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

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YELLOWKNIFE, NORTHWEST TERRITORIES

FRIDAY, FEBRUARY 17, 1989

MEMBERS PRESENT

Hon. Titus Allooloo, Mr. Angottitauruq, Mr. Arlooktoo, Hon. Michael Ballantyne, Hon. Tom Butters, Hon. Nellie Cournoyea, Mr. Crow, Mr. Ernerk, Mr. Gargan, Hon. Stephen Kakfwi, Mr. Kilabuk, Mr. Lewis, Hon. Jeannie Marie-Jewell, Mr. McLaughlin, Mr. Morin, Mr. Pollard, Hon. Red Pedersen, Mr. Pudluk, Mr. Sibbeston, Mr. Whitford, Hon. Gordon Wray, Mr. Zoe

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Red Pedersen): Orders of the day for Friday, February 17, 1989. Item 2, Ministers' statements. Mr. Wray.

ITEM 2: MINISTERS' STATEMENTS

Ministers' Statement 8-89(1): Year Of The Coach

HON. GORDON WRAY: Thank you, Mr. Speaker. I rise today to give recognition of the important role coaches play in guiding youth in the Northwest Territories, and to thank all coaches for their dedication and commitment. The year 1989 has been declared "Year of the Coach".

The Year of the Coach is a federal/provincial/territorial initiative that will recognize the importance and responsibility of the coach in guiding the physical, social and moral development of our young people.

There are more than 1100 coaches in the Northwest Territories who have training through the National Coaching Certification Program, but many more who have no formal training. One of the objectives of the Year of the Coach is to draw attention to the need for more coaches to become certified so that they can acquire the greater knowledge, skill and confidence necessary to assist our northern athletes to achieve their full potential.

The other objectives of the Year of the Coach are: to educate the public about the important role of coaches; to stress the importance of selecting qualified coaches; to promote coaching as a profession; to create awareness of the need for more female coaches; and to stress the need for fair play in sport.

One of the major highlights in the Northwest Territories will be a coaching conference in Yellowknife on October 14 to 15, 1989, where we will be recognizing coaches from across the Northwest Territories with special awards and certificates. Coaches will also be recognized at other special functions such as: winter regional games; intercommunity sport competitions; sport skill clinics; regional and NWT championships; the Sport North annual general meeting; and at annual meetings of territorial sport organizations.

I am sure, Mr. Speaker, other Members of the House will join me in recognizing the coaches and supporting the important work that they do. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. At this time the Chair would like to recognize in the gallery, 28 students from grade five, Mildred Hall Elementary School, accompanied by their teacher, Amanda Mallon. Welcome to the Assembly.

---Applause

Item 2, Ministers' statements. Item 3, Members' statements. Mr. Ernerk.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Compensation For Accident Victim's Family

MR. ERNERK: Thank you very much, Mr. Speaker. I rise under this item to inform the House and the Minister of Justice of a long-time concern brought again to my attention by Rose Uluuk, the sister of one of my constituents who was tragically killed in an accident on November 28, 1981, in Rankin Inlet. Mr. Speaker, the circumstances surrounding the tragic death of Thomas Tugak occurred on the evening of November 28, 1981, when a government vehicle driven by a senior official of the government in Rankin Inlet collided with a snowmobile operated by Mr. Tugak, who was killed in the accident.

Mr. Speaker, the concern that the family members have is that his widow went through a very tough time in bringing up two children. Mr. Speaker, although this accident happened over eight years ago, no compensation nor acceptance of responsibility has happened. The RCMP, I am sure, have all the files on this accident, and to my knowledge no inquest was called for or occurred. Mr. Speaker, I will be raising this matter again at an appropriate time. Thank you.

MR. SPEAKER: Thank you, Mr. Ernerk. The Chair would like to recognize in the gallery, Mr. Mike Paulette, president of the NWT Metis Association. Welcome, Mr. Paulette.

---Applause

Members' statements. Mr. Lewis.

Member's Statement On Tribute To Aviation Industry

MR. LEWIS: Mr. Speaker, today I would like to pay tribute to the aviation industry. We have lots of young people in the gallery today. Today is the anniversary -- fifty-odd years ago, in fact, today Albert Johnson, the Mad Trapper, was found, shot. That event, Mr. Speaker, was significant because for the very first time aviation was proven to be one of the ways in which the law could be enforced. A very famous flyer, Wop May, was brought in from the South, and there was even some consideration of using his aircraft to drop bombs on this Mad Trapper. Wop May decided that it would be too dangerous to his airplane to use it as a bomber. Instead, he was the one that checked out the body right in the middle of Eagle River, and when he saw that he was good and dead, he dipped his wings and then all the people that had been hunting him were able to come down to the middle of the river and certify that he was, in fact, dead and no longer a threat to the people who lived in that area. Since that time aircraft have been used by the RCMP in order to keep this land safe for us.

Aviation is of great interest to us in this House, Mr. Speaker. Yesterday, I noted that in response to a concern I had raised about the future of the aviation industry in this territory, Mr. Butters had, in fact, phoned Mr. Engle, president of Northwest Territorial Airways, who indicated that there were no plans to move that company out of Yellowknife. However, Mr. Engle does not own Northwest Territorial Airways; Air Canada does. I shall be asking him later on whether he has phoned Air Canada to see what their plans are. Thank you.

MR. SPEAKER: Thank you, Mr. Lewis. Members' statements. Mr. Allooloo.

Member's Statement On Tag Allocation, Denendeh Conservation Board

HON. TITUS ALLOOLOO: Thank you, Mr. Speaker. Yesterday, I attempted to make a point of privilege without success. Mr. Speaker, on Friday, February 10, 1989, Mr. Gargan tabled documents from the July meeting of the Denendeh Conservation Board dealing with the issue of tag allocations for hunting of bison in the Mackenzie Bison Sanctuary. The motion, on page seven of their minutes, led the Member to state that I had misled this House by not following the recommendations from the board, as suggested on the motion of the board. I wish to assure you and this House that I have not misled anyone on this issue and the problem lies with the Member from Deh Cho in not completing his research into this topic.

If the Member had continued reading the minutes, he would have noted on the following page of the minutes that it clearly indicates that the board agreed not to vote on this particular motion. In addition, Mr. Speaker, there was reference on the bottom of the page that he tabled, noting this fact. The board explains on page eight that it would use the motion as a draft item to solicit response from the general public and affected organizations. The board did advertise this motion and received responses from the general public as a result of the newspaper advertisement. The issue was dealt with again at the September board meeting in Lac la Martre...

MR. SPEAKER: Thank you, Mr. Allooloo. Your time allocation for Members' statements is up. Members' statement. Mr. Allooloo.

HON. TITUS ALLOOLOO: I wish to get a unanimous consent to finish my remarks.

MR. SPEAKER: Unanimous consent is being sought. Are there any nays? Point of order, Mr. Pudluk.

Point Of Order

MR. PUDLUK: Mr. Speaker, last fall Mr. Gargan asked for unanimous consent to go back to that particular item and also unanimous consent to finish his statement. Mr. Speaker himself, would not allow him to do that. Why are you allowing to do this special thing for this particular item? Thank you.

Speaker's Ruling

MR. SPEAKER: Thank you, Mr. Pudluk. I do not recall the incident you refer to. I will check the records and see if it is so. Our Rules do allow a Member to ask for unanimous consent to waive the Rules of this House. If such unanimous consent is given, the Member may proceed with what he was asking the rule to be waived for. It is difficult for the Chair sometimes to determine, as in this case, when the Member already has the floor and wishes to continue on. Perhaps Members should ensure -- the Rules are quite clear on Members' statements. You have two minutes, 120 seconds -- and pre-read the statements. However, within the Rules of this House the Member is in order to ask for unanimous consent. I will therefore proceed to ask once again, are there any nays?

AN HON. MEMBER: Nay.

MR. SPEAKER: We are on Item 3, Members' statements. Mr. Whitford.

Member's Statement On Pollution Of Northern Environment

MR. WHITFORD: I rise today to call the House's attention once again to the environment, our northern pristine environment, our clean air and our clean water that we have so long enjoyed is -- I should not say once again being threatened, but it is being threatened daily. All I have to do is read any newspaper in the country and I am going to come across articles on arctic haze; I am going to come across articles on foreign poisons turning the Arctic into toxic dumps; I am going to pick up an article right here in the city of Yellowknife about downtown exhaust from cars left

running; I am going to get articles about PCBs being left around the country and not being taken proper care of; I am going to be reminded almost daily here in the city of Yellowknife by the dump -- every now and then we get a north wind and Lord knows what is in that smoke that comes across the city.

I do not want Members to forget that we do have one of the last refuges in the country where we can go out into the countryside and get our cup into the lake or stream and drink right out of it -- keep our teeth together to keep out the mosquito but that is it -- and it is healthy. However, that is being threatened by the proliferation of pulp mills in the northern part of Alberta. You listen daily, and they are getting all excited over there about the economic benefits that it is going to be producing for northern Alberta in these tough times, but we are the ones downstream from it. We are the ones that are going to end up with dioxins in our water if we do not take heed of that, Mr. Speaker.

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

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Question O75-89(1): Method Of Appropriation For Funding Of HAP Housing

HON. TOM BUTTERS: Mr. Speaker, I have a return to the question asked by Mr. Pollard on February 14th relative to the home-ownership assistance program two year delivery cycle.

The funding is in the current year's appropriations. These funds will provide the HAP clients the opportunity to prepare their sites one year prior to the construction of their unit. Under our two year delivery cycle for HAP, in year one, funds will be available for site preparation, for example, the gravel pad. If the client should choose pile or other foundations, then they would receive a credit for the timber cribbing we normally provide. They could use that credit to offset their costs of alternative foundation construction.

Main estimates were prepared prior to the two year HAP delivery cycle being approved. This change from a one year to a two year delivery may change the corporation's cash flow needs as identified to the GNWT. Our cash flow requirements are reviewed on a monthly basis and requests from the GNWT to the corporation are adjusted in accordance with the need; therefore we will draw down on our requests only as needed.

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

ITEM 5: ORAL QUESTIONS

Question O113-89(1): More Control At Local Level

MR. GARGAN: Mr. Speaker, I would like to direct my question to the Minister of Aboriginal Rights and Constitutional Development. I would like to ask the Minister whether or not the direction this government is taking as far as political development goes is to have more emphasis or more control put at the local level rather than at the territorial level?

MR. SPEAKER: Mr. Kakfwi.

Return To Question O113-89(1): More Control At Local Level

HON. STEPHEN KAKFWI: Mr. Speaker, the suggestion of government is that wherever possible the transfer and devolution of responsibility and authority should be sought at the local level. The government is committed to enhancing the authority and responsibility of the government at the territorial level and, as well, is always looking for ways in which to further enhance the authority and responsibility at the community level.

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

Question O114-89(1): Possible Move Of Northwest Territorial Airways Administration

MR. LEWIS: Thank you, Mr. Speaker. When Mr. Butters was the leader of ajauqtit he gave me the responsibility to be the critic for Education and for Personnel, so those Members can thank him for the close attention I have paid to those departments. However, my question today, Mr. Speaker, is to the Minister of Government Services himself. Has he, in fact, confirmed in his own mind that there are no plans afoot by Air Canada to move the administration of Northwest Territorial Airways and various staff members from Yellowknife to another location, resulting in a loss of a large number of jobs to this community?

MR. SPEAKER: Mr. Minister.

Return To Question O114-89(1): Possible Move Of Northwest Territorial Airways Administration

HON. TOM BUTTERS: As I indicated yesterday, my response from Mr. Engle was quite unequivocal "absolutely without any foundation whatsoever", in reference to the rumour that was raised. With regard to Air Canada, I believe the vice-president for Air Canada was in Yellowknife yesterday, and I asked my officials when meeting with him to raise the same question. I have not had a response yet from them as to his answer, but they are pursuing the matter with Air Canada as well.

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

Question O115-89(1): Amount Of Decrease Of Housing Corporation Financial Requirements

MR. POLLARD: Thank you, Mr. Speaker. To the Minister responsible for the Housing Corporation, Mr. Speaker. The Minister has said that the requirements of the Housing Corporation in a financial sense this year may not be as great as indicated in our budget documents, Mr. Speaker. I would like to ask the Minister how much does he estimate they will not need this year, because they are going to do partial completion of some HAP units? Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Butters.

Return To Question O115-89(1): Amount Of Decrease Of Housing Corporation Financial Requirements

HON. TOM BUTTERS: That is a difficult question for which to provide a specific answer; the reason being that in response, I think, to your colleague, Mr. Sibbeston, and I also think, to Mr. Morin, I indicated that while the two year program was in effect, I would be looking at exceptions where I could get assurance that the units could be completed in one year. I have already examined three or four such cases. Before I know just how many exceptions there may be, it is difficult for me to make a projection. Possibly by the time the Housing Corporation budget is before the House, I will have a better idea on determining what requirement there will be for the HAP units.

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

Question O116-89(1): Financial Planning

MR. POLLARD: Thank you, Mr. Speaker. The standing committee on finance has told this government, through its Finance Minister, on a number of occasions that what we are looking for is good financial planning. The fact that the Housing Corporation decides to change this program after the budget is set is not sound financial planning, Mr. Speaker. I would ask the Minister of Finance, will he do something about this situation? We just cannot have programs brought on stream at the whim of some person in the bureaucracy, or some Minister, and then ultimately the

numbers we are looking at in our finance books are not what is required. There may be a million or two dollars here, Mr. Speaker, that could be used for some other needy project this year. So to the Finance Minister, Mr. Speaker.

MR. SPEAKER: Mr. Finance Minister.

HON. MICHAEL BALLANTYNE: I will take the question as notice thank you.

MR. SPEAKER: The question is taken as notice. Mr. Morin.

Question O117-89(1): Delay In HAP Funding

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of Housing. In the fall when you were running your budget past SCOF, you brought to us a paper saying what communities were going to get a certain amount of units. You never said these communities would just be getting the foundations or gravel pads. That is how it went through SCOF. So why did you wait to change it until after it went through SCOF? That is one question.

Another one is that in your rationale that we received from your regional directors, they are saying that the funding is being put off for one year so that people could finish the HAP units that are unfinished. But there is no program to meet that and in the past that program was given to the communities on an individual basis. It is not a community project. If you get a HAP unit, it is to a person, not to a community. But you are making a community be held responsible to finish those units because you are basically putting them off for one year. Basically what you are doing in some communities, is scrapping the program for one year.

MR. SPEAKER: Mr. Minister.

Return To Question O117-89(1): Delay In HAP Funding

HON. TOM BUTTERS: I thought that was more of an instruction than a question. When I came before the standing committee on finance I was not aware that the HAP program, which is an excellent program, was in such bad shape; that 56 per cent of the units had not been completed in the time set up for that program. I was not aware also that Ottawa and CMHC were watching our non-completion rate. It was quite obvious that some change was needed. Should I wait another year and see more incompletions or should I address the problem as soon as possible?

When I was before the standing committee on finance, Members around that table indicated they wished to see that problem addressed. Read the record of the finance committee. They wanted to see the problem addressed. I am trying to address that problem. If the chairman will remember, a number of his committee Members made that same recommendation to me and on the basis of that recommendation, I began to look at the HAP program and take action. So action was taken.

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

Supplementary To Question O117-89(1): Delay In HAP Funding

MR. MORIN: Thank you, Mr. Speaker. Mr. Minister, I am sorry that you were not aware that the program was in such bad shape. Since I have been elected, and in this House, I have been saying since the very first day what was wrong with that program, that it is in bad shape, that the units were not being completed. If I remember from SCOF meetings we were looking at something so that we could finish the HAP units that were incomplete. But I do not see that what you have come up with will in any way help finish those HAP units that are incomplete.

MR. SPEAKER: Mr. Minister.

Further Return To Question O117-89(1): Delay In HAP Funding

HON. TOM BUTTERS: Mr. Speaker. No, you do not and the reason you do not is because, as I responded to Mr. Sibbeston the other day, I am still seeking a compilation of all the unfinished units. I do not have that in my hands as yet. I do not know why the incompletions have occurred. When we do know why those incompletions have occurred we will be able to address them on a unit by unit basis. That is the way I see us approaching it but at the present time I do not have that information.

MR. SPEAKER: Mr. Gargan was next. Mr. Gargan declines. Mr. Ernerk.

Question O118-89(1): Foundations For HAP Units

MR. ERNERK: Thank you, Mr. Speaker. My question is to the Minister of the Housing Corporation. First I take this opportunity to thank you for visiting Aivilik riding last month. Mr. Speaker, when the Minister visited the communities within the Aivilik riding, one of the complaints that was brought before him was this issue of foundations, especially a steel foundation that apparently moves every time the land melts or freezes. What the Minister heard in Chesterfield Inlet in particular was that in the four-plex units in Chesterfield Inlet the walls were cracking. As a matter of fact, they indicated to him that you could put a pencil from one unit to the next unit. So I am wondering, Mr. Speaker, what steps is the Minister of the Housing Corporation planning to take in order to correct the matter?

MR. SPEAKER: Mr. Minister.

Return To Question O118-89(1): Foundations For HAP Units

HON. TOM BUTTERS: Mr. Speaker, I thank the Member for his kind words. It is nice to get a few kind words occasionally. At the meeting in Chesterfield Inlet, the Member will recall that I was accompanied by the president of the NWT Housing Corporation and the vice-president responsible for finance. The president, in my recollection, responded to the question posed and which was posed by another resident that he would request an engineer to go into the community and do an examination of the building before the warranty expired. I believe the warranty expires at the end of March or April. As recently as yesterday I spoke with the president and asked him whether that engineer has gone into Chesterfield Inlet to examine the building. I do not know if it has occurred as yet but I do believe that Mr. Heron has so instructed staff to take that action.

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

Question O119-89(1): Smoking Awareness Program In Budget

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of Finance. Mr. Minister, yesterday in your response to my question on loose tobacco tax, you stated our prime responsibility is for the next generation. A lot of the revenue that we will be getting from the particular program, we hope to be putting into some preventive education program for young people. Mr. Minister of Finance, where in the budget is that money for prevention of smoking for young people?

MR. SPEAKER: Mr. Minister.

Return To Question O119-89(1): Smoking Awareness Program In Budget

HON. MICHAEL BALLANTYNE: There is \$250,000 awareness program for youth in the Department of Health budget and I announced it in my Budget Address.

MR. SPEAKER: Thank you. Oral questions. Supplementary, Mr. Morin.

Supplementary To Question O119-89(1): Smoking Awareness Program In Budget

MR. MORIN: Thank you, Mr. Speaker. Supplementary for the Minister of Finance. In the Budget Address you have in here that you are going to raise \$1.5 million from that tax. Why are you only spending \$250,000 for this if that is the main priority of this government to prevent young people from smoking?

MR. SPEAKER: Mr. Minister.

Further Return To Question O119-89(1): Smoking Awareness Program In Budget

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. As I said yesterday, we feel, contrary to Mr. Lewis's opinion, that very conclusive studies have been done in the United States that raising the price of tobacco deters people from smoking. It is conclusive. The studies are conclusive. We feel that the very fact of raising the price will be a deterrent factor. Indeed, the Member's question is a good one and I think in future the government will be spending more on prevention programs but we wanted to start off and try this out to see what form that education program should take. This will give us the ability in future years to have an ongoing source of funding to develop and enhance any sort of education programs that the Department of Health may want to put forward. Thank you.

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

Question O120-89(1): Drug And Alcohol Awareness And Treatment Strategy Programs

MR. ZOE: Thank you, Mr. Speaker. My question is addressed to the Minister of Finance. In his budget speech, the Minister indicated that there was \$500,000 allotted to the establishment of drug and alcohol awareness program and an additional \$250,000 for the development of alcohol and drug treatment strategy program. I would like to ask the Minister where would I find these figures in the budget document?

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

Return To Question O120-89(1): Drug And Alcohol Awareness And Treatment Strategy Programs

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. The \$250,000 is in the Department of Social Services and the \$500,000 is also in the Department of Social Services.

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

Supplementary To Question O120-89(1): Drug And Alcohol Awareness And Treatment Strategy Programs

MR. ZOE: Supplementary, Mr. Speaker. Mr. Speaker, I have been undertaking some work preparing myself for when we get into the estimates of Social Services and I am having a little difficulty. That is the reason I am questioning the Minister of Finance. In the budget document, with all these announcements that the Minister of Finance has made, there is no difference between the revised forecast for 1988-89, of \$7.747 million and this current year 1989-90, of \$7.747 million. So I cannot figure out where the amounts that the Minister has indicated are reflected in the budget. Could I ask where they are reflected?

MR. SPEAKER: Mr. Minister.

HON. MICHAEL BALLANTYNE: If the Member will allow me some time to review the documents, I will take the question as notice and give him a response tomorrow.

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

Question O121-89(1): Calculation Of Reduction In Tobacco Use

MR. LEWIS: Thank you, Mr. Speaker. My question is to the Minister of Finance and I will try to make a complex subject as simple as I can. When he decided to impose a tax and knowing that the effect of that tax would affect the consumption, in his calculations, what effect did he calculate this new tax would have on the consumption so that he could calculate as exactly as he could, the amount of revenue that he could expect to get over this coming year? Did he take the American figures of 14 per cent or 17 per cent reduction because of that imposition, or did he use some other figures? And I will ask a supplementary in anticipation of his response.

MR. SPEAKER: Mr. Minister.

Return To Question O121-89(1): Calculation Of Reduction In Tobacco Use

HON. MICHAEL BALLANTYNE: As I said, I think the Member is aware that forecasting in this area is not an exact science so estimates were done by the department essentially based on last year's consumption. We hope to see a decrease but until we actually see the figures for next year, we will not be able to definitively tell you how much it is, so we just did not attempt this year to do that sort of fine tuning that you are talking about. We want a year of experience and then for next year's budget, we will be able to attempt that sort of fine tuning forecasting. Thank you.

MR. SPEAKER: Supplementary, Mr. Lewis.

Supplementary To Question O121-89(1): Calculation Of Reduction In Tobacco Use

MR. LEWIS: That was the answer I expected, Mr. Speaker, that in fact the government has no confidence whatsoever that the imposition of this tax will in fact change people's habits and they have anticipated the same consumption of tobacco in the coming year as in the previous year. Therefore, what logic is there in assuming that this tax is going to change people's habits?

MR. SPEAKER: Mr. Minister.

Further Return To Question O121-89(1): Calculation Of Reduction In Tobacco Use

HON. MICHAEL BALLANTYNE: I think the Member is mixing up social forecasting and financial forecasting. The sums of money are rather small and I think it is difficult to accurately forecast the impact of the increase, in a revenue sense, over one year. The statistics in the United States are fairly conclusive but we did not feel confident enough yet to directly impose those statistics on our budget. We felt they were conclusive enough that it was worth going this route. Next year we will attempt to include it in our forecast but this year the indicators out there were strong enough that we thought we should move in this area. Thank you.

MR. SPEAKER: Mr. Lewis, supplementary.

Supplementary To Question O121-89(1): Calculation Of Reduction In Tobacco Use

MR. LEWIS: I know I cannot ask a hypothetical question, Mr. Speaker, so I cannot ask whether the Minister next year will take this tax off if, in fact, habits do not change. But I can ask the Minister, Mr. Speaker, whether he will table in this House the evidence that he points to, from wherever, that putting a tax on this commodity has significantly changed people's behaviour?

MR. SPEAKER: Mr. Minister.

Further Return To Question O121-89(1): Calculation Of Reduction In Tobacco Use

HON. MICHAEL BALLANTYNE: The Department of Health has that information and during the Department of Health debates I think the information they have will be forthcoming. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. At this time the Chair would like to recognize in the gallery, Mayor Peter Okpik of Gjoa Haven. Welcome, sir.

---Applause

Councillor Pedersen of Coppermine.

---Applause

Oral questions. Mr. Morin.

Question O122-89(1): Aboriginal Rights

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of Aboriginal Rights. Mr. Minister, yesterday in questioning the Minister of Renewable Resources on who had the right to hunt in the NWT, his answer to me was that the department feels that the people who are aboriginal people to the NWT have the first privilege to harvest animals. Mr. Minister, can you explain to me the rights that aboriginal people have with the Government of Canada?

MR. SPEAKER: Mr. Minister.

HON. STEPHEN KAKFWI: Mr. Speaker, because the question is seen, I guess, as a legal question, and as well, one that would be difficult to answer so quickly because it involves treaty rights -- rights that are confirmed by treaty, rights that are confirmed as a result of being officially recognized, for instance, as a status Indian under the Indian Act by the Government of Canada, and what would constitute being Metis -- rights recognized under the treaty, or what are recognized or suggested to be seen as aboriginal rights, are, particularly in that area, very controversial. I think the response would be something that I would have to work on and prepare carefully. I would take the question as notice and get back to the Member as quickly as I can.

MR. SPEAKER: Thank you, Mr. Minister. The question is taken as notice. Mr. Ernerk.

Question O123-89(1): Site Of New House In Chesterfield Inlet

MR. ERNERK: Thank you, Mr. Speaker. My question is to the Minister of the Housing Corporation. When the Minister was visiting the community of Chesterfield Inlet, a complaint was brought before him with regard to the site where a new house is going to be constructed this summer. The complaint was that the pad was placed on an old lake, and as a result it was going to have the same problem as the houses that were previously constructed. My question to the Minister is, since there is so very little time now -- this summer is coming on fairly quickly -- what is the Minister doing to address this problem? Thank you.

MR. SPEAKER: Thank you. Mr. Minister.

Return To Question O123-89(1): Site Of New House In Chesterfield Inlet

HON. TOM BUTTERS: Thank you, Mr. Speaker. As the Member knows, we went out and looked at the site at one o'clock in the morning and found that there were metal pilings already into the ground from the previous year. I had the background investigated and found that the corporation is an innocent victim here, in that if there is some problem with the site, the hamlet -- and I will provide the correspondence to the Member -- had given authority to use that lot to the corporation for such a dwelling unit. I believe the approvals had also been confirmed by Municipal and Community Affairs. We had expected all the authorizations that were necessary had been provided to us, and when the piling was put in place on that location we thought that there was no problem.

As the Member indicates, during the meeting in Chesterfield Inlet, there was a concern raised by the community that it was an old lake bottom and, therefore, would not adequately carry the new

structure. I have asked my staff to investigate what we might do in this situation. I will find out from Mr. Heron, and it is possible that the engineer who will be investigating the four-plex that is already up, could also take a look at that site and discuss it further with the concerned residents. As I say, the corporation acted in good faith, sir.

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

Question O124-89(1): List Of Contracts Over \$5000

MR. LEWIS: Thank you, Mr. Speaker. My question is to the Minister of Government Services. We continue to hear, Mr. Speaker, concerns expressed about the amount of northern money that goes south, and I understand that the Yellowknife Chamber of Commerce has, in fact, approached the Minister with a request that he release some kind of indication through an annual list of contracts issued to people, both in the North and the South -- the amount, title, the contractor name -- so that we can have a good idea of the number of contracts that go to southern Canada, over \$5000. It is my understanding that the federal government annually lists all kinds of contracts over \$1000. Is the Minister going to do that, Mr. Speaker?

MR. SPEAKER: Mr. Minister.

Return To Question O124-89(1): List Of Contracts Over \$5000

HON. TOM BUTTERS: Thank you, Mr. Speaker. I had the letter yesterday and I assume my honourable colleague was copied with that letter. It has been referred to the Department of Government Services to determine whether or not we will be able to retrieve the information required in the letter. I know that Mr. Wray, when he was Minister responsible for DPW, established on an annual basis quite a voluminous report on the contracts which, I think, DPW provided. I assume a lot of the material that is being asked for by the chamber is already in the public domain. A short answer to the question is yes.

MR. SPEAKER: Thank you, Mr. Minister. Mr. Angottitauruq was next.

Question O125-89(1): Planning For Lots For Housing, Pelly Bay

MR. ANGOTTITAUURUQ: Thank you, Mr. Speaker. My question will be directed to the Minister of Housing. A similar question to Mr. Ernerk's question. The community of Pelly Bay is concerned with the town planning because their airstrip is so close to the community, and they figure in the future that they will not have any lots for houses due to the mountains being close to the community. When would that community be expecting your department's planning for houses or pads? In how many months or how many years could they find out that your department is planning to have lots allocated? At present a lot of those pads are over the filled lake, and the houses are shifting. When can that community be expecting your department's planner to look into that matter? Thank you.

MR. SPEAKER: Mr. Minister.

Return To Question O125-89(1): Planning For Lots For Housing, Pelly Bay

HON. TOM BUTTERS: The problem identified by the Member is one that is being experienced in many communities. Mr. Ernerk, Mr. Arlooktoo, and many other MLAs, are experiencing the same problem in finding adequate sites for needed houses. The Housing Corporation is only one element in the equation, and what I will do as Minister is to consult with Mr. Wray -- and in fact co-operate with Mr. Wray, and relate to direction and advice being given by him, not only from his headquarters staff but his regional staff. Possibly Mr. Wray could assist me in responding to this question.

MR. SPEAKER: Mr. Wray, a further response.

Further Return To Question O125-89(1): Planning For Lots For Housing, Pelly Bay

HON. GORDON WRAY: Thank you, Mr. Speaker. The question of the siting of housing, the location of pads, is not a decision that is made by any one agency. The decision is a joint decision between the community, the hamlet or town council, and the Department of Municipal and Community Affairs, with consultation with the Housing Corporation. In most communities we are working on developing town plans. The process is such that the Housing Corporation will identify to the Department of Municipal and Community Affairs how many lots they require. The Housing Corporation over the last two or three years has been, for the first time, able to produce a five year capital plan which allows us now to plan two, three and four years ahead. We then go to the community and say, we are going to acquire X number of lots over the next few years. The community then sits down with our regional planner -- in some communities we have given money so that they now have their own town planner -- and they will respond to us by allocating lots and allocating sites.

On the specific question with regard to Pelly Bay, I gave a fairly comprehensive answer to the Member from Aivilik yesterday about the problem that we are having, not just in Pelly but in a number of communities, where the airport was built several years ago, and the community size was not anticipated to grow so fast. However, I cannot promise that in the foreseeable future Pelly Bay will get their airstrip relocated. In fact, it could be a long time, it could be as much as 10 years from now. Our priority is to build airstrips in the communities that do not have any, and then to assess what communities have the problems and prioritize them.

I would also like to point out that the concept of the practice of building pads and sites over old lake beds, old ponds, is a common one. If it is done properly, there should be no technical problems. It depends very much on how that lake or pond was drained, it depends very much on how deep the piles were sunk, it depends very much on the drainage going into that area. Sometimes what has happened in the past is that a lake or a pond may have been drained, and the pad built, but the lake or pond existed because there was natural drainage from other sources, and that natural drainage was not diverted. The concept of building over old ponds or lake beds is not a new one, and in fact is done in many communities and is a common practice. If there are problems, then it is not a problem with the concept, it is a problem with perhaps the technical way in which that particular job was performed. Perhaps the pile was not put to bedrock, perhaps the drainage was not adequately channelled away; but the concept is sound. Thank you.

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

Question O126-89(1): Demolishing Of Pine Point Schools

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of DPW. Madam Minister, in the fall you had the two schools in Pine Point out on tender for demolishing. What is the state of that now, are they going to be demolished?

MR. SPEAKER: Madam Minister.

Return To Question O126-89(1): Demolishing Of Pine Point Schools

HON. NELLIE COURNOYEA: Mr. Speaker, we have not made that decision yet.

MR. SPEAKER: Supplementary, Mr. Morin.

Supplementary To Question O126-89(1): Demolishing Of Pine Point Schools

MR. MORIN: Thank you, Mr. Speaker. Madam Minister, would you consider negotiating with the residents of Fort Resolution to give them the first opportunity to take what they want out of those schools if they are going to be demolished?

MR. SPEAKER: Ms Cournoyea.

Further Return To Question O126-89(1): Demolishing Of Pine Point Schools

HON. NELLIE COURNOYEA: Mr. Speaker, we are talking to the community already but since we have not made the decisions I will take that under good advice.

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

Question O127-89(1): Inequities In Community Funding For Alcohol And Drug Program

MR. ZOE: Thank you, Mr. Speaker. My question is directed to the Minister of Social Services. Last year, Mr. Speaker, the Minister indicated that there were inequities in the distribution of funding to communities for the alcohol and drug program. Has she addressed this problem in the upcoming budget, so that the communities can be treated fairly? Thank you.

MR. SPEAKER: Madam Minister.

Return To Question O127-89(1): Inequities In Community Funding For Alcohol And Drug Program

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Speaker. I would like to thank the Member for notice on part of his question. The wage inequities on the alcohol and drug program are certainly being reviewed by the board of management. The board reviews all contributions, requests or proposals to the department in order for the department to deliver the alcohol and drug program. However, having said that, they did do a partial review, I believe last October, and recommended to me that the alcohol and drug workers get a four per cent wage increase retroactive to last April. I am pleased to advise the Member that there has been some attempt to deal with the problem by increasing the alcohol and drug wages by four per cent effective April 1, 1988, which was approved in December. The average salaries for the positions range from \$19,400 for trainees to approximately \$37,000 for co-ordinators. This does not indicate to the Member that the full concern has been addressed. It is being monitored and it is still being looked at. Thank you.

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

MR. ZOE: Supplementary, Mr. Speaker. The response I received from the Minister did not really answer my question...(inaudible)...

MR. SPEAKER: The House will come back to order, please. The system is working again. We will give it another try. We have 18 minutes left of the time allocated for oral questions. Oral questions. Mr. Zoe.

MR. ZOE: Thank you, Mr. Speaker. Because we have been having technical difficulties, I wonder if my first question was recorded in Hansard.

MR. SPEAKER: Mr. Zoe, I cannot answer that affirmatively for sure, so just to be on the safe side, perhaps you could repeat your first question to ensure that it is in Hansard. Mr. Zoe.

MR. ZOE: Thank you, Mr. Speaker. Mr. Speaker, would that also increase the time limit for the question period?

MR. SPEAKER: Time shall be deducted.

MR. ZOE: Thank you, Mr. Speaker. My question is to the Minister responsible for Social Services. Last year, Mr. Speaker, the Minister indicated that there were inequities in the distribution of funding to communities for the alcohol and drug program. Could she indicate to this House if that has been addressed in this coming budget so that all the communities in the Territories could be treated fairly? Thank you.

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

Further Return To Question O127-89(1): Inequities In Community Funding For Alcohol And Drug Program

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Speaker. In an attempt to address the issue that the honourable Member has put forth, it is anticipated that his concerns can be addressed in the upcoming year. Thank you.

MR. SPEAKER: Thank you. The Chair would at this time like to recognize in the gallery, Ethel Blondin, the Member of Parliament for the Western Arctic. Welcome to the House.

---Applause

Mr. Zoe, you had a supplementary.

Supplementary To Question O127-89(1): Inequities In Community Funding For Alcohol And Drug Program

MR. ZOE: Mr. Speaker, am I correct in that the Minister said it is being addressed in this current year's budget, or did she say the upcoming year? I was not quite sure.

MR. SPEAKER: Madam Minister, would you please clarify?

Further Return To Question O127-89(1): Inequities In Community Funding For Alcohol And Drug Program

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, he is correct in saying that it will be addressed in this year's budget.

MR. SPEAKER: Thank you, Madam Minister. Mr. Kilabuk was next.

Question O128-89(1): Funding For Airstrip Road, Pangnirtung

MR. KILABUK: (Translation) Thank you, Mr. Speaker. The question is the same question as I mentioned yesterday about the airstrip. It was addressed yesterday but the person I asked did not really say for sure whether it is going to be considered. I just do not want this to be forgotten. I wonder how much the funding is going to be when they get the road and I wonder if the Minister of MACA could consider building a road in my community. Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Wray.

Return To Question O128-89(1): Funding For Airstrip Road, Pangnirtung

HON. GORDON WRAY: Thank you, Mr. Speaker. We will certainly look at the option but I think, to be realistic to the Member, the option is one that is there, but I do not think it is one at this time that we will be able to fund because of the extremely high cost. But we will certainly look at it.

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

Question O129-89(1): Checks For Drug Use In Dog Racing

MR. LEWIS: Mr. Speaker, I am sure that all Members of this House have been following with interest for many months now, the career of Ben Johnson, a very successful athlete who through various misfortunes was found to be using illegal substances to improve his speed. My question is this, since dog racing in the NWT maybe holds out one of the great hopes to be internationally competitive over the next 10 years or so, would the acting Government Leader tell me what steps

our government is taking to make sure that none of our NWT dogs will be doped, thereby hindering their chances of achieving the international stature that we think they could have?

---Applause

MR. ERNERK: That is the question of the day.

MR. SPEAKER: The question was addressed to the deputy Government Leader, I believe.

HON. STEPHEN KAKFWI: I will take it under notice.

MR. SPEAKER: Oral questions. Mr. Ernerk was next.

Question O130-89(1): Hunting Rights For Native People Of Nunavut

MR. ERNERK: Thank you, Mr. Speaker. My question has absolutely nothing to do with dogs but it is a question to the Minister of Renewable Resources. Under the Nunavut Wildlife Management Board initialled document, what rights are given to the native people of Nunavut in terms of hunting rights?

MR. SPEAKER: Mr. Minister.

Return To Question O130-89(1): Hunting Rights For Native People Of Nunavut

HON. TITUS ALLOOLOO: Mr. Speaker, since his question has something to do with wildlife, I will answer the question. The provision recognizes specific, unique rights aboriginal people will enjoy with regard to the harvesting of wildlife and provides economic opportunities related to guiding, sports lodges and commercial marketing of wildlife products. The instrument of the wildlife management will be a management board with equal Inuit and government membership plus a chairman that will oversee the harvesting of wildlife, subject to the principles of conservation. The board will be empowered to make management decisions subject to this allowance by the appropriate Minister. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Mr. Whitford was next.

Question O131-89(1): Rules Of Confidentiality

MR. WHITFORD: Yes, Mr. Speaker. My question is directed to the Minister of Finance and it deals with the subject of confidentiality. A little preamble. When I was sworn into this House, I was sworn to represent my constituents. It was in the best of my ability I swore to be honest and truthful as best I could; I would not embarrass the House. This is how I have been operating until maybe later this afternoon. I belong to SCOF and I went into those meetings and the first thing I was told -- there is a question coming up, Mr. Speaker -- I went in there and I was told that the stuff that is in here is confidential. So much so, Mr. Speaker, that I did not take my books home. I had all my books and notes destroyed before I left those meetings. You will get the question.

Now, am I to understand from the budget, am I to understand from the Minister's comments of the last couple of days here, that the Minister has no confidence in my ability to keep things confidential? Am I to understand, sir, that he had no confidence in my credibility as an honourable Member when he asked for protocol to be established so that he can discuss these things, such as the tax on alcohol, the tax on fuel, which I had no idea he was going to do? I was under the illusion there were going to be no taxes; that there was going to be a nice budget that they would work within their thing.

Now he says that he wants to establish a protocol. Am I to understand that there is no protocol; that there are no rules that we are operating by and we cannot do anything until we get together and come up with some new guidelines? My question, I guess, is, are we operating under any kind of rules at the moment, of confidentiality?

MR. SPEAKER: Mr. Minister of Finance.

Return To Question O131-89(1): Rules Of Confidentiality

HON. MICHAEL BALLANTYNE: Thank you. I think the question posed by the Member gave enough detail that I understand the question.

---Laughter

Thank you, Mr. Speaker. I think I have tried in the House a number of times to explain from the government's point of view what we perceive to be our dilemma in this particular matter. As a matter of course, past governments considered in this Legislature their right to impose new tax regimes. That right has been essentially unchallenged for a number of years. For a number of reasons, we think good reasons, we as a government have to be very, very careful as to the information that we let out about possible tax increases.

In no way is there any implication as to the loyalty and the trustworthiness of individual Members. In fact, Members of Parliament and Members of the Legislative Assembly through the whole British Commonwealth sign the same sort of loyalty oath. In no other jurisdiction are they privy to advance tax information.

I think the point of this is that this is a consensus -- I think the fact that this is a consensus Legislative Assembly, gives us some reason to discuss an arrangement different than they have in other jurisdictions. As I said, I am prepared to sit down and discuss that arrangement. We are a consensus Legislature but that does not change the fact that people are doing business in the Territories in the same way they do business in the rest of Canada and other areas of the Commonwealth. It does not change the fact that if advance knowledge of tax information got out, it could have a very dangerous and harmful impact. It does not change the fact that under the present legislation, the government and I are responsible for the budget and there is a potential that there would be legal responsibility for me and for the cabinet if there is a budget leak. It does not change the fact that right now there is no protocol of accountability.

Accountability Must Be Built Into System

It is easy enough to say that everybody is trustworthy. That is fine but if something leaked from the government side, I am clearly accountable. Clearly. And if something got out that had a very detrimental effect, I am clearly held accountable. If, for whatever reason, something was leaked from the committee, there are no clear lines of accountability whatsoever. What I was suggesting -- and this as a matter of fact has not come up before -- what I am suggesting is developing a protocol that builds in some accountability to the system. We do not have it. I do not believe we have it right now. We may even have to change our legislation. We may have to have a different oath of secrecy. There may be different terms of reference under which the committee operates. I am prepared to sit down with the committee chairman and try to explore some of these options. Thank you.

MR. SPEAKER: Supplementary, Mr. Whitford.

Supplementary To Question O131-89(1): Rules Of Confidentiality

MR. WHITFORD: Thank you, Mr. Speaker. I am still not satisfied with that answer, as low key as it was. I want to know whether or not we are operating under two sets of rules. We in committee promise to keep our mouth shut. They come in and promise to keep their mouths shut and keep everything confidential but they can do things that we do not know about. I went in there with full intentions of doing the best job I could, filled my little heart with all the secrets I could keep and yet they turn around and they zap us, the public, with a tax that we had no idea about. As far as worrying about his neck being on the line, my neck is on the line, as well.

The question is, I guess, are we operating under two sets of rules? Theirs and ours. We keep our mouths shut, you do not have to.

MR. SPEAKER: Mr. Minister. Mr. Ballantyne.

Further Return To Question O131-89(1): Rules Of Confidentiality

HON. MICHAEL BALLANTYNE: The Member brings forward some interesting theories.

---Laughter

Unfortunately, you do not establish a system based on individuals. The reality is, past standing committees on finance have leaked information. The reality is, past standing committees on finance have even shared transcripts from the meetings at regional meetings. I have the utmost confidence in this particular group but in the years and decades to come, people change. There might not always be this same level of integrity. Whatever system we set up has to have enough safeguards in it to protect it from individuals without the high moral standards that the Member has. Thank you.

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

Supplementary To Question O131-89(1): Rules Of Confidentiality

MR. WHITFORD: My last supplementary on this issue, Mr. Speaker. Maybe the Minister can give me an idea of when he will start trusting in me enough that he can confide in me and that I will know, when I talk to him, that I am getting the straight goods and if he asks me to keep my mouth shut, I will; and when I ask him if this is everything on this issue and he says yes, then I know that he is telling the truth. When will we have reached that level where we can trust each other?

---Applause

MR. SPEAKER: Mr. Ballantyne.

Further Return To Question O131-89(1): Rules Of Confidentiality

HON. MICHAEL BALLANTYNE: Mr. Whitford and I could reach that level, I suppose, if that was all we had to do was for you and I to reach the level, I suppose when you and I form part of the next government.

MR. SPEAKER: Mr. Morin was next.

Question O132-89(1): Right Versus Privilege To Hunt

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of Renewable Resources. Mr. Minister, when you refer to hunting in the Eastern Arctic, when you refer to Inuit hunting you refer to it as Inuit hunting rights. How come you refer to the Inuit people as having the right to hunt, and when I asked a question yesterday about the Dene/Metis people you referred to us as having the privilege to harvest?

MR. SPEAKER: Mr. Minister.

Return To Question O132-89(1): Right Versus Privilege To Hunt

HON. TITUS ALLOOLOO: Mr. Speaker, if I recall correctly, the Member asked me yesterday, who has the first privilege to hunt in Denendeh? That was his question. Thank you.

MR. SPEAKER: Mr. Morin, supplementary.

Supplementary To Question O132-89(1): Right Versus Privilege To Hunt

MR. MORIN: Thank you, Mr. Speaker. Mr. Minister, my question yesterday was: "Mr. Minister, can you explain to me the difference between the right to hunt and the privilege to hunt, and who has the right to hunt and who has the privilege of hunting in the Northwest Territories?"

MR. SPEAKER: Mr. Minister.

Further Return To Question O132-89(1): Right Versus Privilege To Hunt

HON. TITUS ALLOOLOO: Mr. Speaker, the Member is correct that he asked me that particular question. Mr. Speaker, under the provision that TFN has negotiated, they have managed to negotiate a provision whereby the Inuit would enjoy a right to hunt under the principles of conservation. For the Dene and Metis secretariat, they too are pursuing to reach an agreement on their negotiations for the wildlife; however, I am not as well versed on this area. Perhaps my colleague, the Minister of Aboriginal Rights, would know more about this provision for that particular group. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Does the Minister of Aboriginal Rights have anything to add to this at this time? The Minister does not. The time allocation for question period, with down time for equipment failure included, is now expired. We will move to Item 6, written questions. Mr. Butters.

HON. TOM BUTTERS: Sir, may I have unanimous consent to return to Item 4, returns to oral questions?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Mr. Minister, proceed.

REVERT TO ITEM 4: RETURNS TO ORAL QUESTIONS

Further Return To Question O114-89(1): Possible Move Of Northwest Territorial Airways Administration

HON. TOM BUTTERS: I do have additional information to two responses provided today. One with regard to the position of Air Canada. The senior vice-president of Air Canada, Bill Rowe, is in Yellowknife and, when asked the question which the honourable Member indicated he wished to be asked, advised the deputy minister of Government Services that: 1) NWT Air operates as an independent company; 2) NWT Air makes its own decisions; 3) Air Canada gives no direction as to how NWT Air conducts its business.

There was additional information with regard to maintenance, and they confirmed that heavy Electra maintenance is being consolidated in Edmonton from Calgary. Heavy Electra maintenance has always been done in Calgary. The result of the move, however, will see six NWT Air personnel moving to Edmonton from Yellowknife; two of those positions will be technical, and four will be clerical. No other area of NWT Air's operation is to be affected. Full maintenance program will still be done in Yellowknife.

I would add two other points. I do not know if this has been announced yet, but to ensure that there is continuing northern interest and direction to the board of directors of NWT Air, Dick Hill of Inuvik and Jack Walker of Yellowknife have been appointed to the NWT Air board of directors.

Further Return To Question O123-89(1): Site Of New House In Chesterfield Inlet

I do have a response to Mr. Ernerk's question with regard to the engineer's visit to Chesterfield Inlet. Apparently Alan Robinson, the project officer, travelled to Chesterfield Inlet last night. A complete inspection of the four-plex was done this morning. Work on repairs is under way and it is anticipated that it will be completed by tomorrow and the families will be able to return to their homes this weekend. There is also an examination being carried out at the site for the future construction and Mr. Robinson is doing a complete inspection of that site and the piles and discussing with the community the concerns of the hamlet officials that were brought to our attention. Thank you, sir.

MR. SPEAKER: Thank you, Mr. Minister. Item 6, written questions. Mr. Ernerk.

ITEM 6: WRITTEN QUESTIONS

Question W5-89(1): Accident Investigation And Compensation

MR. ERNERK: Thank you, Mr. Speaker. My question concerns the matter I raised in my Member's statement on the tragic accident in 1981. To help satisfy the relatives of the deceased, would the Minister of Justice review this accident to satisfy himself if all matters were properly investigated and reported? Could the Minister advise me if there are any avenues of compensation open to the widow? Thank you.

MR. SPEAKER: Thank you, Mr. Ernerk. Written questions. Item 7, returns to written questions. Mr. Clerk.

ITEM 7: RETURNS TO WRITTEN QUESTIONS

Return To Question W2-89(1): Denendeh Conservation Board

CLERK OF THE HOUSE (Mr. Hamilton): Hon. Titus Allooloo's return to Question W2-89(1), asked by Mr. Nerysoo, on February 10, 1989, of the Minister of Renewable Resources regarding Denendeh Conservation Board: The Denendeh Conservation Board received its mandate from an agreement between the Dene/Metis negotiating secretariat and the Government of the Northwest Territories in 1986. This board is a model of the Wildlife Management Board described in the Dene/Metis claim. The board is authorized by the Minister of Renewable Resources to provide recommendations within the department's mandate. The Denendeh Conservation Board also provides advice on wildlife, habitat, forestry and other issues as they relate to the department's mandate.

The board has 10 members and an independent chairman. Five members are appointed by the Minister of Renewable Resources upon their nomination by the joint Dene/Metis leadership, which in turn gets its recommendation for appointment from the five tribal councils. The Minister of Renewable Resources appoints five additional members. The chairman is appointed by the Minister upon nomination of the board.

Hunters and trappers associations, band councils and members of the general public may make presentations directly to the board or through any of the members. Hunters and trappers associations and band councils usually have their regional representative bring forth any issues or concerns. Each member shall be appointed to hold office up to, but not exceeding, five years. A member may be reappointed.

The following individuals are members of the Denendeh Conservation Board: Chairman, John U. Bayly, Yellowknife; board members: Albert Adams, Inuvik; Harry Deneron, Fort Liard; Antoine Michel, Snowdrift; Joe McBryan, Hay River; James Rabesca, Rae; Greg Robertson, Yellowknife; Daniel Sonfrere, Hay River; Stan Stevens, Norman Wells; Winter Lennie, Norman Wells; Jack Van Camp, Fort Smith.

MR. SPEAKER: Thank you, Mr. Clerk. Returns to written questions.

Item 8, replies to Opening Address. Replies to Opening Address.

Item 9, replies to Budget Address. Replies to Budget Address.

Item 10, petitions. Petitions.

Item 11, reports of standing and special committees. Reports of standing and special committees.
Item 12, tabling of documents. Mr. Butters.

ITEM 12: TABLING OF DOCUMENTS

HON. TOM BUTTERS: Mr. Speaker, I wish to table Tabled Document 32-89(1), 34th Annual Report of the Northwest Territories Liquor Commission.

MR. SPEAKER: Thank you, Mr. Butters. Tabling of documents. Mr. Gargan.

MR. GARGAN: Mr. Speaker, I wish to table Tabled Document 33-89(1), a document on the minutes from the Mackenzie Valley Renewable Resource Management Board, executive summary for February, November, March; and in March, it was called the Denendeh Conservation Board, minutes for March, May, July and September.

MR. SPEAKER: Thank you, Mr. Gargan. Tabling of documents. Mr. Gargan.

MR. GARGAN: Mr. Speaker, I wish to table Tabled Document 34-89(1), a document regarding a three page blueprint on the HAP units that are being built in Fort Providence.

MR. SPEAKER: Thank you, Mr. Gargan. Tabling of documents. Item 13, notices of motion. Mr. Morin.

ITEM 13: NOTICES OF MOTION

Notice Of Motion 4-89(1): Kiggavik FEARO Panel

MR. MORIN: Thank you, Mr. Speaker. I give notice that on Monday, February 20, 1989, I will move the following motion: Now therefore, I move, seconded by the honourable Member for Nunakput, that the Legislative Assembly invite the co-chairmen of the Kiggavik FEARO panel to appear as witnesses before the committee of the whole on Wednesday, March 15, 1989, to explain and discuss the FEARO hearing process. Thank you.

MR. SPEAKER: Thank you, Mr. Morin. Item 13, notices of motion.

Item 14, notices of motion for first reading of bills. Item 15, motions. Motion 1-89(1), Additional Bison Tag Draw. Mr. Morin.

ITEM 15: MOTIONS

Motion 1-89(1): Additional Bison Tag Draw

MR. MORIN: Thank you, Mr. Speaker.

I MOVE, seconded by the honourable Member for Nahendeh, that this Legislative Assembly request the Minister of Renewable Resources to consider providing one additional bison tag for draw;

AND FURTHER, that the Minister of Renewable Resources only permit those individuals who applied in time for the initial draw but who were not included, to participate.

MR. SPEAKER: Thank you, Mr. Morin. The motion is in order. To the motion. Mr. Morin, you have the floor.

MR. MORIN: Thank you, Mr. Speaker. Last fall, the government did carry out a draw for wood buffalo to be harvested in the Providence area. They did allow for 12 tags to go to Fort Rae, 12 tags to Fort Providence and 12 tags for resident hunters only. They had put out an ad in the paper telling resident hunters that if anybody was interested to have their name submitted into this draw, they were to give their names to the renewable resources officer in the communities by such and such a date. People did do that, but what happened is that the renewable resources officers did not get the names to Yellowknife in time for the draw. They did hold a public draw, but there were approximately 35 to 40 names that were not put into that draw. At that time, myself, as well as other Members, asked the government and asked Renewable Resources to reconsider and possibly have one more buffalo added to that draw so that the people who did not get into the draw through no fault of their own, have a chance to still be included in some sort of a draw.

I think it is our responsibility as MLAs to correct injustices that are done to the public, and I feel that this is an injustice done to these people, because their names were not put into the draw. They did do everything according to the draw, they did do everything they could as people, and it was the department's problem that their names were not put in the draw. I feel it is the department's responsibility to have another draw and submit these names to it. Thank you.

MR. SPEAKER: Thank you, Mr. Morin. The seconder, the honourable Member for Nahendeh, does not wish to speak at this time. To the motion. Mr. Gargan.

MR. GARGAN: Mr. Speaker, just for the interest of the Members. The bison population in the sanctuary is on a healthy increase, it is not declining due to wolves or lack of eating habitat. The biology report that was done in 1987 by Cormack Gates does say that the wood bison could be recommended as being taken off the endangered species list by 1990. There is an indication that, even as far as a government biologist is concerned, the bison is not on the decline. You could go as far as taking as much as 100 bulls and it would not affect the herd that much. For this reason, I have no objection to what the motion is indicating. I would certainly like to give the hunters that were left out another chance. Thank you.

MR. SPEAKER: Thank you, Mr. Gargan. Mr. Whitford, to the motion.

MR. WHITFORD: Thank you, Mr. Speaker. I will be supporting the motion. I was made aware of the slip-up quite soon thereafter, and I had put forward some suggestions at the time, which my colleague is making a motion toward. I think the situation could have been rectified much sooner, and it would have avoided all this publicity. The people are being inconvenienced through no fault of their own -- they did everything they were supposed to do. They filled in the applications, they took them to the game officials, and it was the game officials who did not get the names to Yellowknife on time. Soon thereafter they knew about this issue. It was a public draw; otherwise they could have dumped the names into the hat at the time. I believe that this situation can be rectified by issuing an additional tag. I am satisfied, from what I have been able to find out, that the herd is in a healthy condition and it can sustain the culling of an additional animal. In this case I believe that the department has said that it will set a precedent in the future if this happens. People can come back and request that they be included in draws if they were unsuccessful the first time. That is not the same thing. In this case only, these people did not have this first chance. I do not think it affects anybody in this area, but it does affect people from the NWT, and I think that we as a government must show that if we make a mistake, we will take steps to rectify it, if it is through no fault of the persons; to be man enough to stand up and say that. This is why I am supporting this motion. I do not think it will set a precedent because the situation the next time may not be the same as this one. In here, we have a clear case of a departmental error which can be rectified very conveniently and easily. It will avoid any future discussion on this matter if they were to take the recommendations of the motion.

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

MR. ANGOTTITAUURUQ: Thank you, Mr. Speaker. Just before the vote is counted, I would just like to speak to the motion. There is no doubt I will be supporting the motion but at the same time I have a little difficulty in the matter. Why in the first place could not these people from that area get their names in on time? Why could they not have done it in that community instead of relying on Yellowknife? Most of our tags in the NWT are done within the community. Was there not a trusted person in that community that could draw out those names? As simple as that. For that reason I will support the motion.

MR. SPEAKER: Thank you, Mr. Angottitauruq. To the motion. Mr. Morin, as the mover of the motion you have the right of last reply which will then close debate. Do you wish to speak again?

AN HON. MEMBER: Question.

Motion 1-89(1), Carried

MR. SPEAKER: Question is being called. All those in favour of the motion? Thank you. All those against the motion? Thank you. The motion is carried. Item 15, motions. Motion 2-89(1): Airline Witnesses to Appear Before Committee of the Whole. Mr. Pudluk.

Motion 2-89(1): Airline Witnesses To Appear Before Committee Of The Whole

MR. PUDLUK: Mr. Speaker:

WHEREAS Motion 20-88(2) called for owners of airlines servicing the Northwest Territories to be invited to appear as witnesses at this session;

AND WHEREAS it is the desire of the Legislative Assembly to hear from certain airline companies;

NOW THEREFORE, I move, seconded by the honourable Member for Tu Nede, that the Legislative Assembly invite the following airline companies to appear as witnesses in committee of the whole on Wednesday, March 8, 1989: Air Inuit; First Air; Calm Air; Kenn Borek Air; Canadian Airlines International; Northwest Territorial Airways.

Thank you, Mr. Speaker.

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

MR. PUDLUK: Mr. Speaker, I believe the motion speaks for itself and is straightforward. Thank you.

MR. SPEAKER: Thank you. Mr. Morin is the seconder. Do you wish to speak? Mr. Morin declines to speak to the motion. Mr. Whitford.

MR. WHITFORD: Mr. Speaker, I am concerned that Aklak Air is not included on the list and I would like to propose an amendment to include Aklak Air on that list. I think it was an oversight that it was not included yesterday and I want to see that this is corrected. They are a very large company and they serve a considerable amount of the Delta. How do I go about that?

MR. SPEAKER: Thank you, Mr. Whitford. Could you indicate to this House clearly the wording of the amendment you wish to make and indicate to the House who is the seconder to your motion?

MR. WHITFORD: I will need some assistance in writing that amendment.

MR. SPEAKER: Mr. Whitford, you have the floor.

Amendment To Motion 2-89(1)

MR. WHITFORD: Thank you, Mr. Speaker. I move, seconded by Mr. Ernerk, that Aklak Air be added to the list of airline companies appearing as witnesses for the committee.

MR. SPEAKER: Thank you, Mr. Whitford. That amendment is in order. To the amendment. Mr. Whitford, do you wish to speak to your amendment?

MR. WHITFORD: Just briefly, Mr. Speaker. I realize that some of the Members said that during the caucus we did make the decision. However, it was an oversight and I want to again, as I spoke on the earlier motion, rectify this before we end up catching some flack. Airlines do not like catching flack.

MR. SPEAKER: The seconder of the amendment, Mr. Ernerk.

MR. ERNERK: Mr. Speaker, I do agree with the amendment but I do wish to make an amendment to the amendment.

MR. SPEAKER: Mr. Ernerk, go ahead.

MR. ERNERK: Thank you, Mr. Speaker. I move, that Nunasi Northland be added to the list of airlines invited to appear before the Legislative Assembly.

MR. SPEAKER: Mr. Ernerk, at this time that amendment is not in order because you are not amending Mr. Whitford's amendment, you are amending the motion as a whole. We shall therefore take Mr. Whitford's amendment to a vote and if you wish to amend further after that you may do so. To the amendment.

AN HON. MEMBER: Question.

Amendment To Motion 2-89(1), Carried

MR. SPEAKER: Question is being called. All those in favour of the amendment? Thank you. All those opposed? The amendment is carried.

---Carried

To the motion as amended, Mr. Ernerk.

Further Amendment To Motion 2-89(1), Carried

MR. ERNERK: Thank you, Mr. Speaker. Mr. Whitford is my secretary. Mr. Speaker, I move that Nunasi Northland be added to the list of companies invited to appear before the Legislative Assembly, seconded by Mr. Whitford.

MR. SPEAKER: Thank you, Mr. Ernerk. The amendment is in order. To the amendment.

AN HON. MEMBER: Question.

MR. SPEAKER: Question is being called. All those in favour? Thank you. All those opposed? Thank you. The amendment is carried.

---Carried

To the motion as amended. Mr. Pudluk. You are the mover of the motion. Do you wish to speak any further? Debate is then closed.

AN HON. MEMBER: Question.

Motion 2-89(1), Carried As Amended

MR. SPEAKER: Question is being called. To the motion as amended. All those in favour? Thank you. All those opposed? The motion as amended is carried.

---Carried

Item 16, first reading of bills. Item 17, second reading of bills. Bill 8-89(1), Public Utilities Act. Ms Cournoyea.

ITEM 17: SECOND READING OF BILLS

Second Reading Of Bill 8-89(1): Public Utilities Act

HON. NELLIE COURNOYEA: Mr. Speaker, I move, seconded by the honourable Member for Amittuq, that Bill 8-89(1), Public Utilities Act, be read for the second time. Mr. Speaker, the purpose of the bill is to establish the Public Utilities Board; to provide for the jurisdiction and powers and duties of the board; to provide that the Public Utilities Board approves public utility franchises; to provide that the Public Utilities Board approves rate schedules; to permit the Public Utilities Board to supervise public utilities by setting out the restrictions and duties of public utilities; to establish offences and punishments; to provide for a regulation-making power; and to repeal the Public Utilities Act, RSNWT 1974, c. P-17. Thank you.

MR. SPEAKER: Thank you, Madam Minister. The motion is in order. To the principle of the bill.

AN HON. MEMBER: Question.

MR. SPEAKER: Question is being called. All those in favour? Thank you. All those opposed? The motion is carried.

---Carried

Bill 8-89(1) has had second reading. Mr. Clerk, Bill 8-89(1) is ordered into committee of the whole.

Item 18, consideration in committee of the whole of bills and other matters: Bill 1-89(1), Appropriation Act; CR 1-89(1), Report on the Review of the 1989-90 Main Estimates; Bill 8-89(2), Public Utilities Act, with Mr. Gargan in the chair.

ITEM 18: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER COMMITTEE REPORT 1-89(1), REPORT ON THE REVIEW OF THE 1989-90 MAIN ESTIMATES; BILL 1-89(1), APPROPRIATION ACT, 1989-90

CHAIRMAN (Mr. Gargan): The committee will now come to order. We are on Bill 1-89(1), Appropriation Act. Would the Minister like to make his opening remarks?

Department Of Economic Development And Tourism

Minister's Opening Remarks

HON. GORDON WRAY: Thank you, Mr. Chairman. Mr. Chairman, I am here to present and clarify the department's budget but I am also here to talk about more than just dollars and cents. I am here to share my understanding of some of our economic problems and some of my ideas for addressing them.

I would like to start by outlining some of our observations about the state of the territorial economy especially as they relate to the role, performance and mandate of the Department of Economic Development and Tourism.

First of all, it is obvious that while our overall economic performance has been strong, among the best in Canada in fact, not everyone has benefited. While some areas of the western NWT and...

CHAIRMAN (Mr. Gargan): Excuse me, do we have anyone translating? We are not getting it here. Thanks. Mr. Minister, go ahead.

HON. GORDON WRAY: Would you like me to start again, Mr. Chairman?

CHAIRMAN (Mr. Gargan): Do we need the Minister to start again? No, it is okay, just keep going.

HON. GORDON WRAY: Thank you, Mr. Chairman. First of all, it is obvious that while our economic performance has been strong, among the best in Canada, not everyone has benefited. While some areas of the western NWT and some major centres have grown and prospered, small native communities in both the western and eastern NWT remained depressed. In these areas, average incomes are well below Canadian poverty levels, employment is almost non-existent, and social assistance is a fact of life. Nor is the situation improving. The gap between rich and poor communities is widening, not narrowing.

Even among our working population, income disparities have persisted and even grown. This is especially evident in our poorer regions and communities. For example, Mr. Chairman, 30 per cent of the Kitikmeot's population earns 75 per cent of that region's income. In practical terms, we have two labour forces in the NWT.

CHAIRMAN (Mr. Gargan): Excuse me, Mr. Wray. You have a point of order, Mr. Whitford?

MR. WHITFORD: Yes, Mr. Chairman, I do not know what it is, the point of order but there is nobody in the House here. The economy is a fairly important item. We as ordinary Members consider it to be -- we spoke long and loud on the budget. We are talking about the economy and there is nobody here. Lack of quorum. You put it in a nutshell. Lack of quorum. There are four ordinary Members. Can we continue with that?

CHAIRMAN (Mr. Gargan): If you are requesting that we have a quorum, I will ask the Clerk to ring the bell. You have a point of order, Mr. Butters?

HON. TOM BUTTERS: Just to say that there may be some misunderstanding saying that there are only four ordinary Members. There are also four Ministers present, Mr. Chairman.

MR. WHITFORD: I meant no disrespect for the government. I was concerned primarily with here -- but acknowledging, are there enough to continue, Mr. Chairman?

CHAIRMAN (Mr. Gargan): Mr. Whitford, there are enough to continue but if you wish to raise the question regarding lack of quorum, you may and we will ring the bell until we do have a quorum. The only time that it is really required to have a quorum is when you do have motion in the committee of the whole. A Member could recognize at any time and we have to go by the wish

of a Member. I will ring the bell. Madam Clerk. I recognize a quorum including myself. Mr. Wray, you may continue.

HON. GORDON WRAY: Thank you, Mr. Chairman. I am not sure if I should start again or half way through. It is somewhat disconcerting, given that the economy was made the top priority and all the MLAs leave the room.

Perhaps I will start at the bottom of the page again, and I assure you this is the last time you will hear this. First of all, Mr. Chairman, it is obvious that our overall economic performance has been strong, among the best in Canada, but not everyone has benefited. While some areas of the western NWT and major centres have grown and prospered, small native communities in the western and eastern NWT remain depressed. In these areas average incomes are well below Canadian poverty levels, employment is almost non-existent and social assistance is a fact of life.

Nor is the situation improving. The gap between rich and poor communities is widening, not narrowing. Even among the working population, income disparities have persisted and grown. This is especially evident in our poorer regions and communities. For example, 30 per cent of the Kitikmeot's population earns 75 per cent of that region's income.

In practical terms, we have two labour forces in the NWT. The non-native labour force is highly educated and mobile. On the other hand, over half of our native population has not finished grade 10. Until this changes, the more interesting, higher paying and challenging jobs in the wage economy will be beyond the grasp of a majority of our native residents.

Another problem is the cost of freight. For example, it costs more to ship a pound of freight from Rankin Inlet to Yellowknife, than from Rankin Inlet to Winnipeg. Until this changes, it will be extremely difficult, if not impossible, to increase trade between communities in the NWT.

Earlier Approach To Economic Development

Mr. Chairman, the department must give priority to addressing these problems. Previously we assumed that the private sector would be able and willing to lead economic development. The department saw its role as passive, reacting to the needs of the business community rather than stimulating development. This approach became so prevalent that we closed many arts and crafts projects simply because they failed to generate a return on investment.

This approach has worked to encourage growth and development in urban areas, but it has ignored the needs of our underdeveloped and depressed communities. This is because the private sector tends to invest where: incomes are high; business infrastructure exists; business services, such as bookkeeping, are readily available; a commercial and residential real estate market exists; and a trained and skilled labour force is available.

Mr. Chairman, as a department we have to rethink our strategy. One of our primary goals must be balanced development. By this I mean a regional and community balance, and a balance between ethnic groups.

The Budget

Developing a strategy to benefit all regions and communities will require time, commitment and resources. And it will extend beyond the capabilities of any one department, especially a small department like the Department of Economic Development and Tourism.

Our role is largely limited to commercial development. We have also been, historically, a rather small player. During the current fiscal year our budget represents around four per cent of total government expenditures.

Our proposed budget is \$33,731,000, which represents a \$5,644,000, or 20 per cent, increase over last year's estimates. Of this amount, 80 per cent is the result of prior program

commitments. In percentage terms, 75 per cent of the increase is the result of the EDA and 25 per cent results from new or enhanced programs. With this increase the department is still program focussed, with only 11.5 per cent of the budget being allocated to support areas such as finance, policy and administration. The majority of the budget is allocated to programs: business development accounts for 33.5 per cent; tourism and parks is allocated 20.7 per cent; and the Economic Development Agreement, or EDA, accounts for 33.4 per cent.

The EDA, which accounts for a significant portion of our budget, is a prime example of our predicament. The program's funding is desperately needed, especially in small communities, but its requirement for short-term profitability limits its usefulness as a development tool. Many worthwhile projects which could further economic development in small communities cannot meet this criterion. It is like trying to fit a round peg in a square hole. It just does not work. This also means that some parts of the EDA are underutilized and will lapse funding. Seventy per cent of this funding would have been recoverable from the federal government. Notwithstanding, Economic Development is responsible for having total EDA funding available for each year of the agreement, whether we spend it or not.

I have directed the department to make some short-term operational improvements to the EDA, but significant change requires approval from the federal cabinet. In the very near future I will be pursuing appropriate changes with my federal counterparts to better match EDA programs with NWT needs. Since the agreement is nearing completion, I will be giving priority to developing more appropriate programs for the next generation of federal/provincial/territorial development agreements.

Expansion Of Support To The Business Community

Other priorities for the next fiscal year include expansion of support to the business community. The department has an extensive and diverse range of business programs. Unfortunately, most require private capital and the potential for short-term profitability. This restricts our poorer communities from benefiting simply because they lack a diversified business community, or a business community, period. To begin addressing the problem, I am proposing an entrepreneurial support program and a renewed look at government sponsored projects.

Renewable Resources

Traditionally this sector of the economy has been associated with trapping, fishing and small-scale agriculture. Recent developments in a number of areas have broadened its application to include both fur and agriculture farming, ranching, marine fishing, greenhouses and aquaculture.

Successes within this area have been significant. The NWT is now exporting a number of existing products including mineral water and scallops. In addition, small farming operations are developing in various parts of the NWT to serve the NWT market.

Within this budget proposal we are expanding support to the marine fishery in the Eastern Arctic through start-up incentives, operating subsidies and long-term training; and we are reviewing our participation with the Freshwater Fish Marketing Corporation.

Tourism

Over the past two years, much emphasis has been placed on developing the NWT as an attractive market destination. This campaign has been very successful, and it is now time to shift our emphasis to developing attractions and events and improving the quality of visitor services. Marketing will be actively pursued, with increased emphasis on the off-season offering.

Budget highlights include: increased funding to travel associations; a new program that will provide support for groups that integrate tourism and culture; supporting, at the request of industry, the development of NWT based travel trade businesses; expanding northern arts and crafts, and developing a cultural awareness which complements tourism development and

promotion; and improving and expanding the range and quality of services and attractions for visitors to the NWT.

Arts And Crafts

Arts and crafts has not enjoyed the profile it deserves. In the current budget I am proposing a new person year for the Kitikmeot Region. Over the coming year I will be re-profiling this entire section to give it more presence.

Employment Creation

In response to concerns raised by the Legislature last year, I have reintroduced the STEP, or short term employment program. This will provide some of the needed jobs in depressed communities.

Mr. Chairman, these new initiatives within the budget are only a very small and a first step. A new approach to development is required. Few people, especially in smaller communities have the money to invest in a business and when they do, few of these businesses are viable in the short term. We must begin to think of longer-term solutions.

One solution is for the government to become more active as an investor; for example, buying shares in new businesses. This approach has an advantage over loans which may burden a new company with unnecessary debt. It allows us to participate in the business and if necessary to step in with needed assistance.

We also need to play a more active role in developing renewable resources. If resources are being underutilized or if it is necessary to remove an impediment to growth, direct government participation might be necessary.

The arts and crafts industry also requires greater attention. After I have a chance to consult with producers and retailers, I plan to finalize a strategy for this sector early within the current year.

Once the special committee on the economy completes its report, I will proceed with finalizing a new strategy for the department. This strategy will include a balance between public and private, and its focus will be on reducing community disparities. Thank you, Mr. Chairman.

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

Comments From The Standing Committee On Finance

MR. LEWIS: Thank you, Mr. Chairman. In the absence of Mr. Pollard, I will just briefly indicate what the standing committee on finance has to say about the plans for this department. First of all, the 1988-89 highlights are fairly clear because economic development is a priority for this government as indicated both in the budget and also in the Minister of Finance's statements. I apologize to the Minister for not being in the House when he made his opening remarks because I was called out on another very important matter of economic development to explain to the press the problems that we may have in relation to a pull-out of a major economic player in this community. I did get back as fast as I could. The second issue is a pretty clear one and we have struggled with it for a long time. It is that there are no simple solutions to addressing the NWT's economic problems and that was clear from the Minister's opening statement.

The issues and concerns. The communication of programs to communities is a major problem. The Department of Economic Development and Tourism provides funds and support in many areas, but not all of the programs are well utilized. Many NWT residents appear to be unaware of the variety of programs available through this department. The second issue was the ongoing support to businesses. Members raised a concern with a lack of ongoing support to new businesses funded in part by Economic Development and Tourism. This support should not be restricted to funding but should include assistance in areas such as handling personnel issues,

bookkeeping, inventory control and budgeting. Members believe the failure of many new businesses may be due to a lack of experience or knowledge in these areas. The Minister indicated that this support was part of the responsibility of the economic development officer in the community.

At an appropriate time, Mr. Chairman, I shall move two recommendations be put in the form of motions in this House, and the recommendations read: The committee recommends that the Department of Economic Development and Tourism review the methods used to communicate the availability of programs to communities and develop an improved system of communication and information distribution. The other recommendation is: The committee recommends that the Department of Economic Development and Tourism ensure ongoing support is provided to new businesses. Thank you, Mr. Chairman. That completes the report of the standing committee on finance.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Lewis. Does the Minister wish to bring in any witnesses?

HON. GORDON WRAY: Yes, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Does the committee agree then that the Minister brings in his witnesses? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. Mr. Wray, you may bring in your witnesses. For the record, would you introduce your witnesses.

HON. GORDON WRAY: Thank you, Mr. Chairman. I have on my left Mr. Dwight Noseworthy, the deputy minister of the department, and on my right, Mr. Jim Kennedy, the director of finance and administration.

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

MR. LEWIS: Mr. Chairman, the budget speech made by the Minister on Monday, the Minister of Finance, indicated the commitment to economic development and by that he means long term. In other words, doing things in the long term so that we can tackle some of these major problems that will take us a long time to solve.

What he does not address, though, and neither does this particular budget as I read it, are the ongoing problems that we have to resolve in order to allow businesses that are currently operating to get on with their work. In other words, there is nothing that I see that really promotes economic growth. It is an ongoing responsibility of government, and I know that the Minister is very conscious of the fact that he has an everyday, ongoing responsibility and there is some frustration that perhaps we are waiting for a committee report of the standing committee on the northern economy which will help him, with the support of Members of this House, to make some of these long-term decisions that have to be made and which will require consensus, I think.

Many Communities Located For Reasons That Do Not Exist Today

The problem that I see, Mr. Chairman, is that, as in most parts of the world, we have communities scattered all over the place which have their origins in economies that do not exist in the same way today. I know, for example, many of our small communities exist where they are, simply because it was for the convenience of the trader. I know some communities where you have beautiful anchorage so that when the ship comes in the summertime, boy! You have got some really nice sheltered anchorage and it is just a beautiful place, very often. You find that the best

land in the community is owned by the Hudson's Bay Company because they were the first trader, if you like, to appear in that place. You find that is about the only advantage of it. Very often the place they chose to set up their trading post was a bad hunting place, bad fishing, almost everything was bad about it, so that the people that wanted to trade in that place would come in quickly, do their trading and then take off somewhere else so that they can get on with their trapping, hunting and so on.

At those times when those posts were established they did not give thought that one day there would be airplanes. That was something so far in the future that no one thought about it, so we have many, many places now where that simple problem of getting an air link poses terrible problems for us and will have to result in expenditures of a tremendous amount of money. In those days no one thought that it would be important to have a big supply of water, because they did not see that place as becoming very big. People thought there would just be a post where people would just come in to trade and then go back to the hunting camps.

We have in the West here, similar kinds of situations where people have congregated around a trading post which was not their traditional home at all. It just happened to be, for example, in the case of Fort Smith, where people took their canoes out of the water. That is where you got out of the water because there was a whole bunch of rapids there. That is where the trader set up his post and that was convenient for people to come to trade and eventually it grew up to be a large town.

The problem for places now is that what used to be the most important factor, many, many years ago, is not important any more. We no longer have big steamers going up and down the river. We do not depend upon the river for supply, even though we do use NTCL and the barge system. That is not a big part of our economy any more. It still plays a significant role. But our communities are spread all the way throughout the NWT in small, isolated places, where we have all kinds of major infrastructure problems to solve. The major ones, that I know Mr. Wray has been aware of since he became not only Minister of Economic Development but before that, in his early years with Local Government and eventually MACA, are that we have places that have no economic advantages compared to so many other places in southern Canada.

Product Of History

So we are really a product of history, whereby we have all the economic disadvantages to survive in the modern world. So it seems to me that what we have to do is to look at what we have and see if we cannot specialize somehow, and find some special way in which we can take advantage maybe of, not a huge market but at least a specialized one, where local people may become specialists in one way or another in different things that suit their history, their technology, and from that perhaps we can move forward and develop a rather unique kind of economic system.

I think that the Members of the committee would already agree, even though we have not written our report or even come close to outlining it in any kind of detail, that in our part of the territory we are not going to be able to have an economy exactly like what exists in southern Canada. We have a very sparsely populated area, a huge area, and we do not have the advantage of being close to the marketplace. We have all kinds of terrible costs that people have to bear just to live here. So the challenge that the Minister is facing is one which has to involve, in some way, the government.

Northerners Need To Be More Business Minded

I have been one that has promoted, I know, the idea of people becoming entrepreneurs, but by that I do not mean simply becoming businessmen, that everybody has to become a businessman. What I mean by that is that we have to become more business minded. That we have to change our attitude about the way we go about our work. We have to be more productive and more efficient in everything we take on. That is what I mean by entrepreneurial spirit. Not everybody is going to become a businessman. I agree that we cannot expect private money to solve all our problems, because their risks are so high, so great in the NWT. But it seems to me from the

statement that I heard so far that the idea of the government playing a role is one that I think most people will accept, even in places in southern Canada, like Newfoundland, the Maritimes, and even in the more prosperous provinces the government is a player in the economy. What we need to do is to get people to take more responsibility for things they want to take on. So even if they get help from somebody, it has to be self-help. They have to be prepared to help themselves, as well, and make a big effort to make it successful.

So I am encouraged by the Minister's opening remarks, that he recognizes the huge problem that he has, that we have all these disadvantages in our system and that I am sure, with his background as a northern businessman, knowing all the pitfalls that exist there, that he will take a practical, common sense approach in developing our economy.

Next week I will elaborate much further on several of these issues when I reply to the Commissioner's Opening Address, because he raised the whole issue of providing services, the cost of these services, that people have now been led to believe is their right. At great cost, almost a billion dollars. There is going to be an expectation over the next generation that we are going to have to pay; the people's money has to be used to pay for this level of service. So we have to find ways of creating it. Maybe government and people together can find a way of doing that. So I am encouraged from what I hear so far. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Lewis. General comments. Mr. Kilabuk.

Tourism Industry In Baffin Region

MR. KILABUK: (Translation) Thank you, Mr. Chairman. In Baffin Region the tourism industry is growing. We keep having problems with Economic Development in my community as well as in Broughton Island and Clyde River. I was told by Economic Development that they will address the problem we face, but I am not too sure when the situation will be resolved. I had a meeting with the Iqaluit regional office, and Economic Development will proceed to address the problem. Broughton Island seems to be the community that is not dealt with closely. After the seal industry died, there are hardly any businesses in that community and there are no incentives there. An economic development officer has not visited that community. Perhaps the problem they have is that they do not have an economic development officer.

For example, last year Kekerten Historic Park opened in Pangnirtung. Also there is a spot where bowhead whalers were stationed. There is a good site there where tourists can go. There are hardly any tourists going into Broughton Island. They do not go there because they do not know about that site. I would like you to pursue in trying to get the tourism industry to open in Broughton Island. I would like you to do a study on this beforehand. In Clyde River the funding will be inadequate. Perhaps there will be some funding available for a study so that we can open up tourism more in Clyde River. Also, there has not been any economic development officer stationed there. They should have someone who could work with them to plan this. I am certain that these steps will be taken in the future. Mr. Minister, I would encourage you that the tourism industry is more serious these days than in the past, in promoting sealskin products. We know now that the tourism industry, even though it is seasonal, does bring some income to the communities. Tourists do spend money in the stores, in co-ops once they have been established. I would like to see the community of Clyde River seriously considered. Thank you, Mr. Minister.

The tourism industry has successfully continued development in our community, in the opening of the Angmarlik Centre. The residents of Pangnirtung are grateful, also. There is also the Kittaq Women's Association; they would also like to pursue, as you have seen them. I know we will have your continued support. The women's association would like to continue working with the sealskin products, and they would also like to be assisted by your department. I know your department will be looking into this. I would like to see a feasibility study done in Clyde River and also in Broughton Island. The women sew kamiks. These are considered seriously even though the seal industry has dropped considerably. Mr. Chairman, these applications for assistance I would like to see considered seriously. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Minister.

Economic Planner For Broughton Island And Clyde River

HON. GORDON WRAY: Thank you, Mr. Chairman. I welcome the Member's comments. In fact, I do have some good news for him. The EDA has approved \$79,000 and the competition is out at present to hire an economic planner for a two year period for the communities of Broughton Island and Clyde River. One economic planner, and he will prepare a five year economic strategy plan for Broughton Island and for Clyde River. That has been approved, and we are out right now to competition, trying to find somebody for this job.

In addition to that, it has been recognized that Isabella Bay, near Clyde River -- I do not know what the Inuktitut name is for it -- is a major congregational feeding area for bowhead whales. The world wildlife fund has recommended that Isabella Bay be designated a marine sanctuary for the protection of these whales. We are working, in conjunction with the world wildlife fund, the local council, and the hunters and trappers association, to develop a development plan for that area and turn it into, perhaps, a park which would allow for the safe and comfortable observation of the whales. In other words, there is a large potential for that area, and we are presently working to develop a plan for that area. Hopefully, over the coming years we will be able to put money into it that will provide significant economic opportunities to the tour operators and people of that area. All of that work is under way, and as I say, an economic planner will be hired shortly to work with the communities of Broughton Island and Clyde River.

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

MR. ERNERK: Thank you, Mr. Chairman. My comments may jump from one subject to another, but I will give it a try. First of all, I would like to say how pleased I am with the Minister's announcement that the department will bring back STEP. I think that is a very good idea. During the latter part of this debate on economic development, I would like to know if the Minister has made some changes to the terms of reference. If he did, I would like to see those later on during this debate on economic development.

The co-chairperson of the special committee on the northern economy indicated during his comments that we need to take a look at what we have. I agree. I tend to take a look at what I call the modern economic development, that is to say the establishment of businesses, as well as taking a look at a certain portion of the traditional economy. From this, I take a look at the renewable resource economy in terms of commercialization of what we have available in the Eastern Arctic and throughout the Central Arctic.

I do support the tourism industry. The tourism industry, being a renewable resource economy, is a very important aspect of economic development. I believe that we do have a lot in the NWT for people within the international community to see, that we have something different to offer. I know that this government has taken many great steps to promote the Canadian Arctic to the world population, but I often felt that the Government of Canada does not do the same. As a matter of fact, if you take a look at the promotion of Canada in general, the NWT and the Yukon are the two territories that often appear in very much smaller print, if you want to use that term. So I think the Canadian government should do more to promote the Canadian Arctic in terms of being a good place to visit by Canadians as well as the international community. So I think that is something that we have to push to the Government of Canada.

Fish Could Be Promoted In Economic Development

In terms of renewable resources, Mr. Chairman, I also want to encourage the GNWT to stay the course with regard to promoting renewable resource economic development. I take a look at things like the fishing industry. To me we have a lot of fish, especially arctic char where I come from or where every Inuk MLA comes from in this House. Arctic char, in particular, is a very good fish and it requires much further study in terms of promoting in economic development.

As the Minister knows, there has been a certain amount of fishing strategy in the Keewatin Region, which I think is a very good move. Anything from capital purchases to finding out where those species are available. It gives me, as a maritime person – and I think that is where we should be talking about, as maritime people – that it gives us an idea of how much we can take and sell what we have from the arctic waters, from the coastal waters.

I know that Canadians do like arctic char very much. I also know that international communities like to eat arctic char very much. I also know we have had a number of dialogues going with the Japanese. One of the reasons I like to mention the Japanese in these comments is because we have been dealing with the Japanese for a number of years now with regard to a renewable resource economy. Japan can be one of our biggest markets in terms of fish as well as in terms of, generally speaking, economic development.

I encourage the department to continue this fisheries strategy because it is good. I do encourage you to find markets in the world who will buy our goods from the entire NWT.

That brings me to another issue, if you understood my first issue, and that is to sealskin products which Ipeelee Kilabuk mentioned to some extent. I like the sealskin products that Nunasi Corporation is putting out from their office. I know they have made some briefcases, handbags and wallets, and things like that. I think what we should be doing in this area, as well, is to take a look at the international market. Or should we be looking at the Canadian market first before we promote the issue of sealskin products to the international community? I like all those ideas. I think they are good for people in the Eastern Arctic when it comes to a renewable resource economy.

Designing Of Fur Clothing

Something that I mentioned last year, and I would like to mention it again, is something that was mentioned to me when I was attending the British mink breeders association just about a year and a half ago, talking about native people designing their own fur clothes. So very often we get the animal rights organizations to go after us but I am not worried about that because animal rights organizations are running out of credibility, anyway. So I am not going to worry about that, but what I do want to encourage the department to do is to take a look at native people coming out with their own clothing designs when it comes to designing their own clothes. I am talking about fur clothing, sealskin products like shoes that the Minister of Finance wore, which he got from the Minister of Renewable Resources the other day.

I know that it has been communicated to me from some members of the British mink breeders association in York that they will support that kind of initiative and they will purchase in that part of the country just as long as native people of the North begin to design their own clothes and their products. So I think it is a good idea.

For now lastly, Mr. Chairman, I would like to also follow up very briefly on meat processing plants. I have tasted some good caribou meat, musk-ox meat and something else from Cambridge Bay and I think that is a very good product. I would like to, Mr. Chairman, continue to encourage the department to do that because I would like to see it expanded to other parts of the NWT, particularly in the Keewatin Region and, as the Minister knows, with regard to the Beverly as well as Kaminuriak herds.

I have one or two other questions that I would like to ask the Minister a little bit later on but before I forget my questions, I am going to shut up for now. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Both Mr. Lewis and Mr. Ernerk touched on a whole wide range of topics and all of them correct. The problem I think in the past is that we have tended to think in economic development in terms of the big developments, oil, gas, and mining, as being the answer to our problems where in fact, while oil and gas and mining are

certainly very important to our economy, particularly mining, and very important to some communities in the NWT, the fact is that for most small native communities, oil, gas and mining are not the answer.

We have for some reason overlooked our traditional economy, if you want to call it that. The role of arts and crafts, tourism, and the commercial development of renewable resources, it somehow seems was put into a lower priority, or it was felt it was not feasible to develop those areas. In fact, I tend to think that if we are going to develop any kind of economic base in these small native communities -- where the bulk of our problems lie, I may add -- renewable resources, arts and crafts and tourism will be what form the backbone of the economy.

We are not going to build manufacturing plants. We are not going to be able to develop industry in those communities simply because of a whole range of factors, notwithstanding their isolation, the expense, lack of transportation base, all of the problems that are associated with it. While manufacturing and industry may very well be the way for larger communities such as this one, it is certainly not the answer for some of our smaller communities.

The problems that both Members list are long. I probably have about another 10 or 15 more that I could add to the list. We are facing horrendous problems in developing our economy. I think the attitude in the past has been to throw money at it and hope that it would go away and, in fact, it has only contributed to the problem and added to it and the problems are not going away. They are getting worse and they are getting bigger.

We Must Look At What We Have

I agree with the Member that we must look at what we have. What are our strengths? What do we have that we can use to develop and build on that and not try to create or manufacture something that we have to bring in? In the Eastern Arctic, in the Keewatin, the Kitikmeot and Baffin Regions, we do not have the luxury of having forestry or agriculture, or a transportation infrastructure, or even large centres where jobs are available. We have very small isolated communities that, as Mr. Lewis said, for some of them there is absolutely no reason for them to exist other than the fact it was convenient for the Bay, or for the administrator, to collect people at that place.

The problems we have are not unique. They are problems that have been faced for the last 300 years in countries like Scotland and Ireland, and in Newfoundland, where you had small scattered communities that grew up with a little bit of a traditional base around maybe farming or fishing. The answer in those places has been massive emigration out to larger centres where there were jobs. There are hundreds of communities scattered in those areas that are now closed.

Our communities are not going to go away. Moving from community A to community B just transfers the problem; it does not solve it. An out-migration of people is not the answer. On the other hand, I do not want to delude this House or the general public in the Northwest Territories into thinking that somehow between the Department of Economic Development, the Legislature and the rest of the government, we are going to be able to wave a magic wand and solve the economic problems of the North. For the most part, a large majority of people are going to be condemned to a life on welfare, unless they are willing to relocate. We cannot create the number of jobs that are necessary to keep up with the population growth.

I will use one of my own home communities in my constituency as an example, the community of Eskimo Point. Eskimo Point now has a population of about 1300 people. There were just over 500 people on the voters' list a year ago, which means that there are about 700 to 800 people in that community under the age of 19. We are not going to be able to create 600 or 700 jobs in a community like Eskimo Point to look after those young people that are there today; never mind creating the jobs for the adults that exist; never mind creating jobs for the generations of children that are yet to be born. We just cannot do it. At the very best, assuming that there was a significant portion of that community that went out and got a grade 12 education and a university degree, even if we replaced all of the non-native people that are there who are essentially

transient -- because there is a large number of non-native people now who are not transient, who are permanent residents and will stay there for a long time -- we would still only be looking at 35 or 40 jobs at the most. We can create seasonal jobs through tourism and some fishing, but I think people have to understand the magnitude of the problem that we are facing. And that is Eskimo Point.

No Answer To Economic Problems

The situation remains the same whether it is Cape Dorset, whether it is Pond Inlet, whether it is Baker Lake, whether it is Gjoa Haven. Take any one of our communities. We are not dealing with 10 people unemployed, or 20 people unemployed. We are dealing with communities of young populations of 400, 500, or 600 people. I do not think that there is an answer to their economic problems, and that has been part of the problem. We have always assumed that there are answers. Everybody has spun their wheels, gone off doing studies and looking for answers, and maybe one of the problems is that we have to recognize that, for a lot of our people, there are no answers.

If anybody can come along and tell me how, over the next five years, I can create 600 to 700 jobs in Eskimo Point, I would welcome the suggestions. I think that we have to be realistic and say that we are only going to be able to create jobs for a small percentage of our population, because the communities were never meant to be that big and they were never meant to be where they are, to deal with that kind of population. It was never thought that communities would grow to the size that they are growing. It was never thought that our population growth would become so high as it has. I think we have to be honest with the people of the North and tell them, no, we are not going to create the 600, 700 jobs in the communities like Eskimo Point; not because we do not want to but simply because we cannot. That is the sad reality that we must live with, and we must acknowledge that reality and try and figure out how we are going to deal with the problems that reality is going to cause our people in the future.

CHAIRMAN (Mr. Zoe): Thank you. I think the honourable Member was making reference -- the example he used was Arviat.

HON. GORDON WRAY: Yes.

CHAIRMAN (Mr. Zoe): I assume everybody is going by Arviat now. Mr. Ernerk.

MR. ERNERK: Thank you, Mr. Chairman. The Minister and I slightly differ on that. I have been calling it Arviat all my life. He is technical. I very much agree with the Minister's remarks. We would not be honest if we say that we will be creating a lot of jobs in the communities. That is a fact of life. I do want to look at it positively, though. All these matters of getting ahead. I have always thought that, whether it is from a traditional point of view, whether it is from a modern point of view, this southern society; I have always maintained that education is the key to success.

If I did not have my own education -- and I speak for many of the native people that I represent -- my own traditional education, I would not know how to hunt and survive on the land. To me, much the same thing is happening with regard to this business of wanting to get into economic development and tourism. I think that one of the things that we should push, we should emphasize to the students, to the people is that the thing to do is to complete your education. Go as far as you can, and from there you will be able to have a choice of what you might want to do in the future. I think we have to push that issue of education, education, education.

Mr. Chairman, that brings me to my next question. I wonder if the Minister could indicate to me and to the Members of this House what the single biggest problem is in our economy.

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

Lack Of Education Inhibits Economic Growth

HON. GORDON WRAY: Thank you, Mr. Chairman. I can probably think of 10 or 12 reasons, but if I had to zero in on one, I would say that the lack of education is probably the single biggest factor that is inhibiting our growth at this point in time. The education levels of the population of the NWT are somewhere in the neighbourhood of -- I think it is 90 per cent of all non-native people complete at least a grade 10 education; 60 per cent of Metis complete a grade 10 education; 40 per cent of Dene; and 20 per cent of Inuit. Those factors almost identically parallel the economic status of those groups within our economy. The lack of an education causes a number of problems.

First of all, when people say that there are no jobs in the NWT, the fact is that there are probably I would estimate at least 1500 to 2000 jobs right now filled in the NWT by people who come here for a relatively short period of time, a two to five year period. These are almost all government jobs. These are the highest paying jobs in the NWT. In the regions they are the single largest economic force that we have. As I mentioned earlier, in the Kitikmeot, for example, 35 per cent of the people there earn 70 per cent of the income. Almost all of those 35 per cent are government civil servants and almost all of them are non-native people from outside the Territories who traditionally do not stay up here long.

There are lots of jobs in the NWT. The problem is that our people do not have the education to take advantage of them. We are fine when it comes to producing heavy equipment operators, when it comes to producing clerks one, clerks two, when it comes to producing secretaries. However, when it comes to producing computer programmers, lawyers, architects, engineers, financial analysts, nurses, doctors -- traditionally the extremely high paying jobs -- hardly any of our people have aspired to those jobs. That is the first problem, that the jobs that we do have cannot be filled by our own people.

Secondly, on a more important note and the Member to a certain extent answered my question for me, the fact is that an education gives you a choice. Whether you are in a government job or trying to run a business you need education. Whether it is running a fish plant, whether it is running an arts and crafts centre, whether it is participating in the traditional economy, to a certain extent there is a level of management and business expertise that is needed to run those, and the more education you have, the more creative you are, the more ability you have to solve your own economic problems. It is having an ability to say "Okay, I cannot find a job here, therefore I am moving to Yellowknife to take a job there." It gives you the ability to solve your economic problem. Now it may mean you have to leave your home community but at least you will have a job. We do not have that. It does not exist. The mobility in our communities is almost non-existent. Our young people, with the exception of the young people that have an education, almost all of our young people are being born and growing up in their home communities and they cannot go anywhere because there is no point in them going anywhere because there is nothing for them to do.

Plans For Future Generations Essential

The sad thing for us, and I have noticed the trend start in my own community of Baker Lake, is that every year I see more and more young people getting an education and leaving the community to find work.

It is going to be a problem for us in the future and that is what I am trying to say with this whole economic plan, that we cannot plan for 1990 or 1991. We have got to think of 2010, 2020, 2030 because that is when the real crunch is going to come. I have said in this House many times that if you think you have social problems now, then come back here in 20 years when our population has doubled and tripled and we still have not been able to find jobs for those people. We are going to have an extremely bitter and extremely alienated society on our hands, particularly among the younger people.

What we have got to try and do now is to set guides for those future generations because if we do not acknowledge that they are not going to have jobs and if we do not prepare the pathway for them, if we do not prepare the programs to accept that we are going to have communities with a lot of unemployed people in them and try to do something about it, then we are just sticking our heads in the sand and setting ourselves up for major problems. What concerns me more than anything is that people seem to think that economic development is something that we look at over the next 12 months or 24 months. We have never looked at economic development in the NWT with a 20 to 30 year time frame in mind. We have always worried about tomorrow in terms of the immediate. We have never worried about the long term and I think that this government, this Legislature and the people of the NWT must start thinking of the future because we have not seen anything yet.

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

MR. ERNERK: Thank you, Mr. Chairman. I like the Minister's statements. I am agreeing a lot today. I really mean that. What I am hearing to some extent -- at least parts of Mr. Minister's statements are very good.

Mr. Chairman, through you to the Minister, "Business Initiatives for the 1990s" was put together by the Keewatin Chamber of Commerce almost a couple of years back. There are some good recommendations in this. I am wondering if the Minister has accepted some, if not all of those recommendations, from the chamber of commerce in the Keewatin Region.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, indeed. As I mentioned earlier, the department is in the process right now of putting together its economic strategy. As such, we are receiving input from many sources, chambers of commerce, communities, individuals and a large part of it will be the recommendations of the standing committee but I can tell you the grey paper from the Keewatin Chamber of Commerce is also considered. It is one of the few that has been done by a chamber of commerce in terms of a comprehensive look at an economy. It is a well-thought-out, well-laid-out paper. There are some things in it that I have some problems with or cannot agree with but it certainly has been a part of our thinking and part of the planning process. I intend to go to the Keewatin at the end of March to the annual general meeting to specifically address the chamber's concerns as outlined in that grey paper and at that time I will inform the chamber as to my comments and thoughts on their grey paper. It is something that we definitely took seriously.

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

MR. ERNERK: Thank you, Mr. Chairman. Can I just ask the Minister with regard to the terms of reference for STEP?

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

MR. ERNERK: Thank you, Mr. Chairman. Maybe I should just explain what I mean. When the program was started, you had to work a certain number of weeks, I think it was 13 or 16 weeks in order to be able to qualify for unemployment insurance. I am wondering what sort of terms of reference, something of that nature, are within this STEP program.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. We are presently in the process of setting the criteria for STEP but I can tell you that having a Newfoundlander as a deputy minister, I can assure you that STEP will be dovetailing into the UIC programs.

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

MR. ERNERK: Thank you, honourable chairman for Rae-Lac la Martre. I believe that anything we do within government departments has to be tied in with economic development. We have got to think economic development. One of the things that I had an idea about the other day which is something that was done within that STEP terms of reference a number of years ago, was to tie in this social service or social assistance program. In Rankin, a number of us put snow around our houses to keep the energy inside the house but I am particularly talking about the elders who are not able to do that. Maybe we should be reintroducing that kind of system where a number of people could work, cut snow and put snow around the old people's houses, especially those as I said who are not able to do that for themselves.

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

HON. GORDON WRAY: Yes, we are looking at those types of projects. As I said, we are working on the criteria, and our intention is to set up STEP in such a way that whoever gains employment through STEP will then be able to take advantage of UIC. It is called the "Newfoundland syndrome", if you want to use the term. But we are looking at work creation type programs. Hopefully some of them will lead to full-time employment. We are looking at not just make-work programs. We are looking at trying to tailor it to a certain extent so that it will lead to a better job or more full-time employment. But certainly when the department establishes the criteria, I will be advising all Members in writing, of the program and its criteria, so that everybody is fully aware of what we are doing.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Member for Natilikmiot.

MR. ANGOTTITAUQU: (Translation) Thank you, Mr. Chairman. (Translation ends)

...doing his best toward the economic development of the NWT and in his opening remarks I heard some good words hoping to fix some of the people's headaches with just a cold piece of ice. I know economic development is a big headache to us all who are jobless in the NWT. It is not an easy one because a lot of those communities are isolated and there is no harvesting in many communities. You do not have farms and as the Minister said, education is one of the major things that would create economic development. I certainly agree with those comments that education is one of the greatest needs.

I guess education may be one of the greatest needs but then again, looking back 30 or 40 years, there have been some uneducated people who could afford to buy such large boats, like 40-foot boats, just with the harvesting of furs. I guess even with the animal rights movement we still have furs. What I am saying is that the older people, who are usually the main leaders in the communities, know that fur and the harvesting from the land can make you independent but they just cannot do it because the times have changed and the prices of these, especially the furs, have gone down.

No Local Markets For Country Harvesting

I know the government is looking for ways or finding new ways to do these things. I would like to say that one of the biggest things in the small communities is the native people are not usually traders to themselves. Even though one person can harvest 20,000 pounds of fish in one year for himself, he cannot really ask to be paid a few cents a pound each for what he gives. They would rather give it free. Trade does not really exist like in other countries or further south in Canada. So one of the biggest things is that people are able to harvest but they just cannot find a market for them. If they try to market them south, the freight rates are the main killers of their business. You really cannot depend on the community itself because it is too small. There is not enough money in the community.

I guess it goes on and on and I do not think it is a secret to most people of the NWT, how hard it is to start up economic development in the NWT. But having the floor, I would like to voice this out. It is with construction at the community level. Construction is the main source in some

isolated communities, through the government, through housing and various construction projects usually done in the community and it helps the communities.

Talking about education, I know there are a lot of uneducated people that can read blueprints and I know a number of people in the small communities that are able to do electrical work and plumbing and so on. I know that when these contracts are put out there are some local people that try to apply and without success. They do not get the contracts. I know it is the education that is the number one factor for them not getting the contract, but I believe, too, mostly it is because there are no banking facilities in the communities from which to borrow. A lot of times a lot of these businesses start down south with a banking service. I know that economic development can help on that. Small communities are willing to try to be contractors and mostly I guess, it is the bond that they cannot cover.

There are no legal services, which can also create a good business. I know when a person tries to run a business he has to have a good banking service, legal advice and many other advisers to create a business, and these we do not have in the small communities. I guess my question would be, Mr. Minister, is your department going to be willing to think of helping those small contractors that want to start in a small community, to give them some sort of help as much as possible? I know that whoever applies and whoever is chosen gets the contract, but there are people out there who do not have ways, who are not able to get to the banking service and legal advisers that would help them to create private businesses.

For the last thing, economic development is not a very easy thing for the NWT to talk about. I would say that if the people of Canada are ready to subsidize our economic development, especially in these isolated communities in the NWT, through their governments, federal and territorial governments, then we could start to see economic development, because really there are always some opportunities for economic development in the small communities.

I certainly agree with the speakers ahead of me that these communities are not put there for economic purposes. They are just put there for the good location of these Hudson's Bay ships that come into the communities every break-up season. I guess the federal and territorial governments should be able to understand that the only way you could solve -- not really solve it, but give a real good aspirin to the NWT economic problems -- is to subsidize it, and that is not easy. That is the only way to go, I guess, because when you have to run a business you cannot lose money. If you want to develop the NWT, you have to lose a few dollars to develop it, and that is what I believe. Thank you, Mr. Chairman.

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

HON. GORDON WRAY: Just a couple, Mr. Chairman. I think that in terms of construction I know that Mr. Butters and Ms Cournoyea, who are largely responsible for most of the construction in this government, are committed, as is the government, to improving the ways in which we employ and train northerners in those jobs. They are continually looking for new ideas and new ways to do things. It is an ongoing commitment of our government, and it is an ongoing commitment of those two individual Ministers, and I have no doubt that through time we will continue to pick away at the problem until we arrive at solutions that are adequate.

I think, in terms of the advice to businesses, the help to businesses, to a certain extent that highlights the problem that Mr. Lewis referred to in his report from the standing committee; which was the seeming inability of the department to advertise its programs and what is available, because there are certainly many programs available to new small businesses to help them. It highlights a problem that we know exists within the department and one that we, hopefully, will be able to overcome.

Lack Of Banking And Legal Services In Small Communities

The lack of banking, the lack of legal services, are just another two factors that are against economic development in the North. As I outlined in my opening address, that is where business

development, private sector development, tends to take place, where services like that are available. Unfortunately, in many communities they are not available, so the question then becomes, if they are not available then how do we make them available? Do we make them available through direct government involvement, or do we make them available by somehow getting those services in there, perhaps through the government subsidies? That is an ongoing area that we are looking at, but they are just another two reasons that hold back our growth.

With regard to freight subsidies, this has been an ongoing issue for some time. Freight subsidies are not new in this country. The federal government, through the Crow rates, subsidizes farmers in Western Canada. There is a subsidy in the St. Lawrence Seaway, believe it or not. There are subsidies in Atlantic Canada by CN. Part of the problem, as I understand it, is that a lot of our subsidies were part of the deal that those areas made when entering Confederation. Subsidies by governments are not unknown. Again, in the NWT, because you are faced with such a large territory, the costs come into play, given that you have a small government, a small population base, and a small amount of money to be able to divert into those areas. Can government subsidize, should government subsidize, and to what extent? Those are all questions I think that have to be looked at, and they are part of the long-term solutions. Once again, the Member is correct. He has put his finger on several major problems that we have to deal with.

CHAIRMAN (Mr. Zoe): General comments. Are there any further general comments? Member for Hay River.

MR. POLLARD: Thank you, Mr. Chairman. I would move to recognize the clock.

CHAIRMAN (Mr. Zoe): I have a motion on the floor to recognize the clock. The motion is not debatable. All those in favour? Opposed? The motion is carried.

---Carried

I will now rise and report progress.

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

ITEM 19: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF COMMITTEE REPORT 1-89(1), REPORT ON THE REVIEW OF THE 1989-90 MAIN ESTIMATES; BILL 1-89(1), APPROPRIATION ACT, 1989-90

MR. ZOE: Mr. Speaker, your committee has been considering Bill 1-89(1) and CR 1-89(1), and wishes to report progress.

MR. SPEAKER: Thank you, Mr. Zoe. The House has heard the report of the chairman of the committee of the whole. Are you agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Thank you. Item 20, third reading of bills. Item 21, Mr. Clerk, orders of the day.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. There will be a meeting of ajauqtit at 9:00 a.m. Monday morning; at 10:00 a.m. on Monday morning, a meeting of the special committee on the northern economy.

ITEM 21: ORDERS OF THE DAY

Orders of the day for Monday, February 20th.

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. Replies to Budget Address
10. Petitions
11. Reports of Standing and Special Committees
12. Tabling of Documents
13. Notices of Motion
14. Notices of Motion for First Reading of Bills
15. Motions
16. First Reading of Bills
17. Second Reading of Bills
18. Consideration in Committee of the Whole of Bills and Other Matters:
CR-89(1); Bill 1-89(1); Bill 8-89(1)
19. Report of Committee of the Whole
20. Third Reading of Bills
21. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Monday, February 20th, at 1:00 p.m.

---ADJOURNMENT

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