department of Finance; when I get to FMS, I will give opening remarks for that one when I am sitting at the witness table, with your permission, Mr. Chairman.

Minister's Opening Remarks

Mr. Chairman, the main estimates for the Department of Finance will show that expenditures will increase \$440,000 over the 1987-88 fiscal year's revised main estimates. The budget that is being proposed to this Assembly is designed to ensure the ongoing capability of meeting this department's mandate, goals and objectives. These goals and objectives outlined in the main estimates document are a direct reflection of the management for results system that the department is currently finalizing.

The growth in budget for the Department of Finance represents a 4.6 per cent increase over the revised main estimates of the 1987-88 fiscal year. This growth reflects not only the ongoing requirements for the services that are its responsibility but also new services that the department will be assuming responsibility for. Finance's budget for O and M continues to remain at a constant percentage of total government spending. Since the 1985-86 fiscal year, approximately 1.5 per cent of the total government's O and M has been assigned to the Department of Finance.

The department's employment complement for the 1988-89 fiscal year will increase by six person years, two of which are transfers from other departments. This growth represents a 4.9 per cent increase over the 1987-88 revised main estimates. The staffing complement of Finance, as a percentage of total government staffing, remains constant. Approximately 3.1 per cent of the total staffing has been allocated to Finance over each of the last four fiscal years and will remain at this level under this proposed budget. The use of personnel and financial resources by this department continues to provide significant benefits to the policies of the GNWT and to the ongoing provision of services and programs by other departments and public agencies.

Responsibility Of Department Of Finance

The Department of Finance is responsible for the stewardship of our government's financial resources. This responsibility entails the need for the following key activities: provision of financial and accounting information systems to assist in the management of programs and services; ongoing monitoring of the government's financial position; administration of tax programs; ensuring all financial operations and information are consistent with accepted Canadian accounting principles; management of the collection of accounts; provision of insurance coverage for government assets and personnel resources; ensuring all disbursements are made promptly and in an effective, efficient and controlled manner; overseeing the government's entire investment program;

preparation of the public accounts, as audited by the Auditor General of Canada; development of fiscal policy initiatives of the government, including taxation policy and multiyear fiscal plans; and advising on intergovernmental fiscal relations. This responsibility includes analysis and recommendations on all matters related to formula financing, the fiscal aspects of the northern accord and federal-provincial-territorial fiscal issues.

The department offers financial and advisory services to all departments as well as to boards and agencies. Training was offered throughout 1987-88 to departments, boards, agencies and regions on the impact of the new Financial Administration Act and the responsibilities that arise from it. Finance is developing, for implementation April 1, 1988, the systems required to operate the Fort Simpson area office. These systems can provide a guide to any future regionalization or decentralization of this government.

Finance provides these special purpose services, along with other such special projects as are listed on page 5.07 of the main estimates. These projects assisted specific departments, boards and agencies in their processing of information. As well, the investment program safeguarded government assets so well that during the falling securities markets of October and November of 1987, the government portfolio actually earned substantial interest revenue. These special services are in addition to the ongoing processing of our government's financial transactions. These transactions are anticipated to total over 2.5 million in 1987-88, an increase of over 20 per cent in each of the past four fiscal years. In conjunction with these volumes, an ever increasing number of cheques are produced, including over 53,000 supplier cheques in 1986-87 and 96,000 payroll cheques in that same fiscal year.

Increase In Department's Budget

The budget for the department will increase by \$630,000 in salary and wages. Of this increase, \$220,000 results from the six new person years, \$310,000 from collective agreement salary increases, and \$100,000 from a transfer from other O and M. Other O and M will decrease by \$190,000 with \$100,000 being transferred to salary and wages and \$90,000 being cut as part of internal restraint. The six new person years include two transferred from the Executive, a new payroll clerk and a secretary, due to forced growth, a tax auditor to expand recoveries from the audit function, and a risk management analyst to review the GNWT insurance practices.

Revenues, exclusive of the grant from Canada and prior year recoveries, will decrease by three million dollars to \$81 million. Increases in personal income tax and property tax will be more than offset by decreases in corporate income tax, tobacco tax, fuel tax, and investment interest. Prior year recoveries from the NWT Housing Corporation totalled over six million dollars in 1987-88 but are of a one-time only nature.

In summary, this budget is designed to provide the necessary resources to meet the department's responsibilities not only for processing transactions, but also for providing those special purpose services that are required in our ever more sophisticated financial environment. Mr. Chairman, with these opening comments, with the committee's permission, I will bring my witnesses in and get into the main body of my budget.

CHAIRMAN (Mr. Zoe): Does committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Proceed, Mr. Minister. Mr. Pollard, as chairman of the standing committee on finance, your committee's response.

Comments From The Standing Committee On Finance

MR. POLLARD: Thank you, Mr. Chairman. The department's mandate is derived from legislation and policies. New programs include additional costs due to the forestry transfer, construction insurance and devolution of the Fort Smith Region to Fort Simpson. The department has an evaluation system using established goals and objectives. There is an increase of 6.4 person years and in January there were 22 vacant positions. Travel is carefully monitored by senior management.

Issues and concerns: With person years, there was a lengthy discussion regarding the differences between person years and positions and why the distinction exists. The Minister has offered to hold a briefing on the subject. The committee will add the briefing to its schedule at a future date. I should put in there, Mr. Chairman, that this is person years in regard to the whole government as opposed to just this department. With regard to questions on treasury branches, in response to a Member's question, the Minister indicated that the government was considering the possibility of an NWT treasury branch. The Minister explained the effect of the departmental reorganization on the department's ability to provide a more efficient and timely service. With regard to Fort Simpson, Members indicated that decentralization to Fort Simpson was an issue throughout the budget review and asked for an explanation of this decentralization. The Minister offered some information and also suggested that the question be put to the Government Leader who would be able to provide a more detailed explanation.

The Minister indicated that the government has made an effort to implement the recommendations of the Auditor General's report. I should also point out that throughout the time that Finance was before the committee, Mr. Chairman, not only the department was talked about but also general financial information throughout the GNWT. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Department of Finance. Does the committee agree we go into the detail of the budget? General comments. Mr. Richard.

Letter From Yellowknife Chamber Of Commerce

MR. RICHARD: Mr. Chairman, with respect to the Minister of Finance's budget and budget address, back early in this session the Minister received a letter from the Yellowknife Chamber of Commerce dated February 12, 1988. It was a lengthy letter in which the chamber of commerce congratulated the Minister and then set out some comments or observations on some of the statements he had made in the budget address. I am wondering if the Minister of Finance or his officials have had an opportunity yet to respond to the chamber of commerce letter.

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

HON. MICHAEL BALLANTYNE: I made a statement in the House. I dealt with the issues that were incorporated in the letter from the chamber of commerce. I thought I had responded to the chamber of commerce but I will check into it. If I have not, I will make sure I do. All those points were dealt with in the House and if I did not, I should have. It was inadvertent if I did not respond to their specific letter.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Department of Finance. Member for Yellowknife South.

MR. RICHARD: One of the references in the chamber of commerce letter is the base review that Mr. Pollard's committee had recommended be done, a comprehensive base review, and they also refer to the task force program review which I asked the Minister about earlier this session. I know the Minister told me one day in question period that once we release him and his colleagues from this session so that he can get back to a normal work day, it is his intention to revisit the task force on program review this coming summer.

Tabling Of Report

The chamber of commerce letter refers specifically, however, to the report that was already done by Hornal Consultants Ltd. of Vancouver and recommends that that report that has already been done should be tabled in the Legislature, or should have been tabled in the Legislature, for consideration during these budget debates.

What is the status of that document? Is that something that we have to fight about getting access to, or is it something internal that the Minister is not prepared to release to the Members and to the general public? What is the status of it in the context of the review he has promised to conclude this summer?

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

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. As I recall, in response to an oral question from the Member when he inquired about that review, I outlined the problem that I am facing, that the new Executive has not looked at it and since I have responded during this session, we have not had an opportunity to look at it at all. What I intend to do is have the Executive look at it to see if we are going to adopt part of it or all of it, see what portions of it and then from there -- and I said I intend to get into this this summer as soon as we have finished -- start the process of a base review. But I think the comment I made in response to the Member's oral question is that I would be more comfortable with at least letting the Executive Council formally review and decide what portions of it they want to use before I make it available to the public or to the House because there might be some things in it that might raise some false expectations. There is new information. There is a new government.

I would be quite prepared, though, in the next session to make that available for Members and to fully explain to Members the basis on which decisions were made as to the base review which would have taken place by that time, by the fall, and try to get some sort of a logical connection between that first review we had from Hornal and associates and what we will decide to do in the next three or four months.

CHAIRMAN (Mr. Angottitauruq): Department of Finance. Mr. Pollard.

Spending Spree At End Of Fiscal Year

MR. POLLARD: Thank you, Mr. Chairman. Mr. Minister, late last fiscal year, I asked if your department had circulated anything to indicate to the departments no end-of-year spree on spending, and yet I believe something of that nature took place. I know it is a shame, Mr. Butters. I know that you are just shocked. I realize that. As Minister of Finance you fought against it but I believe there was a possibility, sir, that it happened again in the last fiscal year. I wonder, Mr. Minister, is there anything that you can do to prevent these end-of-year sprees? Thank you.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. MICHAEL BALLANTYNE: With an \$800 million budget I think it would be naive to assume that we can correct all bureaucratic enthusiasm in March. But I think that I was successful to a certain extent in impressing upon the Ministers and the deputy ministers that money that might be left over, for instance in a surplus at the end of the year, and is not needed by the department could have potential use in the next year for the common good and maybe be reallocated in a global sense. I think that we are making progress in that area.

The major message that I have been trying to get across to the cabinet, and I think they have been listening with a fair amount of attention, is that we have to think as a government and we cannot think as a series of departments. Though we might not be absolutely pristine in our efforts to curb spending, I think we have improved the situation considerably.

CHAIRMAN (Mr. Angottitauruq): Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. I wonder if it is the fear that if we do not spend the money we may never get it again that encourages departments or departmental managers to try to spend those funds. So I would ask, is there any reason for managers and departments to be afraid that they may not get those funds back again if they do not spend them in a particular fiscal year? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. MICHAEL BALLANTYNE: No, I think the Member's observation is correct. Historically there has been a fear in every bureaucracy back to the Greek times that what is not expended in a certain base year, then the next year they will say, "Well you did not need it, so we are going to cut you." I think it is a valid observation. The point that we have tried to make to Ministers and to deputy ministers is not to fear that; that if, in fact, in the next year they can justify the same base level expenditure, it will not be taken away from them. I said that I do not think, as a new Minister of Finance, it will change a set mind overnight. We are always going to have a certain amount of that, and quite rightly deputy ministers must have quite a subjective interest in the good of their departments and the programs of their departments. I think that is healthy.

What we are trying to do is to set up some checks and balances, or more checks and balances in the system. Again I say that fear is there, that fear will always be there, but we are attempting to alleviate that fear. I think we are making some progress, but I do not think that a good civil servant will ever totally lose that fear.

CHAIRMAN (Mr. Angottitauruq): Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. Through you, Mr. Chairman, to the Minister, is there a large amount of competition between Ministers for slices of the budget? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister, is there?

Healthy Competition Amongst Ministers

HON. MICHAEL BALLANTYNE: As in all ministerial systems of government, when a Minister takes responsibility for a certain portfolio, obviously the Minister has a lot of interest in that portfolio and wants to accomplish good things for the public using the medium of the portfolio. I think that sort of competition is, in fact, healthy. I think what the Member sees is each Minister trying, through their portfolios, to try to do things which the Assembly or the people in the Territories are asking for. So there is a certain amount of healthy competition.

--Laughter

The challenge of a government, and the Government Leader obviously has to take a strong role, and the Minister of Finance has to take a strong role, is to try to harness the creative energy of Ministers to a common good.

---Laughter

I think that in our government, like all governments, there are Ministers who are perhaps more skilled than other Ministers. Also you are always going to find that there are areas that the Legislative Assembly decides are more important than other areas. That would be a prime reason why one portfolio, for instance, may get more resources than another. Thank you.

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

MR. POLLARD: Thank you. It is normally the other way around, Mr. Richard. The Minister used a number of phrases there, like "healthy competition", which leads me to ask the question, through you, Mr. Chairman, if healthy competition amongst the Ministers decides how the budget is divided up, and we have seven Ministers and a Government Leader who also acts as a Minister, and they are all in there scrambling away at the pie of money, how can we expect the policies or what is put forward in this Legislature to be represented in a financial sense? Because surely the Minister who can holler the longest and the loudest, and make the biggest case -- and in that case it would be the Minister of Finance when you come to largeness -- how can that really be healthy for the Government of the Northwest Territories and for the people up here, if there is that healthy competition? And I think it is probably a little more healthy than the Minister would admit.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

Other Dynamics In Determining Allocation Of Budget

HON. MICHAEL BALLANTYNE: I think the Member must recognize that the so-called healthy competition between Ministers is only one of the dynamics that is in place. I think there are a number of other dynamics in place in setting out, preparing and presenting our budget. In the course of a given budget session, in the course of the meetings of the standing committee on finance, a number of directions are given to the government. I think in our system, the consensus system, at their own peril would the government blatantly ignore the concerns and the priorities of the Legislative Assembly as a whole. For a broad policy direction we, probably more than any other legislature in the country, listen to direction from this Assembly and from our standing committee on finance.

Another dynamic which can be improved upon, and we are going to attempt to improve upon, is that before we actually get into the nitty-gritty decision-making of which departments get increases and which do not, this particular government is embarking on priority-setting exercises. I do not pretend that the results will be perfect but the intent is that decisions based on the meetings of

the Assembly, and the decisions based on the collective feeling of the cabinet as a whole, will be agreed to before we get into the specifics of allocating money. It is something that probably could have been done more in past years, and it is something that in years to come the government will have to improve upon, but we are trying to get away from the situation that the Member describes, where a strong, vocal Minister can force-feed his department through the process and do better than another Minister. We are trying to get away from that. It seldom happened in the past.

I think that there are more and more safeguards in our system and more and more realization in the cabinet that we are a group and we are not individual Ministers. By the powers that this Assembly has given to the Government Leader, now we have a much better possibility of achieving some collective decision-making than we did in the past. The Government Leader did not have quite the same range of powers.

CHAIRMAN (Mr. Angottitauruq): Mr. Pollard.

Intervention By Government Leader

MR. POLLARD: Are you indicating, Mr. Minister, that the Government Leader could intervene in a budgetary matter and maybe divert funds from one department to another if he saw the priority there as a government? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. MICHAEL BALLANTYNE: The chairman has an interesting way of putting matters. I would probably phrase it in a slightly different way. I will answer it in a little bit different way than the way the question was posed. If the Government Leader saw that there was a lack of logical process in a certain decision, I am certain the Government Leader would convince the seven other honourable Members, by the powers of persuasion and logic, that perhaps it should be looked at again. And I am sure we would collectively agree.

CHAIRMAN (Mr. Angottitauruq): Department of Finance. Mr. Pollard.

MR. POLLARD: At a later date I would like to hear the Government Leader's view on that subject, Mr. Chairman. Perhaps, through you again, Mr. Chairman, to the Minister of Finance, what role does the Minister of Finance play in putting together this budget? I know he is responsible for the actual document, and I see quite a bit of him so I know he works very hard at it. I wonder how much say does he have in the putting together of the budget. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

Role Of Minister

HON. MICHAEL BALLANTYNE: Under the new Financial Administration Act the Minister of Finance has defined responsibilities, and so I have gone through one budget exercise. A large component of this budget had already been put together before I became Minister of Finance. Obviously, as I get more into the job I will be learning how to be more effective in the position of Minister of Finance, if I am still there a year from now. But because I am, as Minister of Finance, chairman of the Financial Management Board, and as chairman of the Financial Management Board I am the de facto Minister who works closely with the FMS, I am privy to a lot of information and a lot of information about the total government. That information in itself will be a great tool in attempting to assist Ministers in developing a budget.

Also, as Minister of Finance, my responsibility will be to look at new revenue sources. If, for whatever reason it seems that those revenue sources, as has been the case in the past, are not that easy to access, I will have that information to bring back to the cabinet and say, "Look, we do not have a lot of new money; therefore I would suggest that we have to use economy with the money we have." So I see this position as Minister of Finance evolving, as it has for the six years, I think it was, that Mr. Butters was Minister. I see that role becoming more critical, more important. I think the major tool that a Minister of Finance would have in giving advice to his or her cabinet colleagues is access to information.

CHAIRMAN (Mr. Angottitauruq): Mr. Pollard.

MR. POLLARD: Mr. Chairman, I believe that the Minister of Finance is responsible for the fiscal policy of the government and I wonder if he could tell us how he derives the policy. Then does he take it to cabinet and discuss it there, then it becomes a policy of the government as a whole? Or is the policy developed as a government, and he merely carries the message forward? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

Basic Fiscal Framework Decided

HON. MICHAEL BALLANTYNE: Looking at fiscal policy would include the development of fiscal framework. The way it has worked in the past, and I speak as a Minister having the benefit of only one budget, is that in FMB I might intend to bring forward some concepts on a general approach, to see if there is agreement. For instance, this year it was decided that we would attempt to attain a balanced budget and try to get that general agreement toward a balanced budget. Then it would be my responsibility as Minister of Finance to bring forward a fiscal framework with taxation alternatives to the cabinet. If the cabinet agrees with the basic fiscal framework, that would be our starting point. For instance, this year we started off no PY growth, balanced budget, and no taxation. The departments are then told that these are the limitations of what they can expect in the year. The Minister of Finance is a very key person in putting those components of a fiscal policy together. That also includes arrangements with Ottawa on formula financing, for instance, and any number of third party agreements that we are dealing with.

CHAIRMAN (Mr. Angottitauruq): Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. I would like to ask the Minister, if he retains his position as the Minister of Finance, would he still advocate, in the next fiscal year, 1989-90, a balanced budget?

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. MICHAEL BALLANTYNE: Yes, as I said to Members of the standing committee on finance, that is my intention. At this time I cannot give Members of the Assembly ironclad guarantees that that will be the result, because I do not know what is going to happen next year, and neither do you. But I can give my assurance, and I think the assurance of my colleagues, that we will try to the best of our ability to present a balanced budget next year.

CHAIRMAN (Mr. Angottitauruq): Mr. Butters.

Merit Pay For Fiscal Management

MR. BUTTERS: Mr. Chairman, a question following up on the honourable Member for Hay River's inquiry regarding last minute expenditures by staff in the fiscal year. I wonder if the Minister of Finance for this government is considering the recommendation that when the Executive is awarding merit pay for performance, that fiscal management would be an element under consideration, and that you would reward managers who save money, as well as managers who spend money.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. MICHAEL BALLANTYNE: I think the objective the Member is putting forward is a good one. There have to be safeguards built in because we do not want a situation where there is some artificial saving of money in order that somebody could win some kind of performance award. But I see what the Member is saying. A system can be devised where there are rewards for things other than which deputy minister or civil servant can spend the most. I think it is definitely worth looking into.

CHAIRMAN (Mr. Angottitauruq): Mr. Butters.

MR. BUTTERS: My belief is that the government has not, in the past, rewarded those individuals who were responsible and serious money managers. Too often I think expenditures of the type that was described by my friend, Mr. Pollard, are allowed to occur and possibly even be condoned.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. MICHAEL BALLANTYNE: I think that is a valid point.

CHAIRMAN (Mr. Angottitauruq): Department of Finance. Mr. Richard.

MR. RICHARD: Mr. Chairman, I have some questions about a specific area and I am not sure on which page it should properly fit, so I am going to try it now. My questions have to do with funds that appear in the budget book here in various departments, under "detail of work performed on behalf of third parties". I had begun to ask the Minister of Justice, back when we were doing the Justice budget, questions about this, and the particular item there was the COPE settlement funds. In various departments here, there are funds identified as information items only, that are described as being funding that has been provided to our government from the Government of Canada but which was negotiated by the parties to the COPE settlement agreement; moneys that our government is supposed to spend, but for specific purposes. Mr. Chairman, if I could through you ask the Minister to refer quickly to page 9.22 under Justice and maybe also page 12.23 under Renewable Resources, just as examples.

Check On Specific Funding

My concern if I can try explain it, is that we are getting funds from the Government of Canada to be spent for specific purposes only. I do not know how long that is going to go on. But my concern is, who is checking to see whether these funds are actually being spent for these specific purposes intended, as opposed to these funds simply being lumped in with departmental revenues and spent with other departmental revenues generally, for department purposes? Is that enough of an explanation? I am wondering if the Minister could attempt an answer to that.

CHAIRMAN (Mr. Angottitauruq): Mr. Minister.

HON. MICHAEL BALLANTYNE: I will attempt to answer that. We are talking about specifically those Inuvialuit or COPE dollars, as an example. At the end of the year the Department of Justice has to file a claim with the federal government, to justify those expenditures. It has to be approved by the federal government. It is the departmental responsibility, but obviously FMS and finance officials are involved in it. It is up to the department to convince the federal government that those funds were expended. That is the check. Also, I can say it is audited and I am told that they are kept track of separately through the year. They are audited at the end of the year and the federal government has to agree to a claims form system.

CHAIRMAN (Mr. Gargan): Department of Finance. Mr. Richard.

MR. RICHARD: Mr. Chairman, that answer was not quite clear. The Minister indicated, a little, that Finance and FMS were involved. It appears what he is saying is that it is an issue directly between the recipient department, say Justice, and the Government of Canada, and there is no watchdog role or audit role by FMS or the Department of Finance. Now, could the Minister be clear on that?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: My understanding is that the major responsibility is the department's, demonstrating to the federal government that the funds were expended as per the agreement. There is a peripheral involvement of the Department of Finance and FMS in the co-ordination of the claim, but the major burden of responsibility falls upon the client department of government.

CHAIRMAN (Mr. Gargan): Mr. Richard.

Person Years For A Specific Purpose

MR. RICHARD: Mr. Chairman, I guess with my inherent cynicism I would want to see, and let us use Justice as an example, that those funds have been spent, because according to the book here, we are in at least year two of receiving and spending these funds. If I ask the Minister of Justice -- and you know him, he is a different guy -- I asked him, and maybe with a more liberal chairman than we had earlier this afternoon, I can ask it now. Can you identify for me, say in the Justice example, names of the people who were referred to on page 9.22, under detail of work performed on behalf of third parties? "Two person years are required in order to meet" requirements under one paragraph. Another "person year is required for" a program under another paragraph. Can the Minister of Justice identify for me who those individuals are, in the Department of Justice, who are basically working for that specific purpose only?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: The answer is, right at this moment, no. I will have to check this. I will get the information to the Member. I see the point that the Member is making, that we are being paid for a person year's work. It might be that during the course of a year there might be four people who do one PY's work on this. If I can get that information to the Member, I will. I do not have an immediate answer to that right now.

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

MR. RICHARD: Mr. Chairman, I would like to make a formal request -- and maybe it is not fair to the Minister of Finance -- of him and his colleagues to get a report on this. There is a double-edged concern here, Mr. Chairman. These moneys were negotiated for a good reason. Our government should be undertaking these studies and the tasks that are a direct result of the COPE settlement agreement. The parties to the COPE agreement, in their wisdom, negotiated sums of money to recompense our government for the cost of these additional tasks. But if the tasks are not being performed and we are taking the federal government money and spending it somewhere else, the tasks will still have to be performed later and we are going to have to use our own resources to perform these tasks.

Funding For Tasks Carried Out By Our Government

How do we know that the funding that the Government of Canada is approving is actually sufficient to do the actual task if it is not being done? The Department of Justice example, Mr. Chairman, is a small one, because I see the funding is in the last two years at a level of \$120,000. But over in Renewable Resources the funding level has been of a magnitude of \$1.2 million, and in this coming year, \$2.5 million. I have a concern for our government -- I am not too concerned about federal government money being wasted -- but whether our government is going to get caught here carrying out a task for which we do not have proper funding from the federal government. So I would ask if the Minister and his officials, Mr. Chairman, could make a note of that, and at some time indicate to the committee or to myself, it does not matter which, whether from our government's perspective -- not that of the people in Ottawa who write cheques -- but from our government's perspective, whether these tasks are in fact being carried out by employees of our government. Because they are substantial sums of money and they are substantial tasks that have to be done. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: I will make that information available.

CHAIRMAN (Mr. Gargan): General comments. Does the committee wish to go through the details of the Finance department? Okay.

Administration, Total O And M, Agreed

We are on page 5.10. Administration, total O and M, \$1,438,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Treasury, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Treasury, total O and M, \$2,508,000. Agreed? Mr. Nerysoo.

MR. NERYSOO: Could the government indicate what is the status of our investment activities? Has it been good for the year? What does the government in its own forecast consider good for our investments for the upcoming year, for the return to be good?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: Our investments are pretty well dead on track and we think we are doing quite well.

CHAIRMAN (Mr. Gargan): Thank you. Treasury, total 0 and M, \$2,508,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Comptrollership, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Comptrollership, total 0 and M, \$5,626,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Fiscal Policy, Total 0 And M

CHAIRMAN (Mr. Gargan): Fiscal policy, total 0 and M, Mr. Butters.

MR. BUTTERS: Mr. Chairman, the second phase of Michael Wilson's taxation policy will probably be together and in place should the Conservatives be re-elected by November of this year. Could the Minister indicate his plans for consulting with the people of the Territories and doing the required research to determine the impacts of the second phase of Mr. Wilson's taxation policy on the people of the North?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: As the Member knows, at this point a final decision has not been made as to the specifics of the phase two of tax reform, but to bring the Member up-to-date, I have carried on with the initiatives that were begun by the former Minister of Finance. I have met with Mr. Wilson, I have written him on a number of occasions, and our staff has been meeting regularly with Department of Finance staff on this issue, as well as other issues. I have set up a group of business people who are actually doing some in-depth analyses of the problem with a view to getting a number of alternative approaches that we might want to take. Once the session is over, I hope to get input from other areas of the Territories. I, as has the former Minister of Finance, have written to hamlets, to native organizations, and I have written to chambers of commerce across the Territories. As the Member found out, it is an issue that until it happens, probably the general population will not get upset about. So it falls upon us, I think, to do that work. I intend, once this session is over, to carry on with those initiatives and we have made it a major priority of the department to try to get some relief from the proposed phase two of the federal government's tax reform.

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

MR. BUTTERS: What is the latest date by which Mr. Wilson has determined that he will have that phase two of his taxation regime approved by the cabinet?

CHAIRMAN (Mr. Gargan): Mr. Ballantyne.

No Firm Date Set For Phase Two Of Federal Tax Reform

HON. MICHAEL BALLANTYNE: The decision has not been made yet. It is a fluid situation. It obviously has major political implications. I think it will be considered in light of those implications. So there has not been a firm date set yet at this point in time.

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

MR. BUTTERS: Well, obviously the easiest aspect of the new taxation regime to set up was the first phase, which is already in place. I think that the second phase will have a number of problem areas, especially difficulties for people resident in the North, unless we are able to get to Mr. Wilson and his policy advisers and inform them that the reality of northern Canada is that we are already taxed by distance without having the benefit of Ottawa-developed policies imposed upon us. What I would like to hear from the Minister is that -- this is all speculative, but I would suspect that the Conservatives will go to the people in September, and my own feeling is that the Conservatives will be re-elected, although my Liberal colleagues may not like to hear me say that.

That being the case, if I were Mr. Wilson and returned to office as a Finance Minister, I would want to get the second phase of the taxation regime in place early in my mandate. So I would expect that it would be the end of the fiscal year. On that scenario, when will our Minister have his position paper in place? When will his consultation occur with the standing committee on finance? When will he advise this House of the particular action he is going to be taking, and seek support from us to strengthen that initiative and recommendation?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: As the Member knows, for the past couple of months I have been reasonably occupied in the House. One impact that we, along with other regions, have had on the federal government -- and it is a viewpoint that I think is probably our strongest approach to the problem of phase two of tax reform. With a government that spends so much and places a lot of importance and emphasis on regional disparities, to make the strong case -- not only ourselves but other regions in the country less fortunate than, for instance, Ontario or British Columbia -- would be to make very clear the negative impact that phase two will have on them.

Regional Impact Committee Set Up

Because of some fairly heavy lobbying by us and by other regions of the country, Finance Canada has set up a regional impact committee, on which we serve. It has been charged with the specific responsibility of looking at the impact of phase two of tax reform on different regions of the country, with a view, if it is possible, to suggesting some remedial action to try to alleviate some of that negative impact. We are on that.

I think right now I have outlined what I have done and what I intend to do. I can give the Member assurance that when we are not in session I will communicate to the chairman of the standing committee on finance. If the chairman thinks it is important to bring a committee meeting together, I would be very happy to appear in front of that committee at any time between now and the next session. I would be prepared to keep MLAs up-to-date as to what is going on.

As I said, it is a priority. I think we have some time, but time goes very quickly, so we will be pushing as vigorously as we can with it. But I would like to emphasize that it will not be easy. I think the Member knows. I think that Mr. Wilson feels that some parts of his philosophy have already been eroded and he is going to be pretty tough unless we come up with some very concrete proposals that he can live with.

CHAIRMAN (Mr. Gargan): Mr. Butters.

MR. BUTTERS: I agree that it will not be easy. I agree also that the people of the North and our constituents will not react until the regime is imposed upon them, and all the work that is going to be done now, will be done with very little interest and very little response and very little action to provide you with the assistance you may need to pursue this initiative. It is not going to be an easy task, but you cannot wait around. You have to proceed and get on with it and do the best job you can before the axe descends. I will communicate to the chairman of the standing committee what you have said with regard to meeting with that committee between now and October.

I would point out that this government has been more successful in dealing with the Conservative Minister of Finance, in having the Conservative Minister of Finance examine the particular specific and unique situation in the NWT, than with any other Finance Minister I can remember. Mr. Wilson has been a lot more responsive than other Finance Ministers of my recollection and we have got from both Mr. Mulroney and Mr. Wilson an understanding that the situation North of 60 is different from what is occurring in that 100 miles north of the American border, which is most of mainland Canada.

Unsuccessful Re Communication Tax

The second matter I wish to discuss was the first phase of the taxation program. I think we were very successful in many aspects of that phase, in convincing Mr. Wilson to look at our northern situation. One area we were not successful in was in the communication tax. And even though Mr. Blenkarn's committee recognized, after we visited with them, the situation of the North and the northern consumer of long distance phone calls, Mr. Wilson did not respond. So I would like to move a committee motion, which I have not really written out. I move that this Legislature encourage the Minister of Finance, the Hon. Michael Ballantyne, to research again the impact of the

communication tax on the people of the NWT and, following that research, once again approach the federal Finance Minister to indicate to him that the tax, as it is applied to northern consumers of telephones and other communication facilities, is discriminatory and regressive. Would that motion be of any use to the Minister of Finance?

CHAIRMAN (Mr. Gargan): Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: I appreciate the motion. If I could just be quite frank about this one. I know the former Minister spent a lot of time and energy and I spent a lot of time and energy on this. I think we have all the research. The research is done and is well done. I think the substantiation was well done and Mr. Wilson will not budge on this one. It is definitive, no. Over, done, end. He was absolutely definitive on this one. So if the wish of the Assembly is to pursue it, fine, I will. But quite frankly, I would rather spend my energy, with the few political points I have, pursuing something that we have some hope of being successful on. But I am at the behest of the committee.

CHAIRMAN (Mr. Gargan): Mr. Butters.

Research Required On User Impact

MR. BUTTERS: Well, the research has not been done, with all respect to the Minister. I am talking about the research on the impact since January 1st -- the impact on the consumer. I would like to know what has been the actual impact in comparison with Canadians living in other jurisdictions. I think if that research were done, you would find out that the individual resident of the NWT who is required to pay the communication tax is paying a significant amount more than that paid by his fellow Canadian in Estevan, Saskatchewan, or Brushy Bottom, Manitoba.

The second point I would make on that is that we have a precedent in place and that is the cap that the federal Minister is willing to place on the transportation tax. So I hear what the Minister is saying, that he is unwilling to go back to the well, but I do not think it is a matter of going back to the well, I think it is something that has been recognized by this government, by the federal Minister of Finance, and I would like to see him have another shot at it.

I will withdraw the motion because I do not really feel that keen on writing it out and having it translated. But can I get from the Minister that he will do some research on the user impact of this tax from January 1st to date, because we will find it is hitting people in the long distance aspect of their telephone bills and that is where the research should be done?

CHAIRMAN (Mr. Gargan): Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: Sure, we will take a look at it.

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

Briefing On Federal Tax Reform Initiatives

MR. NERYSOO: Mr. Butters just woke up from his nightmare here. I am just kidding. I just want to say a couple of things about this issue on tax reform and say, as an ordinary Member and a Member of the standing committee, that I welcome the invitation of the Minister. It might not be such a bad idea for the Members of the standing committee to meet to deal with this issue on tax reform, even on the first phase, and to be brought up-to-date as to the consequences of that tax reform initiative that was undertaken by Mr. Wilson. Also to review what direction the Government of Canada and Mr. Wilson as the federal Minister of Finance are pursuing, so that we have an understanding of the impacts of the second phase of the tax reform initiative of the federal government. It will also give us an opportunity to review the position that the government will be taking and maybe, before the final decisions are made, we could have an input into that direction and be helpful to our Minister of Finance with hopefully some very constructive suggestions and some comments that might be brought to the attention of not only Mr. Wilson but also the other Ministers of Finance across the country. So in that sense I welcome the invitation of the Minister.

Taxation Applied To Young Offenders Contracts

I did want to say that in terms of taxation I still have concern. Maybe it is an issue that has to be resolved internally and with the Government of Canada, but I do have a concern about the issue of taxation as it applies to contractual arrangements for young offenders, those people who are receiving T-4s now because they have contractual arrangements with the Department of Social Services. Such a contract is supposedly an income-making venture, but in many instances it is \$50 a day to take care of one child and \$50 a day is just enough money to provide food for that child and is in no way intended to allow for income for the individual who had that contract. So in that context I would ask you to sit down with the appropriate departments to resolve this issue so that when they do have contractual arrangements this information is brought to the attention of the contractor and so when T-4s are issued, it is not a surprise. And further, the individuals wanting to offer their services, may want to do it as a business, not on an individual basis. That type of information should be brought to the attention of the contractors. And it is not at this particular time.

So I just wanted to raise those two elements, indicating that I am interested in pursuing your suggestion of a standing committee meeting on this particular item and asking you to try and address the issue of taxation as it applies to the Young Offenders Act and contracts with Social Services.

CHAIRMAN (Mr. Gargan): Thank you. Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: Thank you. On the first point I welcome the offer of assistance and voice in this issue. I look forward to that in the summer. On the second point, I am aware of the problem. The problem is with the federal income tax legislation and it is something that we will definitely pursue.

CHAIRMAN (Mr. Gargan): Thank you. Mr. Lewis.

Possible Savings In All Departments

MR. LEWIS: Mr. Chairman, Mr. Pollard covered very adequately all the major issues raised in the standing committee on finance. One issue which did concern us and which we have not pursued with a lot of vigour is the fact that on a few occasions the government has said that they will solve a certain problem within the appropriations. They will ask a department to identify other moneys within the department in order to meet their objectives. My concern is this. Does that mean that the standing committee on finance was not tough enough in examining all these budget items? That we could miss several millions of dollars that could have been cut out as we were going through this process? Does it mean that even at this stage, if we were to prorate, for example, each department and say that if the Department of Education can find \$1.2 million, then all the other departments could also find an equivalent amount of money according to the total value of their budget and that it will be quite in order for us before we finish the whole budget of the government to come up with some kind of motion to save us, say, seven or eight million dollars which as Members of the standing committee on finance we were not able to identify. Even though we went through very carefully, it is clear that there are all kinds of soft spots that we must have missed if, in fact, the Minister can just identify as much as one million dollars out of his budget. Maybe we could do the same thing with all the other budgets of all the other departments...

AN HON. MEMBER: Agreed.

MR. LEWIS: ...and save seven or eight million dollars.

CHAIRMAN (Mr. Gargan): Mr. Ballantyne.

Funds Sought At Direction Of The House

HON. MICHAEL BALLANTYNE: I think at this point it will be difficult for us to do that. I think what happened in the process leading up to this budget, as I said many times and as the former Minister of Finance knows, some very tough decisions were made and there were a lot of things we might have wanted to do that we did not do. It is the will of this House that a certain decision should be modified and that we are forced to find \$1.5 million which is going to be very, very difficult. We are going to attempt to the best of our ability to find it within the Department of Education if we can, and we hope we can, but if we cannot we may have to look elsewhere.

There is not a lot of fat in this budget. I think we put in a fairly major restraint program. We have had real cuts in the base of most departments so I think it would be very, very difficult at this point in time to suggest an arbitrary cut of some percentage. We have in fact already done that. We have essentially already had an arbitrary cut of four per cent per department already. If we were to do that, something has to give and some programs have to give. It comes down to dollars and cents. There are so many things that we are trying to do. I think we have done a damn good job in this budget of achieving good fiscal restraint and good fiscal common sense. I think at this point in time by trying to cut any more out of this budget we would really jeopardize, I think, some essential programs. Other years I think the Member's comments would have been quite valid but I think this year we have gone through a pretty tough exercise to get where we are. It would be very difficult to try to find more out of this budget without starting to hurt programs.

CHAIRMAN (Mr. Gargan): Mr. Lewis.

MR. LEWIS: As a Member of the standing committee on finance, I was rather hurt to learn that one department just like that could absorb that kind of cut despite all the efforts that have been made by the Minister of Finance to achieve his balanced budget. In response as a Member of that committee, does that mean that we have to be tougher next year when we go through each of these budgets to find soft spots? That is the point I am trying to make.

CHAIRMAN (Mr. Gargan): Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: I understand the point and I want to remind the Member that as a result of the standing committee examination we did change a decision and we are going to find it very difficult to find that money. No doubt about it. It is the will of this group that we do it and so we are going to do it but something is going to have to give in order to achieve that. We are prepared to follow that will and something will give but it will not be an easy decision to make.

CHAIRMAN (Mr. Gargan): Mr. Lewis.

Surplus Available Within One Department

MR. LEWIS: I still have not made my point clear enough, Mr. Chairman. If we had been told that throughout the total budget of the government there was some chance of finding one million dollars, I would not be raising this question today. But the response we got regarding that \$1.2 million or whatever it was, was that the Leader was directed by his cabinet colleagues to find it in one department. That worried me because if you could find that amount of money in one department, automatically my mind slips around and I think if you can find that amount of money in one department, what have we missed? Maybe there are all kinds of money all over the place too. I feel rather unhappy that we had not been tougher in our review of each department.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Lewis. Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: I think I understand the point that the Member is making and I think the Member has to put it in the context of the exercise that we went through. Last year we went through an exercise that will be modified and changed this year. Last year we went through a fairly brutal exercise of across-the-board reductions in every department. Every department across the board reduced four per cent from their base this year. This year we have done that. Now that is something that can be done probably once that way. This year we need a much more refined approach because you cannot do that year after year. What I am saying is that because every department has had to do that in this particular case in this particular year and because it was the wish of this group that we should change our approach in one area, in Education, we asked the Minister to see if he can find it. I do not know if he can; neither does he yet. He is going to attempt to find it in Education and if he does find it, it means something has to give. He is not going to find found money. There is going to be assigned program money somewhere in that department and by changing one thing, something will have to give. There is not a sum of free money sitting there that he is looking for.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Nerysoo.

Base Budget Review To Facilitate New Directions

MR. NERYSOO: Thank you. Just to review the comments made by Mr. Lewis, recognizing of course the comments made by the Minister that it is not only a matter for the government to make suggestions with regard to reductions but also the standing committee where it is possible. Could the Minister indicate whether or not the government, or he as Minister, is considering the possibility of a base budget review of a number of departments or an individual department so that the process of base budget review can begin firstly on identifying excess dollars or identifying programs that may not be necessary now so that implementation of new programs may be considered in response to initiatives of this government and this Legislature, in particular in terms of implementing the direction that we seem to be taking, the major direction dealing with economic development. I guess I do not only refer this particular issue to finances in the context of expenditures but the possibility of new tax initiatives and new programs of the particular type that might be helpful and conducive in encouraging economic development in the NWT or business development.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: Yes, I partially answered that question when Mr. Richard asked a question previously but the Member's comments are valid. I intend very soon after the session is over to start looking at what sort of form the base review will take. There is a number of options. As I said in response to Mr. Lewis's question, the concept of just across-the-board cuts and reductions is not something that could be effectively done year after year. We need, I think, a more sophisticated approach. Definitely it is my intention to institute some form of base review along with looking at a new taxation regime. I have given to the standing committee and will be circulating widely in the public, some tax options. I agree with the Member, these two things can go hand in hand and they have related importance to each other. So I want to start that as soon as I can after this session ends and get into that because both of them are critical if we are to put together a balanced budget for next year.

Fiscal Policy, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Fiscal policy, total O and M, \$414,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Detail Of Work Performed On Behalf Of Third Parties, Total O And M

CHAIRMAN (Mr. Gargan): Detail of work performed on behalf of third parties. Power subsidy program. Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. If I recall correctly the comments made when we were discussing the introduction of the legislation creating the new Power Corporation, these two particular programs were ones that we have to assume responsibility for in the future. Could I ask the Minister whether or not this is going to be the case and whether or not he has developed or is going to develop the appropriate program outline so that these programs will be available to the communities when we assume responsibility for them?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: The Executive has already decided that we are continuing the subsidy program so that subsidy program will be available in communities.

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

MR. NERYSOO: This is also going to be introduced in the budget for the upcoming year as well, for 1989-90? This particular year it is being performed on behalf of third parties. I believe that one of the conditions for taking over the Power Corporation was that we would assume responsibility for the power subsidy program.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: The way that I think we will handle this is we will come forward with a supp and the fund will be provided from dividends paid on the equity. As part of the deal in taking over NCPC, we agreed to take over the subsidy program on an ongoing basis and that was part of the determination of the price that we paid for the utility. So we will be carrying it forward and coming forward with a supp on it.

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

MR. NERYSOO: Mr. Chairman, one other thing. I would ask if the government could communicate through letters or whatever possible communication vehicles they could utilize to inform the communities and residents of the communities that this particular program is available to them because I did receive a number of phone calls from individuals who expressed concern because they thought they heard on the radio that this particular program was not going to be available on an ongoing basis. So if you could communicate to the various municipalities and to the people in the communities that this program is available for this upcoming year.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: We are in the process of doing that right now.

Detail Of Work Performed On Behalf Of Third Parties, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Power subsidy program, total \$3,100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Revenues, Recoveries And Transfer Payments

CHAIRMAN (Mr. Gargan): Page 5.15, revenues, recoveries and transfer payments. Mr. Richard.

MR. RICHARD: Mr. Chairman, I note that the projected revenues opposite property taxes and school levies show a slight increase. My question was whether the government was increasing the school levies portion or both of these tax rates. The Minister may recall, I believe a year ago if my memory serves me correct, one of the Ministers opposite, the Finance Minister Butters or MACA Minister Wray, acknowledged because of that study done for the MACA department, I cannot remember the name of it now, but they pointed out that these tax rates which the government levies had fallen behind what they should be and there was an undertaking made by one of those Ministers a year ago to bring them up to what the tax-based municipalities and the school boards levy but they were going to do it gradually. Rather than do it in one year they were going to do it step by step. My question then, Mr. Chairman, is whether in this coming year there are increases in those tax rates.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: I really at this point cannot give you a definitive answer because it would have to be approved by the FMB before I do but yes, the intention is over a period of time to do that. So I can say right now, very tentatively, I think it would be a very prudent thing to do, to raise those levels.

CHAIRMAN (Mr. Gargan): Thank you. Revenues, recoveries and transfer payments. Are there any further questions?

Total O And M, Agreed

If there are no further questions then can we go back to page 5.09, program summary. Department of Finance, total O and M, \$9,986,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): There is no capital for the Department of Finance. Does the committee agree that the Department of Finance is now concluded? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. Could you turn to page 4.08?

Financial Management Secretariat

Financial Management Secretariat. Mr. Minister.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. Mr. Chairman, could I ask that Mr. Voytilla, who is the deputy secretary of the secretariat, come in and I think, Mr. Nelson's function is complete at this point.

CHAIRMAN (Mr. Gargan): Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Okay. I would like to thank Mr. Nelson. Thank you. Mr. Minister, do you have any opening remarks?

Minister's Opening Remarks

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. Mr. Chairman, the Financial Management Board Secretariat's main activities revolve around its advisory role to the Financial Management Board and the co-ordination of the overall budget process. The secretariat's proposed 1988-89 budget contains no person year increases and no funding increases, other than some allowance for negotiated salary adjustments. As a result, my opening remarks will not dwell on the secretariat itself but some of the broader issues.

Mr. Chairman, this year's review of the budget was the first real opportunity for this Legislative Assembly to voice their concerns and priorities relative to the government's programs and financial affairs. I think that everyone would agree that Members have used this opportunity very diligently. I can assure this House that the input provided by Members will be an important factor in the budgeting and decision-making process for next year's budget and for future years.

Throughout the review of the 1988-89 budget the focus of discussion was on policy and program issues, and we found that those discussions were extremely useful to us in the early stages of the 11th Assembly's term. I think one of the reasons that the Assembly was able to focus on policy issues was because of the fact that we presented a balanced budget, because I know in other years, and the year before, that was not quite the case. And, again, I want to give some thanks to previous Ministers and to the former Minister of Finance for their contribution to that balanced budget.

Three Major Achievements

I think I have said many times, and Members are probably sick of hearing me say it, but without increasing taxes, achieving a balanced budget is extremely difficult. Overall person year growth was held to zero. I was very pleased with those three critical things that we have achieved. Unfortunately, I think that in the debates that have gone on for weeks and weeks and weeks, sometimes we lose sight of a very major positive objective that was reached by this government and by this Assembly in having a balanced budget, having zero person year growth and having no tax increases this year. I think, along with Health and NCPC, it is the biggest accomplishment of this government during this particular session.

I think MLAs see the difficult decisions that are needed and are going to be, I think, the order of things in years to come. We will not have an easy time of it. There are many things that have to be done and we have limited dollars to do them. So we as a government, and we as an Assembly, are going to have to make tough decisions and we are going to have to learn to say, "No", to people much more than we have in the past.

Demands for expenditure growth will not let up in the next few years. The need for new economic measures to develop and diversify our economy and create employment for a hugely expanding potential labour force is critical. We have the fastest growing population in the nation, we have major capital infrastructure deficiencies and growing demands for a whole new series of expenditure items; day-care, services to our elderly which we have been asked to increase, pay equity. So I think we all have to face the very sombre reality that we cannot do everything that people are going to ask of us. We are going to have to learn how to prioritize and, as I said, to say, "No."

As I identified in my opening budget address, there is no quick fix to our financial problems. Our base is very small. It would be very unrealistic of me to raise expectations that there is tremendous revenue potential in that area because there is not. There is some, but there is no miracle there. Resource revenue sharing and formula financing hold some long-term promise but that is down the road. That is not going to solve our problem of this year and next year, and there is no magic to that.

Political Strength Needed In The Future

In order to live within our means realistically we have to look at our existing expenditure base. I think Mr. Nerysoo's point and others' of a base review is critical. We have to learn to have quality selection of programs that we as an Assembly want to go ahead. I think there is going to be a need for a lot of political will and strength in the years to come because we are going to have increased political pressure on us from all levels. We are going to have to show some foresight and some leadership and some strength to withstand those pressures and to be able to make intelligent decisions with a limited budget.

A number of Members have expressed dissatisfaction with aspects of the current process by which the Assembly reviews programs and approves budgets. We have talked about the possibility of a fall session or some derivative of decision-making for expenditures before the budget session. I have undertaken that, in co-operation with the standing committee on finance, we will review that but realistically we will not be able to do it this fall. There will not be time in the budget cycle but we want to have had that consultation and discussion with the committee. For the next year, we want to do it. We want to do something different. We want to streamline the system.

I had some comments about tax reform but I think I have made them in response to earlier questions put to me by Mr. Butters and Mr. Nerysoo. I think that pretty well, Mr. Chairman, sums up my opening remarks. What I would like to say is that even though it has been a tough session for all of us and there has been a lot of heated argument, I want to thank the chairman, the staff and the Members of the standing committee on finance for the patience they have shown and the advice they have given me in their willingness to enter into a co-operative relationship with me over the months and years to come because I have no illusions when we are dealing with the financial realities of this government. I, as Minister of Finance do not have all the magic solutions myself. I am really going to need your assistance and your support to make any meaningful impact on the problems that are facing us. With that, Mr. Chairman, I will give the floor back to you for any questions.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Pollard, do you have any opening remarks from your committee?

Comments From The Standing Committee On Finance

MR. POLLARD: It is a pretty tough act to follow, Mr. Chairman, but on behalf of the standing committee on finance we accept the accolades of the Minister. The Financial Management Secretariat, Mr. Chairman, derives its mandate from the Financial Administration Act. As Mr. Ballantyne has said, there were no new programs, no increase in person years. Travel is carefully monitored by senior management. Under issues and concerns; variation in salaries. The Minister gave a briefing to explain the apparent discrepancies in salary increases. That is all I have to report, Mr. Chairman. Thank you.

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

Change In Budget Presentation Requested

MR. NERYSOO: Thank you, Mr. Chairman. If I could make a couple of comments in this particular area before we conclude the detailed discussion on the budget. Firstly, if I could recommend to the Minister that they review the Yukon experience when they went from the presentation of their budget in a form similar to ours to dividing the budgetary process into a capital budget presentation and an O and M budget presentation. They made the change despite the fact that there seemed to be some difficulty. I would ask if you could review that experience and maybe apply it in this particular circumstance. I probably have to agree with you that we are not going to have it available for this upcoming year but nonetheless I would hope that we at least conclude a solution by this fall at the latest because if we extend it any longer, then we are into a budgetary process again. That is, the budget for next year and we are not going to be ready again for the upcoming year. So hopefully we can develop the process at least by the end of this year and have some agreement of the approach we are going to take.

One other element that people do not sometimes appreciate is the role of the FMS. I see the FMS as sort of the treasury board of government, the group that makes all departments and all financial administrators and our Executive Council accountable for the moneys they are spending on behalf of the public of the NWT. I sometimes find that people and members of the public service do not appreciate the role that the secretariat has to play. I think that we have to recognize that there is that role, that it is necessary, even to the extent of ensuring that the Executive Council is accountable in terms of ensuring that they follow the rules and apply the rules to the budgets and the financial resources that they have to spend on our behalf. So I just wanted to make those few comments and leave with those particular comments.

CHAIRMAN (Mr. Gargan): Thank you. General comments. Mr. Richard.

MR. RICHARD: Mr. Chairman, I appreciate we only have a few minutes left before the regular hour but I wanted to revisit perhaps in a quieter discussion with the Minister of Finance the matter of supp No. 4 of last week or last month.

Unauthorized Expenditures

Mr. Chairman, I feel that this secretariat, FMS, is a very important part of the government since I have come to have some appreciation of their work and their role in the last few years. I know that Mr. Ballantyne, the Minister of Finance, has undertaken to review with the standing committee on finance particularly, and I hope with the standing committee on public accounts, the problem associated with bringing the supplementary appropriations forward late in the fiscal year. But Mr. Chairman, I was present here a year ago when we observed what we saw as something improper in the government making expenditures without prior approval under the Financial Administration Act. The Auditor General was asked to look into that and he did and made a report and the government saw the report. The government saw the report and gave a response to the Auditor General, and yet here in February or March of 1988, the same problem came up again in that, as I understand it -- I am going to ask the Minister or his officials to explain it -- once again expenditures were made without the proper authorization under the Financial Administration Act and the Legislature was being asked to rubber-stamp or after-the-fact retroactively approve these expenditures which had already been made.

I tried, Mr. Chairman, and I am as much at fault as the Minister of Finance because the discussion was too heated there about a week or so ago. I cannot remember when it was. I tried then to ask for particulars of how these expenditures were in fact made in this manner. I would still like to know that, so that when we do have a meeting after this session is over to try and resolve how the finance committee or the public accounts committee or the Minister's officials think it should be done next year -- I still do not know how it was done or how it slipped through the system. That is what I am saying.

I understand one of the roles of the Financial Management Secretariat is to support the board, and I do not know whether this was the politicians on the board or the secretariat officials who were making the bad decision. Let's call it that. As I understand the role of the secretariat, it is that when expenditures come up to be authorized, they are the ones who look at the pot in particular, let us say money pot number 37. They say to the person who wants to spend the money out of pot 37, they say, "It is empty. There is no more money there. Your request for expenditure

approval is denied." I know one -- I will not say "trick" -- one method of alleviating the problem where you actually have to spend the money is they transfer money -- again there is a procedure in the Financial Administration Act -- from another pot within the department, pot number 36, put money into pot 37 so that you can dig into it and spend the money where appropriate.

What I tried to ask about a week ago when we were doing supp No. 4 was, were these expenditures in supp No. 4 not the special warrants, made out of money pot number 37 when it was empty and therefore improperly, or were there transfers made before you prepared this document, supp No. 4, at the time of expenditure, from one money pot into another money pot? I understand it is one of the two and it may not be the same answer for each one of these expenditures but I would like to know and I am going to try and keep the discussion at a better level than it was a week ago. I am not trying to put egg on anybody's face or assess any blame but I would like to know how it was done because I am satisfied that the money was spent before March 31st, before we approved it.

I would like to know how it was done.

CHAIRMAN (Mr. Zoe): Thank you. Ms Cournoyea.

Motion To Extend Sitting Hours, Carried

HON. NELLIE COURNOYEA: Mr. Chairman, I move that we extend the sitting hours for the purpose of continuing consideration of this item of business.

CHAIRMAN (Mr. Zoe): I have a motion on the floor but it appears we do not have a quorum. Sergeant-at-Arms, can you ring the bell?

I have a motion on the floor to extend the sitting hours. All those in favour? Opposed? The motion is carried.

---Carried

Mr. Minister.

HON. MICHAEL BALLANTYNE: Okay. In the genteel manner in which the question was asked, I will respond likewise. The Member has brought up a point that definitely has to be dealt with. There was a number of parts to his question, so as I recall them I will work my way through them. The decision to do it was a political decision. It was my decision. It was not the secretariat. The secretariat provides services to the board. We were very much aware of this possibility, and because of this when we got together in early February -- and remember at that time we did not know we were going to break for 12 days for Arctic Winter Games or anything, we had no idea -- so I came in and I said we had the potential to have a problem and I am out on a limb, so we have a number of options. We can do it with supps or we can do it as we have done in other years.

Understanding And Support Of Standing Committee

The understanding I had with the standing committee on finance was to prepare as we did, to go ahead with the main estimates, and then what happened was we got into the break and then all of a sudden it did not matter because time had already gone by, we had already started to expend the money, so it did not really matter at that point. We were already hung out and whether we were hung out on the 20th or the 31st, it did not matter. But I went in with the full support of the standing committee on finance who knew that this might happen. So essentially I was saying, "Look, if it happens, I want you guys to know about it, and I hope you will give me after-the-fact approval." And I was made fully aware of the fact that there was a chance that I would be in major, serious problems, or this government would, if that after-the-fact approval was not given. So we were advised, as we should have been by the secretariat, the decision was mine, after going to the standing committee on finance and reaching an understanding with them. So the secretariat carried out their responsibilities totally.

How we actually did it technically, is the appropriation has been made under the main item in the current appropriations. Where we would have had problems, for instance, if it looked as if we were going to be running a big deficit for the year, then we would have had some major technical problems in making those appropriations. The fact is that we did not. We had the appropriation

authority, the main appropriation authority, and the appropriations were made under that. So we think we are fine that way. The specifics of it, moving moneys from one point to the other, I do not have right now. That is a technical question. We do not have the answer available, but I can either make it available before we break or I can get that technical information for the meeting I will have with your three chairmen, or with the standing committee, or what have you. The point is that we had a tenuous appropriation authority because of the whole appropriation. The detailed authority gets more problematic, and the only reason that I would have ever done it is because I had the concurrence of the standing committee on finance. I can assure the Member it will not happen again.

CHAIRMAN (Mr. Zoe): Thank you. Member for Yellowknife South.

MR. RICHARD: Mr. Chairman, the Minister has, I think, partially missed my point. I am not talking about the period from February 10, the opening day of the session, to March 31. I may not have been aware as early as February 10th that the Minister was acknowledging or knew that he was going to have a problem, but I certainly was in early March because I remember his mentioning it to me, that "You know, this certainly is not going to look good and you are going to be able to raise this issue because we are not going to get to supp No. 4 until late in the month of March." I am not concerned really about that period of time, February 10 to March 31; I am not really concerned about what deal the Minister might have made with the standing committee on finance as to what would happen after February 10.

Expenditures Made Before February 10th

My questions are directed to the time of expenditures. The problem is that they were spent before we approved it, before March 31st, but they were also spent, as I understand it, before February 10th. There were decisions made. When somebody looked at the pot and it was empty, somebody said -- and the Minister is acknowledging that it was the politicians, not the secretariat officials -- somebody said, "Let us spend it anyway." So I am talking about the decisions that were made prior to February 10th. I do not really have a problem after that. I mean maybe we were just fighting a bit a week ago and we could have done that on February 12th. My questions are directed to the decisions that were made and the role of this secretariat. The secretariat is to provide the board with the necessary information and support required for sound financial management decision-making relative to the management, allocation and control of the resources of the GNWT. In carrying out this role on those many dates prior to February 10th, that is when I would like to know how this thing slipped through the system. Let me give the Minister an example and again, I am still trying to keep the discussion on a level plane here. But just sort of to make the point. Ministerial travel, \$250,000. Now I know for certain that they did not spend that money between February 10th and March 31st because I was here and watched them. They were not spending a quarter of a million dollars on travel because they never left the room. So that overexpenditure for example, occurred prior to February 10th and I suspect the other items did too. I was not a witness to the other ones. I know the Ministers were not travelling after February 10th for the most part. So I would ask the Minister to address that time frame as opposed to after February 10th.

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

Expenditure Authority Within Activity Level

HON. MICHAEL BALLANTYNE: Okay, generally there was not a problem. The funds were not expended. There is money in the pot. The really critical period was the last -- March was a critical period. Before that there was not a problem. For the one example you have and again, we do not have the details of that supp, remember that we have expenditure authority within the activity level. Ministers' travel is one task within the activity. My understanding is this is the only one that there might be problems with; nothing else that I am aware of. We will show it to you. I will sit down and break it all down for you. I do not have a problem with that. That is the only one, except for that period that I thought we were arguing about, and we have been arguing for two weeks about a different period. Every other one we think was fine and there was no problem. This one we will have to check out. I am pretty sure we were fine within the overall activity, Ministers' Offices. We might have made a transfer from another activity. We might have but I do not know. I do not have the information here. This is the only one where there might be some problems but even in this one there may not have been. I can get that information for you.

CHAIRMAN (Mr. Zoe): Member for Yellowknife South.

MR. RICHARD: Mr. Chairman, let me pick another example. I am not as familiar with the government's departments as the Minister and the secretariat officials are, but just on the opposite page, another example that I have some knowledge of. Renovations to the Speaker's office and the Clerk's office. Funding for replacement of furniture to the Speaker's residence. Now I do not know about the Speaker's residence furniture but I do know that the renovations -- because my office is near the Speaker's office and it is right next to the Clerk's office -- that money was spent prior to February 10th. But I do not want to harp on that one either but let me go back to the Minister's response -- if I can get the Minister's attention -- the Minister's response on the ministerial travel.

Money Not Needed In Another Task Of The Activity

This is what I am trying to get at. You are saying that Ministers' Offices is one activity and travel is only one task in there, so you were able to take money from other tasks and move it into travel tasks. That is my point. If you did that, as opposed to spending money from the travel pot that was empty, if you moved money from some other pot into the travel pot, then there was money in that other pot that you did not need. If that is true, why did you come here in February or March and ask for another quarter of a million dollars to put into the travel pot? You had it in some other pot.

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

HON. MICHAEL BALLANTYNE: The Member is getting into the task level detail of the budget and I think the Member is very aware that when we are doing budget projections at the task level, there has to be flexibility within an activity from task to task. The point is, for instance -- this may be a bad example because I do not have all the details on Ministers' travel but using it as an example to make the case -- on February 1st it looks as though another task, whatever that might be and for whatever reason, has more money in it than we had anticipated and that is moved over. Now that could cover us off until March 10th, or something, and that is when we get into a grey area where you have the problems. That is where we are weak, in that period from the beginning of March until March 31st. But before that -- I do not want to say unequivocally but I can say it almost with certainty -- we did have the expenditure authority to make those expenditures until we got into March. That is where the problem is; it is in March. Before that we did have that expenditure authority.

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

MR. POLLARD: Thank you, Mr. Chairman. I would like the Minister to run that last part by me one more time because I am not sure I understood what he meant about having the authority until March, or you were covered until March. Thank you, Mr. Chairman.

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

Tasks Within Activities Must Be Rationalized

HON. MICHAEL BALLANTYNE: I am using March. As we got into the period of the last three weeks, or what have you, before the end of the year, it could be possible, again using the Ministers' travel, that we needed \$250,000, that we found \$250,000 in February to cover that. Let us say we found part of it, we found \$150,000 to cover it. Everything has to be rationalized at the end through all the tasks. All the tasks add onto what the supp is and add up to the needs of that particular activity. The problem is we did not have the supp to add to that pot until the very end of the month. We had to mix and match some of the tasks to take us up to a certain date for which we needed \$250,000. At that date we are into problems. Prior to that we had the expenditure authority to do it. Does that clarify it?

CHAIRMAN (Mr. Zoe): Thank you. Member for Hay River.

MR. POLLARD: Thank you, Mr. Chairman. I have heard of that expression "no pot in the window". Mr. Richard has given us good observations on these pots and I feel like I am looking at a window when the Minister is giving these explanations. I would like to ask the Minister: There was a special warrant issued January 13. The standing committee on finance was meeting at that time as you well know, Mr. Chairman. I understand there were some other expenditures that could have been

brought to the attention of the standing committee on finance in January and yet they did not reach us until February. I would like to ask the Minister what the procedure is for notifying or bringing these before the standing committee on finance? Is it only when we get to a session or do they take every advantage? Thank you, Mr. Chairman.

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

HON. MICHAEL BALLANTYNE: The procedure is that the Legislative Assembly and the standing committee are notified when the supp comes for a special warrant. At that time we have to justify that there was some urgent reason to issue a special warrant.

CHAIRMAN (Mr. Zoe): Thank you. General comments, Financial Management Secretariat. Member for Pine Point.

MR. McLAUGHLIN: Thank you, Mr. Chairman. I just want to maybe make a bit of a comment and hope that the Minister will respond. I realize that some of it has implications for the whole Executive so you may not be able to at this time, but he might give us his thoughts.

I look at the process we are going through with the main estimates right now, basically a discussion on what the government forecasts for its expenditures, and we agree that it is a good forecast or we do not agree, but in general, in total, we agree. What other governments do, when they talk about a budget and a budget speech, is deliver a money message with tax changes, and we have not reached that. We do the odd tax change, but very seldom. It is usually raising taxes on things like liquor and gas.

I was wondering if the Minister foresees anytime in the future, now that we are getting more and more of the jurisdiction within the NWT under our government and away from the feds, and possibly with an arctic accord happening on resource revenue sharing, that he thinks we might be in a position to act like governments do in the provinces and in Ottawa. A major budget address comes down, outside of and separate from this main estimates process, when basically you would come down with a philosophy that the Executive Council, hopefully in consultation with at least the majority of the Members of the Legislature, will effect changes and come down with tax changes, tax incentives, maybe deals for certain industries you want to get started up, tax free incentives for people to take certain courses in school, and things like that. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Mr. Minister.

Main Estimates Exercise Rather Than Budget Exercise

HON. MICHAEL BALLANTYNE: I think there is a lot of truth to what the Member is saying. Historically what we have done is more of a main estimates exercise rather than a budget exercise in the southern fashion. I see an evolution toward that. I do not know if we want to follow the exact Ottawa model because, at least in my own view, those two exercises sometimes are a little bit too separate. Up here, with a small budget and with a fragile, vulnerable economy, I think the Legislative Assembly would like to see the total package all at one time. But having said that, I see that, for example, probably in this Budget Address I made this time, the major thing I said is that we got our formula extended for two years. That was the major initiative in the budget, when it comes right down to it. And having no taxes. I mean, essentially there are none. In the future, I see us getting into looking at more complex or a more sophisticated use of the tax system to achieve certain ends. I see us doing that in the future. I see in the future, once we get into resource revenue sharing, if we have revenues other than a revenue potential, other than the formula, we obviously have more flexibility. Our problem is that almost all our revenue is tied to that one negotiation for the formula and once you have done one line, to say we have been successful, 85 per cent of your potential has happened. So I do see some potential but we are going to be limited as long as we are dependent on the formula arrangement with Ottawa for the vast majority of our revenue.

CHAIRMAN (Mr. Zoe): Thank you. Member for Pine Point.

Two Roles For Minister Of Finance

MR. McLAUGHLIN: One other short comment or question that I have that is related to this. Again, in other jurisdictions -- not all of them, mind you -- there is a difference in the role between the Minister who basically is responsible for the treasury board, which is in our case the FMB, and the Minister of Finance. Basically the Minister of Finance and the Department of Finance come up

with the policies -- or initially work on the policies that the government eventually approves to set the framework for expenditures within the philosophy of things that the government wants to do, and the Treasury Board really acts as the guardian of the treasury. The people in the FMS, if we had that system, would be giving advice to departments and saying, "This does not fall within what the government is trying to do through the policies approved by it."

Right now, sometimes, and this is no implication on this Minister or the Minister who had the portfolio before, but sometimes I feel that you are wearing two hats. You are the Minister who is advising us as to what is a good global way to spend the money in the land, and then on the other hand you are chairing the Financial Management Board which just says, "No you cannot do this, you should not do that, and here is the problem if you do that." I was wondering if the Minister has any comments he would like to make as to whether, in the future, we should separate those two roles between two different Ministers.

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

HON. MICHAEL BALLANTYNE: To clarify it, my understanding is that, in fact, in the western provinces the model is quite similar to ours, where the Minister of Finance and the chairman of the Treasury Board are one and the same person. I guess it comes down to a number of things. One is the small size of our jurisdiction, so that it makes some sense, because of the overlapping expertise in Finance and FMS, to have it under one Minister. I think it makes double sense, as you said, when the Minister is putting forward philosophical approaches to government but also is responsible to ensure that restraint is carried out and that controls are exercised. In a small government with a small revenue base, I think the Minister of Finance has to do both those things. I think it is important because they are different tools, and we do not have the same wide scope of opportunities that Ontario, Quebec, or the federal government would have. So I think that, at least for now, it probably makes sense to maintain that same system we have. In the future if things change I think it is worth looking into.

CHAIRMAN (Mr. Zoe): Thank you. Member for Inuvik.

Elements Of The Budget Cycle, 1989-90

MR. BUTTERS: Mr. Chairman, Could the Minister indicate to me the elements of the budget cycle for 1989-90? I imagine call letters have gone out. Could he just go through the process that will bring us to the budget for next year?

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

HON. MICHAEL BALLANTYNE: Call letters have not gone out. This government, actually, except for focussing here, is essentially ground to a halt in many ways. We need a lot of direction from the cabinet before they will go out. As soon as this Assembly finishes, those call letters will go out, but our cabinet has to spend some time to discuss some important issues other than Assembly issues.

CHAIRMAN (Mr. Zoe): Thank you. Member for Inuvik.

MR. BUTTERS: I do not think the Minister heard my question. I asked him for the cycle. Call letters are only one phase of the cycle. I wonder if he would indicate just when he expects the various aspects of the cycle will be concluded. When will the call letters be returned? When will the Executive meet and determine what the budget framework will be? When will the standing committee on finance be involved? You know, the whole bit.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister, on the cycle, on the budget cycle. Any comments, Mr. Ballantyne?

HON. MICHAEL BALLANTYNE: The call letters will go out as soon as we can get together and get them out. Then, if we are going to be doing a base review, I think the departments putting their budgets together will be impacted by the base review. So in a way the process is going to have to be handled simultaneously. Then in August, I guess, we will have a look at what comes back to us from the departments. Then we start our Executive Council cycle.

CHAIRMAN (Mr. Zoe): Thank you. Member for Inuvik.

MR. BUTTERS: When will the standing committee on finance be required to convene and examine the framework which the government will be putting forward? As the Minister well knows, in the last two years, for different reasons, the standing committee on finance did not get an opportunity to examine the proposed budget until the end of January. So would the Minister then confirm that the standing committee on finance will be examining the budget in either the last week in November or the first week in December?

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

HON. MICHAEL BALLANTYNE: I recall at one point I asked you the same question. I will to the best of my ability confirm our great efforts to have the SCOF review in December.

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

MR. BUTTERS: An important prerequisite to achieving that deadline is to ensure that Ministers are willing to take the two weeks in late August or early September, to do the review and study. It is always difficult to get Members together in August and I tell you now that they had better get at it.

Capital Budget Development

I have a question relative to the capital budget development. Would the Minister go over for me -- it differs somewhat from the O and M budget development -- the capital budget development.

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

HON. MICHAEL BALLANTYNE: Basically, the timing is not that far off. Again, the call letters have to go out, which will happen as soon as we get a chance, when session is over, to get together. The departments will be working on that and we hope to get the departmental proposals back in August and at that point the two processes come together and on we go.

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

MR. BUTTERS: I realize that the difference in the two processes is the consultation with MLAs. Now in the capital budgetary process there is a requirement that MLAs be consulted by the regional offices in the formulation of the capital budget and the capital requirements in the region and in their constituencies. When will the MLAs be hearing from the regional offices that the capital budget is under consideration and their input is required?

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

Proposal To Formalize Involvement Of MLAs

HON. MICHAEL BALLANTYNE: This has been a problem for a number of years. I have now prepared to take forward to the FMB a proposal to formalize the involvement of MLAs in the process. MLAs should be hearing as soon as possible. That process is starting now, so I can give you assurance that the MLAs will be informally told and involved but we want to formalize the process because, as the former Minister knows, the process was different all over the Territories. Different MLAs had different types of involvement; so we are going to attempt to formalize that process.

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

MR. BUTTERS: I wish the Minister a great deal of success here. I thought the process was formalized two years ago. In fact, sitting at that table, I promised Members that they would be consulted and then was sorry as hell to find out that consultation had not gone forward. All I am asking now is that the Minister commit himself to a date, either the end of July or beginning of August, by which the regional directors will be instructed to advise the MLAs of the proposed capital budget infrastructure and ensure that consultation occurs. That is all.

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

HON. MICHAEL BALLANTYNE: I have heard the message loud and clear and I have over the years seen how the process has not worked and I will make every effort to improve it with definitive dates and a definitive process.

CHAIRMAN (Mr. Zoe): Thank you. Financial Management Secretariat, total O and M. Mr. Butters.

Criteria For Developing Infrastructure

MR. BUTTERS: The process is not that old. The Financial Management Secretariat just took a hold of it in the last 18 months when the capital planning responsibility was given by the previous Executive to the Financial Management Secretariat and the board. While we are talking about the capital planning process, could the Minister indicate to me the criteria used by the capital planning group for developing infrastructure required in the NWT?

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

HON. MICHAEL BALLANTYNE: As the Member knows, we have a priority system and the first one is continuing projects, the second one is replacement projects and the third is new projects.

CHAIRMAN (Mr. Zoe): Mr. Butters.

MR. BUTTERS: A similar question was asked during the time that the budget of the Minister for MACA was before us and he did provide us with a piece of paper which indicated the criteria by which such municipal structures were approved and were constructed. I wonder if the Minister of Finance could provide us with a similar piece of paper indicating the three categories he has just indicated plus the criteria that relate to new construction.

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

HON. MICHAEL BALLANTYNE: I will put together what we have and make that available.

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

MR. NERYSOO: Thank you, Mr. Chairman. If I could pursue the suggestions that have been made by Mr. Butters. If I could ask through you, Mr. Chairman, to the Minister responsible for the secretariat or the treasury board that he communicate to the Members of the Legislative Assembly the process when municipalities or various organizations are being consulted on the capital plan so that Members know that the communities' representatives are being consulted and so that we might have input prior even to the discussions with the various communities.

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

HON. MICHAEL BALLANTYNE: I will do that. The intention of what we are trying to achieve is that the MLA should be the prime consulting politician in an area for us. The intention is to get that before the mayors and what have you, looking at the importance of MLAs in that process which we consider integral and critical to this Legislative Assembly's being successful.

Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Financial Management Secretariat. Total O and M, \$1,481,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Detail Of Work Performed On Behalf Of Third Parties, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Detail of work performed on behalf of third parties. Total Indian and Northern Affairs secondment, \$28,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): That concludes the Financial Management Secretariat. I would like to thank the Minister and his two witnesses who appeared before our committee. Does the committee agree that the detail of the main estimates and the capital estimates is concluded and we will now turn to the bill, Bill 1-88(1), to go clause by clause? Does the committee agree?

---Agreed

In the Members' legislation binders, we are on the first bill, Bill 1-88(1). Clause 2, application. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Clause 3, appropriation for 1988-89. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Clause 4, purpose of expenditures. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Clause 5, lapse of appropriation. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Clause 6, accounting. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Schedule, vote 1, operations and maintenance. Total operations and maintenance, \$673,999,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Vote 2, capital, total capital, \$117,488,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total appropriation, \$791,487,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Thank you. Short title. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Thank you. The bill as a whole. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Does the committee agree that Bill 1-88(1) is now ready for third reading?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard, what is your wish, to proceed with your review of the 1988-89 main estimates? Are you going to go ahead with the motion today?

MR. POLLARD: Mr. Chairman, I have four motions and there may be some discussion, so I would suggest, seeing as we have a caucus meeting right after, that I will do it tomorrow if that is acceptable to you, sir.

CHAIRMAN (Mr. Zoe): What is the committee's wish, then? That the Chair report progress?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): I have a motion by Mr. Nerysoo on the floor to report progress. Agreed? All those in favour? Opposed? I will now rise and report progress.

---Carried

MR. SPEAKER: The House will come back to order. 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

Motions To Accept Report Of Committee Of The Whole, Carried

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.

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

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

---Carried

Mr. Zoe.

MR. ZOE: Mr. Speaker, your committee has been considering Bill 1-88(1) and wishes to report that Bill 1-88(1) is now ready for third reading.

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

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

---Carried

Item 19, third reading of bills. Mr. Ballantyne.

ITEM 19: THIRD READING OF BILLS

Third Reading Of Bill 1-88(1), Appropriation Act, 1988-89

HON. MICHAEL BALLANTYNE: Mr. Speaker, I move, seconded by the honourable Member for Iqaluit, that Bill 1-88(1), An Act Respecting Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending March 31, 1989, be read for the third time.

MR. SPEAKER: Thank you, Mr. Ballantyne. The motion is in order. To the motion. Question is being called. All those in favour? Thank you. Those opposed? The motion is carried.

---Carried

Bill 1-88(1) has had third reading. Third reading of bills. Item 20, orders of the day, Mr. Clerk.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. After adjournment this evening there will be a meeting of the Nunavut caucus, followed by a meeting of the full caucus, followed by a meeting of the Management and Services Board. At 9:00 a.m. tomorrow there will be a meeting of the ordinary Members' committee and at 10:00 a.m. a meeting of the standing committee on legislation.

ITEM 20: ORDERS OF THE DAY

Orders of the day for Thursday, April 14th.

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: Bills 3-88(1), 4-88(1), 5-88(1), 8-88(1), 9-88(1), 12-88(1), 13-88(1), 14-88(1), 16-88(1), 17-88(1), 19-88(1), 21-88(1), 22-88(1), 26-88(1), 28-88(1), 31-88(1), 32-88(1); Report of Standing Committee on Finance on the 1988-89 Main Estimates; Tabled Documents 71-88(1), 80-88(1), 125-88(1), 130-88(1); Ministers' Statement 13-88(1); Ministers' Statement 43-88(1)

18. Report of Committee of the Whole

19. Third Reading of Bills

20. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Thursday, April 14, at 1:00 p.m.

---ADJOURNMENT

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