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YELLOWKNIFE, NORTHWEST TERRITORIES

THURSDAY, MARCH 9, 1989

MEMBERS PRESENT

Hon. Titus Allooloo, Mr. Angottitauruq, Mr. Arlooktoo, Hon. Tom Butters, Hon. Nellie Cournoyea, Mr. Crow, Mr. Ernerk, Mr. Gargan, Hon. Stephen Kakfwi, Mr. Lewis, Hon. Jeannie Marie-Jewell, Mr. McLaughlin, Mr. Morin, Mr. Nerysoo, Hon. Dennis Patterson, Hon. Red Pedersen, Mr. Pollard, Mr. Pudluk, Mr. Whitford, Mr. Zoe

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Red Pedersen): Orders of the day for Thursday, March 9th, 1989. Item 2, Ministers' statements. Mrs. Marie-Jewell.

ITEM 2: MINISTERS' STATEMENTS

Ministers' Statement 24-89(1): Child Sexual Abuse Prevention

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, the Department of Social Services has recently produced a pamphlet which outlines for the public, their responsibility for reporting child abuse and the steps which will follow. This pamphlet entitled, "Everyone Should Know About", is designed to promote and encourage the reporting of abuse and provides the process which is required to report child abuse. I have sent a copy of this pamphlet to all Members and I encourage them to read it.

In all communities, the Department of Social Services has staff to whom reports must be made, or persons from other government departments or agencies who act on the department's behalf. Additionally, staff from the department's regional offices provide fly-in coverage on an emergency basis. In an emergency situation where none of these people are readily available, a situation of child abuse should be reported to the RCMP.

We believe that it is vital for the public to be aware of their responsibility in reporting situations of abuse or neglect and we must encourage and help this process. Thank you, Mr. Speaker.

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

Ministers' Statement On Absence Of Ministers From House

HON. TITUS ALLOOLOO: Mr. Speaker, I wish to advise Members that Mr. Ballantyne will be absent from the House today and tomorrow to attend federal/provincial Finance Ministers' meeting in Ottawa. Mr. Wray will also be absent today and tomorrow to meet with the Fort Simpson village council and attend the opening of the new gym and the office complex. Thank you.

MR. SPEAKER: Mr. Allooloo, that does not fall under the category of a Ministers' statement.

AN HON. MEMBER: Hear, hear!

---Applause

MR. SPEAKER: Ministers' statements. Ms Cournoyea.

Ministers' Statement 25-89(1): Corporation Borrows \$20 Million On The Open Market

HON. NELLIE COURNOYEA: Mr. Speaker, today, Mr. J.H. Robertson, president of the Northwest Territories Power Corporation, will announce that the corporation has gone to the market for the first time. The corporation successfully borrowed \$20 million to finance its 1988-89 capital program.

The debenture is due March 9, 2009, and has an interest rate of 11 per cent. The purchasers include financial institutions and investment counsellors acting on behalf of clients. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms Cournoyea. Ministers' statements. Item 3, Members' statements. Mr. Zoe.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Appreciation To Minister Of Energy Re Financing Colomac Gold Project

MR. ZOE: Thank you, Mr. Speaker. It is with great pleasure that I heard the statement of the Minister of Energy, Ms Cournoyea, yesterday, on the arrangements for the financing of the Colomac gold project in my riding. I was pleased to read the press release that I have received from Neptune Resources of the news of a further involvement of Northgate in the project. Mr. Speaker, the Minister of Energy and other Members of this House who have worked really hard to come up with a solution to the problem that we encountered, are to be congratulated on the outcome. It is unfortunate that the Government of Canada was not as committed to the economic future of the Northwest Territories as were Neptune and Northgate.

Mr. Speaker, I was pleased also to hear that Neptune and Northgate will honour the agreement already made with the people in my region and I can pledge my support to any new initiative Neptune takes. Once again, Mr. Speaker, I would like to thank the honourable Member, the Minister responsible for Energy, for her hard work and I look forward to the economic future for my region. Thank you.

MR. SPEAKER: Thank you, Mr. Zoe. Members' statements. Mr. Arlooktoo.

Member's Statement On Appreciation To MACA For Arena, Cape Dorset

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I rise on behalf of Cape Dorset, in appreciation for MACA's assistance in getting the arena for Cape Dorset. The people in Pond Inlet, Pangnirtung, Cape Dorset and the Rangers for the military from Yellowknife will be playing hockey tomorrow. I am happy to say that this is going to be useful for the community and it is one of the first hockey tournaments in the Baffin Region. I am glad that the hockey arena was able to be based in Cape Dorset with the assistance of the government. Thank you.

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

Member's Statement On Funding For Tunooniq Theatre Group

MR. ERNERK: I am asked today to speak about the importance of supporting our native culture and improving life in our communities. The Tunooniq theatre group from Pond Inlet is a group of young people who have been very successful in the past dramatizing the problems and solutions of alcohol use in the communities.

Mr. Speaker, I believe this is one of the best ways to deal with some of the social problems in our communities; social problems such as alcohol abuse, the threat of AIDS and the problem of suicide. Theatre groups such as this can reach out and influence our young people in the communities much more than such things as radio and newspaper ads.

For this reason, Mr. Speaker, I ask this government to please look into the matter of funding for the Tunooniq theatre group from Pond Inlet to travel to other communities.

AN HON. MEMBER: Hear, hear!

MR. ERNERK: Funding will allow this group to develop and present plays to help our young people with social problems in the different communities. This is a very important matter, Mr. Speaker, and I thank you and the House for giving me the opportunity to speak.

---Applause

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

Member's Statement On Performance By Tunooniq Theatre Group In Yellowknife

HON. TITUS ALLOOLOO: (Translation) Thank you, Mr. Speaker. I thank my colleague for praising the Tunooniq theatre group from Pond Inlet and I would like to invite you as MLAs and all those people who are listening, on Saturday, March 11th, when they will be at the Northern Heritage Centre. The native theatre group from Yellowknife will also be there. We will be introducing the culture of the native people. I would like to invite everyone to attend. Thank you.

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

Member's Statement On Sir Alexander Mackenzie Canoe Race

MR. GARGAN: Mr. Speaker, I rise today with regard to the upcoming Sir Alexander Mackenzie canoe race to be held this summer. We had a successful meeting yesterday in Fort Providence. The Sir Alexander Mackenzie race is well on its way to being a great event for all Northerners and for tourists around the world.

I wish to thank a number of Ministers for their support for this historical event. I would like to thank the Hon. Gordon Wray, Minister of Economic Development and Tourism, for his financial assistance of \$23,000 for this event. I wish to thank the Hon. Nellie Cournoyea, Minister of Public Works and Highways, for donating warehouse space in Fort Providence for the building of the canoes.

Mr. Speaker, they have started on the canoes now and we will be building 30 canoes. I also want to thank the Hon. Titus Allooloo, Minister of Culture and Communications, for his assistance toward the cultural events that are part of this celebration. I also wish to thank the Fort Providence Dene Band Council in co-operation with Canada Manpower for sponsoring the construction of the canoes. I thank the hamlet of Fort Providence for a one dollar lease of office space for the administration of the race and for providing exercise equipment and space for training for the canoe paddlers. I would wish to thank the community of Fort Providence for their generous donation of \$8500.

A local committee has been formed to co-ordinate all local activities, including preparation work, catering, youth activities, adult activities, canoe sprints, cultural activities and arts and crafts displays. The community of Fort Providence will raise the prize money of \$140,000 for the canoe race between Fort Providence and Inuvik. They will also provide on loan the six-man race canoes, paddles and life jackets for each participating team. This...

MR. SPEAKER: Thank you, Mr. Gargan. Your time is up. Members' statements. Mr. Whitford.

Member's Statement On CBC Documentary On Suicide

MR. WHITFORD: Thank you, Mr. Speaker. I rise today to address a topic that we discussed yesterday in this Legislative Assembly and to make an announcement that, as a result of the

general interest among the honourable Members of this House and the people of the North in looking at ways of understanding and seeking ways of identifying and assisting the serious problem of suicide in the Northwest Territories, I have learned, through the CBC, that CBC Mackenzie will be airing the international award winning radio documentary, "Kill The Feeling First", first aired a couple of years ago on CBC radio.

This program will be aired in its original form on Easter Monday, March 27, 1989, following the 1:00 o'clock afternoon news. Mr. Speaker, I have heard this program myself, and it is a very gripping documentary. It does not give solutions, it does not provide solutions to the problem; but what it does, it brings awareness. Through this media, it is going to be broadcast around the NWT. There has been some concern, however, that the people in the eastern part of the Territories may not be able to understand it because it is in English. However, I am also informed that CBC in Iqaluit will be translating that and broadcasting it in Inuktitut. I am not sure whether it is going to be at that time, but certainly at a later date. This documentary won the prestigious Gabriel Award for its content and production.

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

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Question O256-89(1): Plan For Hay River Access Road

HON. NELLIE COURNOYEA: Mr. Speaker, I have a return to an oral question asked by Mr. Gargan on March 1, 1989, regarding the Hay River Reserve access road. Mr. Speaker, in 1987 the five year capital plan for highway reconstruction indicated that improvements to the Hay River Reserve access road were scheduled to be made in the 1992-93 and 1993-94 fiscal years. Pre-engineering was to be undertaken in 1989-90. This information was communicated to the MLA for Deh Cho, Mr. Gargan, in a letter dated July 15, 1987, signed by the Minister at that time, Mr. Wray.

In the period since the 1987 capital plan was prepared, a comprehensive reconstruction program has been developed for all roads in the Northwest Territories, based on an assessment of geometric, safety-related factors and surface conditions, as well as the amount of traffic using the road section. Mr. Speaker, the results of this assessment indicate that the access road into the Hay River Reserve has a priority lower than many other roads in the NWT. Although reconstruction and chip-sealing of this road is required, and is planned for the future, it is not on the reconstruction program at this time.

The reconstruction program proposes a concentration of effort on bringing sections of the Mackenzie, Yellowknife and Dempster highways up to standard, recognizing that they have severely substandard design and surface conditions and carry major volumes of traffic.

The estimated costs of reconstruction and paving the Hay River Reserve access road total approximately \$1.6 million in 1989 dollars. Expenditure of this order on reconstruction and paving of the access road cannot be justified ahead of some of the higher priority road sections across the NWT. However, further spot improvements and dust treatment measures may be taken to improve the general condition of this access road. Consideration will be given to such measures in the coming year and their possible inclusion in the program thereafter. Thank you, Mr. Speaker.

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

ITEM 5: ORAL QUESTIONS

Question O347-89(1): Credit Union Policy

MR. ANGOTTITAUROUQ: Thank you, Mr. Speaker. My question will be directed to the Minister of Government Services and it is in regard to credit union policy. Mr. Speaker, I would like to ask the Minister today in regard to credit union policy because we are concerned in the NWT in regard to banking. The community of Gjoa Haven is trying to start up a credit union but I believe that there is some problem with the credit union policy. Is there a credit union policy at this time, Mr. Speaker?

MR. SPEAKER: Thank you. Mr. Minister.

HON. TOM BUTTERS: Mr. Speaker, some years ago there were credit unions operating in the Territories. While I am rather hazy with regard to the details now, they did run into some fiscal difficulties. I remember the government had to get involved to assist them. I understand that the Member has asked me for the policy. I do not have that at my fingertips and I will provide it to him and to the House in summary form.

MR. SPEAKER: Thank you, Mr. Butters. The question was taken as notice. Mr. Ernerk was next.

Question O348-89(1): Spreading Of Tuberculosis

MR. ERNERK: (Translation) Thank you, Mr. Speaker. My question is to the Minister of Health. I became aware that there were 16 Inuit who had TB. To date I have heard that 35 have contracted TB in Repulse Bay. Also, the total that have tested positive is up to 60 people. It is spreading and there is an increase, Mr. Speaker. My first question is, does the Minister agree with my question?

MR. SPEAKER: Ms Cournoyea.

Return To Question O348-89(1): Spreading Of Tuberculosis

HON. NELLIE COURNOYEA: Mr. Speaker, certainly the honourable Member's numbers appear to be correct.

MR. SPEAKER: Supplementary, Mr. Ernerk.

Supplementary To Question O348-89(1): Spreading Of Tuberculosis

MR. ERNERK: Thank you, Mr. Speaker. My supplementary question. Is this TB not spreading in the Keewatin Region? There are a lot of transients between the communities. There must have been other people who have been in contact with these people with TB.

MR. SPEAKER: Madam Minister.

Further Return To Question O348-89(1): Spreading Of Tuberculosis

HON. NELLIE COURNOYEA: Mr. Speaker, I am sure that there have been other people travelling to Repulse Bay who have been in contact with people who have TB. However, I can assure the Member that the Department of Health has a team of people who are working and concentrating on the community to attempt to bring the type of medical services to treat the people who are active TB patients, as well as treat people who have come into contact with them, and doing a family educational program to see if some of the problems that may be contributing to the increase in TB are alleviated.

MR. SPEAKER: Thank you, Ms Cournoyea. Oral questions. Mr. Morin.

Question O349-89(1): Difference In Treatment At Drug And Alcohol Treatment Centres In South

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of Health. Madam Minister, as you are aware, status Indians in the NWT and Metis are treated differently, as well as white people, when they apply to be referred to drug and alcohol treatment centres in the South. Because you are a Metis or a white person you have to wait sometimes up to six months, sometimes a year to get into a southern treatment centre. Does your department have any plans on how to rectify the situation so that the government makes it easier, so that people who are seeking treatment for the illness of alcohol and drug abuse can get help?

MR. SPEAKER: Ms Cournoyea.

Return To Question O349-89(1): Difference In Treatment At Drug And Alcohol Treatment Centres In South

HON. NELLIE COURNOYEA: Mr. Speaker, yes we are actively dealing with the particular drug and alcohol centres as well as attempting to bring forward the shortfall in terms of the payment of such treatment in these centres.

As the Member is aware, some of the problems are to get these treatment centres verified and under the list of institutions that are acceptable under a policy. So certainly, even with the status native people when we want to refer them to a more traditional alcohol treatment centre in the South, there are some difficulties as well, because it depends on what is accepted under the Indian health care.

However, I would assure the Member that we have been dealing with a number of people on an individual basis until such times that a clear policy and cost estimates have been brought forward to cabinet and the Executive for approval. Thank you.

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

Question O350-89(1): Grade 10 Extension, Coral Harbour

MR. ERNERK: Thank you, Mr. Speaker. This is a question directed to the Minister of Education. I understand that the education society in Coral Harbour requested the GNWT for a grade 10 extension in their community. Talking to John Ningeongan this morning, the chairman of the education society in Coral Harbour, he indicates to me that this move is supported by the hamlet council of Coral Harbour as well as a number of other organizations. Mr. Speaker, my question is this. Could the Minister indicate to me and this House as to the status of this request?

MR. SPEAKER: Mr. Kakfwi.

Return To Question O350-89(1): Grade 10 Extension, Coral Harbour

HON. STEPHEN KAKFWI: Thank you. The request is treated the same as all other requests. Where there is a divisional board, I will be reviewing the request to see if the numbers of students that require grade 10, for instance, in the community are there and if there are some simple arrangements that can be made, the discussion will be held with the appropriate divisional board as early as possible.

MR. SPEAKER: Thank you. Supplementary.

Supplementary To Question O350-89(1): Grade 10 Extension, Coral Harbour

MR. ERNERK: (Translation) Thank you, Mr. Speaker. Supplementary, Mr. Speaker. I also know, Mr. Speaker, the teachers and the students as well as the education society have already been planning and expecting to receive grade 10 in the community. My question is to the Minister of

Education. Could he contact the residents of Coral Harbour confirming that it will be implemented in August, 1989?

MR. SPEAKER: Mr. Minister.

Further Return To Question O350-89(1): Grade 10 Extension, Coral Harbour

HON. STEPHEN KAKFWI: (Translation) The Inuit Member that is speaking to me is using his own language so I will do the same.

I received word from the community that he was talking about to make that request to me at that time. We still do not know if there are enough students to implement grade 10 in that community. We have to look into housing for the teacher. We do not know if we can help them at this time. It is not important that they find out this very day. If I look at all the matters that pertain to this I will be able to answer the Member at a later date.

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

Question O351-89(1): Tenders For Government Telephone Services

MR. WHITFORD: Thank you, Mr. Speaker. I have a question that is being directed to the Minister responsible for Government Services. It concerns the communications systems that the government is using currently, telephones. They have recently gone into an upgrading of the system. Did this request for upgrading go out to tender?

MR. SPEAKER: Mr. Minister.

HON. TOM BUTTERS: Mr. Speaker, I wonder if the Member could be a bit more specific about the upgrading he is referring to.

MR. SPEAKER: Mr. Whitford, could you clarify, please?

MR. WHITFORD: Yes, Mr. Speaker, perhaps I could. The telephone systems that were in place some time ago were owned and operated by NorthwesTel prior to deregulation and, as I understand it, you could not tap into your own system or to the system with other pieces of equipment. Since deregulation, I understand that you can buy a telephone anywhere. You can go to Radio Shack or a number of communication firms located in the NWT or established in the NWT now that provide these kinds of services. The upgrading I am talking about is the replacement of the old system that was being used with something a little bit more modern. I just got a new push-button phone and a whole bunch of things in my office here and I understand that this is relatively new. Apparently there are firms in the NWT established that can provide that kind of service but I am wondering why NorthwesTel are still doing this? Perhaps the Minister could tell me if this upgrading went out to tender and whether NorthwesTel had provided a proposal or series of proposals that would give them a better deal than going somewhere else? Did anyone else have an opportunity to bid on this? Am I making myself clear enough, Mr. Minister?

MR. SPEAKER: Mr. Butters.

Return To Question O351-89(1): Tenders For Government Telephone Services

HON. TOM BUTTERS: Yes, thank you, Mr. Speaker. I understand the question. No, there was no upgrading as such. The service that we are currently receiving and have been receiving is an excellent service and there was no intention to go to contract on exchanging that service for anybody else or any piecemeal service from other minor or small companies.

MR. SPEAKER: Mr. Whitford. Further supplementary.

Supplementary To Question O351-89(1): Tenders For Government Telephone Services

MR. WHITFORD: Mr. Speaker, I still am not clear. I suppose we may have been doing something for a long time and we may have been getting "good service" from this company who holds a monopoly to give service, but there are firms now that are producing equipment equally good, much cheaper, with longer guarantees and service readily available in communities such as Yellowknife and Hay River. I wonder if these firms that are establishing in the NWT because the government is such a big customer, are given an opportunity to participate in this area that they have established here in the North, rather than just to say because we have been dealing with you for a long time we are going to continue to use you? I wonder if the Department of Government Services had given this opportunity to business people in these two communities mentioned, to introduce their systems and to see what kind of service they can give without just saying that we will continue using the service we have been getting in the past without trying them?

MR. SPEAKER: Mr. Butters.

Further Return To Question O351-89(1): Tenders For Government Telephone Services

HON. TOM BUTTERS: Thank you, Mr. Speaker. I have rather been expecting the question and I guess I have quite an extensive answer in response to the question because it is a very good one.

The provision, and what I am speaking of here is the position of the Executive Council of the NWT and not myself as Minister, not the position of one Minister, of an adequate service level of telephone service to residents of the NWT is of paramount importance both to our government and the consumers. The Executive Council has reconfirmed that as a matter of practice the requirements for all telephones for the GNWT would be acquired from either NorthwesTel in the Western Territories or Bell Canada in the East.

The principles on which this decision was made, Mr. Speaker, are these: The government must have reliable telephone equipment and service in order to carry out its responsibilities and regulated utility companies are required to provide a common level of service to all residents of the NWT at a reasonable cost; the GNWT retains the right to choose the operating standards and systems which will best serve its needs and the needs of individuals requiring the services provided by government; in examining telephone systems, the government has looked at both the business and political realities, the small population base and small business base spread over a vast land distance.

In light of those realities the Executive Council has decided to continue utilizing existing utility companies as its suppliers thus ensuring standardization of equipment and the provision of adequate levels of service for the government's total communication requirements.

One consideration that must be kept uppermost, Mr. Speaker, is that of the 31 communities served in the NWT by NorthwesTel, 15 generate a deficit for the company. This means that the main centres like Yellowknife, Hay River and Inuvik are enabling, through an equalization process, services to be provided at a reasonable cost to the smaller high cost NWT communities.

NorthwesTel and Bell Canada are both committed to providing a good affordable service to the smaller less profitable areas. As a result, their operating costs are higher. Because of this commitment and the reputation for servicing they have developed over the years, the government has made a conscious decision to remain with the major companies, Bell and NorthwestTel, especially in light of the needs of consumers in our small and remote communities.

The need for reliable service was underlined and addressed on August 10, 1978 when the Canadian Radio and Telecommunications Commission rendered its decision on Bell Canada's increased rates. That decision, in effect, said -- and I just cannot quote the portion of the decision in which that was made -- said that: "The importance of telephone services in remote areas was again underscored during the central and regional hearings in the present case. Communities

which must otherwise rely on aircraft alone to maintain contact with each other, place a special value on the telephone, particularly in times of bad weather." That decision is valid today and that is the decision which the Executive considered in making its own decision.

MR. SPEAKER: Mr. Whitford, supplementary.

Supplementary To Question O351-89(1): Tenders For Government Telephone Services

MR. WHITFORD: A final supplementary, Mr. Speaker. I wish my questions were as well prepared as Mr. Butters' answers. I understand what he is saying; I anticipated that. The part of the question that I am asking is that NorthwTel and Bell Canada have the communications system; they provide a service like the Power Corporation provides power, but they sell that power to a distributor. What I am saying is that in the city of Yellowknife, the town of Hay River, where there are other systems that can be used, you are no longer required, Mr. Speaker, to use a telephone that is made and sold exclusively by NorthwTel. You can go to Radio Shack and buy a Mickey Mouse phone. You can use any type of a telephone you want, so long as it is compatible with the system. What I am saying is that ITT, just to name one outfit, and Sanyo and a number of them make telephones. They make systems that are compatible, they are cheaper, and there are people here in the NWT, small firms, that can deal with these things, that can handle these things and service them. It does not need NorthwTel to do that. They sell the components and they maintain them. That is what I am getting at. Not so much the whole system. The question is -- if you will let me finish -- he had a long answer...

---Laughter

...buying the telephones, the hundreds of telephones that are sold here in Yellowknife; did any small company in the North have an opportunity to at least demonstrate to the government that they had the ability to put these...

MR. SPEAKER: Mr. Ernerk.

Point Of Order

MR. ERNERK: Mr. Speaker, on a point of order. I thought, Mr. Speaker, under the Rules that you are supposed to provide a very short preamble and then ask a question.

MR. WHITFORD: I learnt from you.

---Laughter

MR. SPEAKER: Mr. Ernerk is absolutely correct, and many Members may wish to remember that. Mr. Butters.

Further Return To Question O351-89(1): Tenders For Government Telephone Services

HON. TOM BUTTERS: I think I heard the question. The answer was no. The government had decided to continue to use the services and facilities of the two major companies and I think I mentioned that decision in my answer to his question originally.

MR. SPEAKER: Thank you. Mr. Morin was next.

Question O352-89(1): Variations In Telephone Services

MR. MORIN: Thank you, Mr. Speaker. My question is to the same Minister, supplementary to Mr. Whitford there. When you were answering his question, Mr. Butters, you stated that NorthwTel, the way it operates, there are 15 communities that run a deficit. Is there any difference in service, for example, between Yellowknife and one of the communities that do run a deficit?

MR. SPEAKER: Mr. Butters.

Return To Question O352-89(1): Variations In Telephone Services

HON. TOM BUTTERS: I would have to examine those 15. Obviously, we are not going to get the same service in some of the small remote communities as you get in Yellowknife. We do know that NorthwesTel attempts to provide a similar service to all communities in which it is providing a communication linkage. We are at the present time discussing with NorthwesTel ways and means to improve communications to those communities who presently do not enjoy adequate communication services, such as Colville Lake and Snare Lake and some other small communities such as Trout Lake.

MR. SPEAKER: Supplementary, Mr. Morin.

Supplementary To Question O352-89(1): Variations In Telephone Services

MR. MORIN: Thank you, Mr. Speaker. I hope that all the communities do not enjoy similar service to some of our small communities because you would be getting a lot of complaints. For example, the community of Snowdrift, when you are phoning out, four out of five calls you never do complete, you get cut off. What I am wondering is, is there any way that this government could pressure NorthwestTel into improving the system, just so that you have a normal phone system; so that you can make a long distance call to Yellowknife, to the government and finish your conversation without phoning them three or four times because you lose them on the line.

MR. SPEAKER: Mr. Minister.

Further Return To Question O352-89(1): Variations In Telephone Services

HON. TOM BUTTERS: Yes, Mr. Speaker, while Government Services cannot accept responsibility for the service provided to the private user, we are interested, as the major consumer of telephone services in the NWT, in ensuring that the private consumers get the best service possible. To indicate how I would respond -- yes, if you could identify to me or to members of my department the specific problem they will go to bat for the community and attempt to work out arrangements with NorthwesTel or Bell which will improve that service.

When I was in Snare Lake with Mr. Zoe we heard from Subchief Alexis Arrowmaker about the service being provided to that community. I have been in touch with not only the president of NorthwesTel, but also Mr. Yamkowy, and there is an attempt being made to improve that service. I cannot act on a community's behalf, or an individual's behalf, unless I know the specific problem. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. The Chair would like at this time to recognize in the gallery the president of the Inuit Circumpolar Conference, Mary Simon. Welcome.

--Applause

Mr. Pollard was next.

Question O353-89(1): Cost Of New Telephone Systems

MR. POLLARD: Thank you, Mr. Speaker. To the Minister of Government Services on the same topic. Any of the systems that have been purchased recently, have they been in excess of \$5000, Mr. Speaker? Thank you.

MR. SPEAKER: Mr. Minister.

HON. TOM BUTTERS: I cannot answer that question from my own knowledge. I will provide an answer later.

MR. SPEAKER: Thank you. The question is taken as notice. Mr. Whitford.

Question O354-89(1): Doctor's Hours At Stanton Yellowknife Hospital

MR. WHITFORD: Thank you, Mr. Speaker. My question is to the Minister of Health. Does Stanton Yellowknife Hospital have a doctor on standby 24 hours a day, on an emergency basis?

MR. SPEAKER: Madam Minister.

Return To Question O354-89(1): Doctor's Hours At Stanton Yellowknife Hospital

HON. NELLIE COURNOYEA: Mr. Speaker, to my knowledge, yes.

MR. SPEAKER: Thank you. Mr. Whitford.

Supplementary To Question O354-89(1): Doctor's Hours At Stanton Yellowknife Hospital

MR. WHITFORD: Supplementary, Mr. Speaker. Is this doctor at the hospital all the time?

MR. SPEAKER: Madam Minister.

HON. NELLIE COURNOYEA: Mr. Speaker, I would have to take that under advisement because I do not know the scheduling of the doctor's time who is on night call.

MR. SPEAKER: Thank you. That supplementary is taken as notice. Mr. Ernerk was next.

Question O355-89(1): Government Policy Re Job Advertising

MR. ERNERK: (Translation) Thank you, Mr. Speaker. My question is to the Minister of Personnel. There are going to be some advertisements in the newspaper for job openings. What kind of policies do they have concerning this in the NWT and throughout Canada?

MR. SPEAKER: Madam Minister.

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, can I ask for clarification of that question? I did not get the proper translation toward the end.

MR. SPEAKER: Mr. Ernerk, clarification please.

MR. ERNERK: Mr. Speaker, thank you. My question is directed to the Minister of Personnel. What is the government's policy with regard to advertising jobs in the NWT as well as in Canada?

MR. SPEAKER: Mrs. Marie-Jewell.

Return To Question O355-89(1): Government Policy Re Job Advertising

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Speaker. The advertisement for jobs in the Territories and in Canada follows through a procedure. The department requests the Department of Personnel to fill ads out for particular jobs that are vacant in whatever department it may be. The Department of Personnel then, depending on where the location of the job is or what type of job it is, determines whether the advertisement is to be in a northern newspaper. Generally the northern newspapers or the northern positions for advertisement go through the North. If it is deemed that there could not be successful candidates, the advertisement is then through the southern papers.

The actual policy is being developed in regard to distribution for advertising. Basically I can indicate to the Member that job advertisement for north and south has not been clear to me as

a Minister and I have instructed the department to develop policy to ensure that we have a fair and equitable distribution for job advertisements whether it be in the South or in the North. Thank you.

MR. SPEAKER: Supplementary, Mr. Ernerk.

Supplementary To Question O355-89(1): Government Policy Re Job Advertising

MR. ERNERK: Thank you, Mr. Speaker. Is there a policy on job advertisements with regard to translation of job advertisements in newspapers?

MR. SPEAKER: Mrs. Marie-Jewell.

Further Return To Question O355-89(1): Government Policy Re Job Advertising

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, not currently. However, in conjunction with working with the Department of Culture and Communications I believe there are some steps that the department does follow when they require jobs to be advertised in a specific language or different jobs that require specific languages to be utilized. Thank you.

MR. SPEAKER: Thank you. Further supplementary.

Supplementary To Question O355-89(1): Government Policy Re Job Advertising

MR. ERNERK: Mr. Speaker, I noticed a headline from Nunatsiaq News today that says the government is refusing to advertise its jobs in the Eastern Arctic and it further states that despite efforts by the Nunatsiaq News and other Eastern Arctic groups to change its current policy, the GNWT advertises the vast majority of its jobs only in the Western Arctic. Mr. Speaker, I noticed -- and I will be very short -- I noticed jobs are translated in both languages in the Nunatsiaq News. My question to the Minister, is it the GNWT's belief that native people, especially in the Eastern Arctic do not qualify for certain jobs advertised in these papers or within the GNWT?

MR. SPEAKER: Mrs. Marie-Jewell.

Further Return To Question O355-89(1): Government Policy Re Job Advertising

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, no I do not believe that is what the government believes of the concern of the Member. Thank you.

MR. SPEAKER: Thank you. Mr. Pollard? Mr. Zoe then.

Question O356-89(1): Status Of Rae-Edzo Education Society

MR. ZOE: Thank you, Mr. Speaker. My question is directed to the Minister of Education. The Minister indicated in his budget speech on the Department of Education that there is going to be a divisional board coming on stream in my area. I think he referred to it as the Dogrib divisional board. I would like to ask the Minister, am I correct that once the communities join this divisional board that Rae-Edzo would lose their society status? Is the community going to lose their society status once they join this board?

MR. SPEAKER: Mr. Kakfwi.

Return To Question O356-89(1): Status Of Rae-Edzo Education Society

HON. STEPHEN KAKFWI: Mr. Speaker, the intent of creating divisional boards is to hand over responsibility to the maximum extent possible to regions and collectives of communities so that

they can hire their own teachers, hire their own superintendents and the sort of things that the government now does. The intent is not to take away the responsibility and the scope of management and responsibilities that some of the communities may enjoy now; for instance, Rae-Edzo now enjoys society status and it has for a number of years.

So the intent is not to get Rae-Edzo to comply with a demotion in order for the region to enjoy increased responsibilities. What the intent is, is to try to take the society status -- it is a creation that I do not think ever foresaw the fact that some day there would be something like a divisional board. The intent here is to try to work out a way in which the integrity of the society would remain intact and still be compatible with the way the divisional board is intended to operate. That is what we intend to do. Of course if Rae-Edzo wants to make changes to the way that the society operates then that is all a part of the negotiations as well.

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

Supplementary To Question O356-89(1): Status Of Rae-Edzo Education Society

MR. ZOE: Thank you, Mr. Speaker. Mr. Speaker, on a number of occasions the Members across the room, except for those three on that corner, the type of response we get from the government to a simple question such as I asked is a long answer. Could I ask the Minister, which one was it? I did not quite understand it. Was it a no or a yes? Do they lose their society status?

MR. SPEAKER: Mr. Kakfwi.

Further Return To Question O356-89(1): Status Of Rae-Edzo Education Society

HON. STEPHEN KAKFWI: Mr. Speaker, the way that things work is rarely black and white in the world that I live in and...

---Laughter

...and you have to appreciate the fact that for instance, I met with some members of the Dogrib community a month or so ago and one of the impressions I got was the society is a creature that was created between Commissioner Hodgson and Chief Jimmy Bruneau and therefore was about as sacrosanct as Treaties 8 and 11 and should not be touched. That, for me, is not a reason to leave things as they are. The intent of societies and all these creatures that we create is to serve people. It is not to be set up as institutions to be left untouched and for people to try to work around them. You take these organizations and boards and societies and change them to suit the needs and objectives that you have to work toward. I am simply suggesting that in the course of discussions it may be that the society will stay intact. It may be changed but that is not for me, unilaterally, to say. I thought Members would be happy to know that we are being flexible on a lot of these questions that come up. If it did not really matter to me what the community or the region wanted then I could give answers in short yes or no responses.

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

Question O357-89(1): Results Of Housing Minister's Ottawa Visit

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of Housing. I forgot before my last question, welcome back, Mr. Minister, from your trip to Ottawa.

Could you inform us how your trip was and if you managed to accomplish anything in Ottawa? Did you manage to convince the federal government of the unique housing situations we have in the North and if they would cost share the special projects that a lot of people want in their communities?

MR. SPEAKER: Mr. Butters.

Return To Question O357-89(1): Results Of Housing Minister's Ottawa Visit

HON. TOM BUTTERS: Mr. Speaker, I do not know whether I was successful or I just blew two days on airlines and in Ottawa hotels. However, I met for the first time with the Hon. Alan Redway, the new Minister of Housing. He is a very impressive, dynamic Member of the federal cabinet. He is a man who knows the Territories and apparently enjoys the Territories because he has travelled on the land between arctic communities. With regard to the need, the best expression of need that I have come across to date is the Auditor General's report which was tabled before the public accounts committee. That is an excellent statement of the very difficult position in which we in the Territories find ourselves and of our need. I provided that report to Mr. Redway. I discussed with Mr. Redway fulfilling a commitment I made to Mr. Nerysoo relative to rural and remote housing, the problem in which 69 people in the Territories are finding themselves, people who some 10 or 12 years ago went ahead on their own initiative and entered into a mortgage arrangement with CMHC. They were chagrined to find some years later that we instituted a HAP program which was a lot more attractive than the program they were in. I discussed that situation with the Minister.

I also raised the matter with regard to housing on the reserve which Mr. Gargan and Mr. Fabian had asked me to do. I spoke to both Mr. Redway and Mr. Cadieux on that point and I also talked about our HAP program. I spoke about additional funding for our HAP program. The current \$4000 which we are providing as being inadequate.

I mentioned my trip to Mr. Morin's constituency where we saw HAP homes halted in progress because of difficulties experienced in dealing with technical installations of furnaces, electrical and plumbing. I raised these matters with the Minister and indicated that additional funding would be required here. I also discussed with the Minister our special projects.

I did speak also of the visit I had with Mr. Zoe to his constituency and what I had seen there. Just three days ago, Mr. Heron and I were in Providence with Mr. Gargan and we saw two excellent special project housing units there which would house two people for \$40,000 where the government's joint program would cost, I think, some \$300,000 to house four people.

Yes, I did make the points that Members have made to me and that I have seen with my own eyes in the community. Whether I will be successful, I do not know. But I would just warn us all that there is no money out there. There are no additional funds out there. Ottawa is tight. I think the Finance Minister's budget on April 6th will be one of the hardest hitting budgets we have seen in many years. I did make the points that had to be made. I have invited Mr. Redway to come to the North. I have told him I want to take him into the communities, into the small communities to see for himself the need. He is willing to come. I also had a good meeting with Mr. Cadieux on the same matters. He, too, wishes to take a look with Mr. Redway at some of the housing needs in the Territories. I got a hearing. Whether we will get a response in a productive way I am not yet sure but I am optimistic.

MR. SPEAKER: Supplementary, Mr. Morin.

Question O358-89(1): Effect Of Ottawa Visit On Revision Of HAP

MR. MORIN: A supplementary, Mr. Speaker. Mr. Minister, will the visit to Ottawa affect in any way you bringing forward to this House on March 15th, what you said you would do regarding the revised HAP program?

MR. SPEAKER: Mr. Minister.

Return To Question O358-89(1): Effect Of Ottawa Visit On Revision Of HAP

HON. TOM BUTTERS: I do not think the visit to Ottawa would affect that intention although obviously because of our joint relationship with CMHC and the federal Minister they have to be

apprised of what we have been putting together. The amended proposal is before the Executive Council. It has not been discussed in detail yet but it is before them. I still have not put it before the board of directors of the NWT Housing Corporation. I will be trying to make my March 15th commitment. But there are a few other guides on me and I may not be able to accede as I have to get Executive approval first. I would point out that what I do place before the Members would still be a tentative proposal because I will require at some time CMHC approval of the proposal.

MR. SPEAKER: Mr. Zoe.

Question O359-89(1): Policy On Divisional Boards Of Education

MR. ZOE: Thank you, Mr. Speaker. My question is to the Minister of Education. Could I ask the Minister to provide me with the government policy pertaining to divisional boards?

MR. SPEAKER: Mr. Minister.

Return To Question O359-89(1): Policy On Divisional Boards Of Education

HON. STEPHEN KAKFWI: Yes, I can provide the relevant documents that the Member wants.

MR. SPEAKER: Thank you. Oral questions.

Item 6, written questions.

DEPUTY SPEAKER (Mr. Gargan): We are on Item 7, returns to written questions. Mr. Clerk.

ITEM 7: RETURNS TO WRITTEN QUESTIONS

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, return to Question W13-89(1), asked by Mr. Lewis to the Minister of Personnel, on direct appointments to the public service.

Return To Question W13-89(1): Direct Appointments To Public Service

Hon. Jeannie Marie-Jewell's return to Question W13-89(1), asked by Mr. Lewis on February 22, 1989, regarding direct appointments to the public service. Direct appointments are made under sections 16.2 and 17.2 of the Public Service Act. As Minister of Personnel, I must make all appointments to the Public Service. In the case of direct appointments, authority is exercised only with the approval of cabinet. In practice, this means a request for a direct appointment is presented by me to cabinet and it is the Executive Council which approves or rejects these requests. Attached is a list by department, of appointments to public service positions approved by cabinet from April 25, 1988, to February 28, 1989.

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

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

ITEM 9: PETITIONS

MR. ANGOTTITAUURUQ: Mr. Speaker, I have Petition 10-89(1), from the community education council of Gjoa Haven. I have 286 names and each petition is signed by the original person. It is with regard to reducing pupil/teacher ratios in the NWT. I do not know how many more I am going to get.

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

HON. STEPHEN KAKFWI: Mr. Speaker, I would like to table Petition 11-89(1), received from Colville Lake, signed by 29 constituents. The remaining 12 individuals who did not sign the petition were out of Colville and were unable to be contacted.

HON. DENNIS PATTERSON: They will be disciplined.

---Laughter

HON. STEPHEN KAKFWI: Mr. Speaker, the petition calls for the NWT Power Corporation to provide power and electricity to Colville Lake. The last one in the NWT.

MR. DEPUTY SPEAKER: Thank you. Item 9, petitions.

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

ITEM 11: TABLING OF DOCUMENTS

MR. ANGOTTITAUURUQ: Mr. Speaker, I would like to table Tabled Document 62-89(1), a document from the Kitikmeot Divisional Board of Education. It is a letter in regard to flight connections between Coppermine and Kitikmeot East.

MR. DEPUTY SPEAKER: Thank you, Mr. Angottitauruq. Item 11, tabling of documents. Mr. Clerk.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, in accordance with section 184(4) of the Elections Act, I wish to table Tabled Document 63-89(1), the return and declaration on behalf of Peter Fuglsang.

MR. DEPUTY SPEAKER: Thank you. Item 11, tabling of documents.

Item 12, notices of motion.

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

Item 14, motions.

Item 15, first reading of bills.

Item 16, second reading of bills. Item 17, consideration in committee of the whole of bills and other matters: Appearance of Airline Witnesses, Bill 1-89(1), CR 1-89(1), Ministers' Statement 15-89(1), Tabled Document 58-89(1), Tabled Document 59-89(1), Bill 3-89(1), Bill 7-89(1), Bill 10-89(1). We will put the committee into committee of the whole until they are ready to report, with Mr. Zoe in the chair.

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

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER APPEARANCE OF AIRLINE WITNESSES

CHAIRMAN (Mr. Zoe): I would like to call the committee to order. In accordance with the motion passed in regard to having the airline witnesses appear before the committee of the whole, does the committee agree that representatives of the following northern airlines be admitted into committee of the whole? Aklak Air Ltd., Canadian Airlines International, Calm Air International, Northwest Territorial Airways, Kenn Borek Air Ltd., First Air, Air Inuit Ltd. Does the committee agree that we invite them into the committee of the whole? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Zoe): Thank you. Sergeant-at-Arms, can you escort the witnesses in to the witness table?

Appearance Of Airline Witnesses

Could I ask the northern airline representatives at the witness table to introduce themselves and the company they are with, starting on my left?

MR. DILLON: Mr. Chairman, I am Eddie Dillon with Aklak Air Ltd.

MR. FISCHER: Mr. Chairman, my name is Duncan Fischer. I am with Canadian Airlines International, vice-president of the western region.

MR. BARNSELEY: Mr. Chairman, my name is Joe Barnsley. I am with Calm Air. I am their counsel.

MR. ENGLE: Mr. Chairman, I am Bob Engle, NWT Airways, chairman and chief executive officer.

MR. CRICHTON: Mr. Chairman, my name is John Crichton. I am the executive vice-president of First Air.

CHAIRMAN (Mr. Zoe): Thank you. I would like to welcome all the northern carriers that are in attendance here with us in the committee of the whole. I understand that each representative is going to make a presentation. So to get things under way maybe I will start with the person on my left, Mr. Dillon. Could you proceed with your presentation on behalf of Aklak Air?

Presentation By Mr. Eddie Dillon, Aklak Air

MR. DILLON: Thank you, Mr. Chairman. Members of the committee of the whole. We thank you for your letter dated February 17th, inviting us to appear as witnesses regarding the airline industry.

Aklak Air Ltd. is presently undergoing a reorganization and a complete analysis of existing service including scheduled flights. This analysis will be complete within seven days. Bob Naismith, as president and chief executive officer, apologizes for not meeting the time frame of the Legislative Assembly. However the Inuvialuit Development Corporation increased the equity ownership of Aklak only recently. Upon completion of the analysis we would respectfully request the opportunity to provide the honourable Members with the study evidencing frequency of the present scheduled flights and those flown in 1987.

We will at that time provide the cost comparison of the referenced services and revenues generated from the flights. We are certain that newly restructured Aklak will continue to provide safe and reliable service to the government and people of the NWT. Again, on behalf of Bob Naismith, I thank you and Mr. Chairman, I have for your information, preliminary findings that we have so far and just for the information of the committee I would like to present that. If any of the Members have any questions I would like to introduce the chief pilot of Aklak Air in regard to the operation end, Mr. Roch Gagnon. He is also, on behalf of Aklak and the rest of the people of the Territories, vice-president of NATA. If I may, Mr. Chairman, I am going to let him sit in my chair.

CHAIRMAN (Mr. Zoe): Thank you. Proceed. Could I call upon Canadian Airlines to make their presentation?

Presentation By Mr. Duncan Fischer, Canadian Airlines International

MR. FISCHER: Thank you, Mr. Chairman. Honourable Members. Just before I begin my presentation if I might ask whether the Clerk has been able to distribute a number of exhibits to the honourable Members that I will be referring to. Thank you.

It is indeed a pleasure to have been invited to meet with you today to review Canadian Airlines air services and in general, air transportation in Canada's North. As early as the 1930s, Canadian Airlines International predecessor carriers pioneered air services to the NWT. The NWT routes

connected the communities of Fort Smith, Fort Resolution, Hay River, Wrigley, Fort Simpson, Fort Norman, Norman Wells, Aklavik, Arctic Red River, Fort McPherson, Coppermine, Gjoa Haven, Cambridge Bay and Yellowknife. Following the DEWline construction in the mid-1950s, Pacific Western Airlines took over Canadian Pacific Airlines scheduled routes from Edmonton to the NWT. In 1968, Nordair, another air carrier which now forms part of Canadian Airlines was the first airline to ever land a commercial jet aircraft in the Canadian Arctic at Iqaluit.

The introduction of the Boeing 737 jet to both the Western and Eastern Arctic marked the beginning of a new era in air travel in Canada's North. Canadian Airlines Northern Canada chartering contract services have included the use of a Hercules aircraft fleet for specialized cargo handling, and a fleet of passenger and cargo mixed configuration aircraft, Boeing 727 and 737 jets, to satisfy the resupply demand of the DEWline and the resource industry.

Today Canadian Airlines operations to the NWT consist of more than 14,000 hours in scheduled and chartered flying. These services with the Boeing 737 jet include scheduled services to 10 NWT communities and the resupply charters to the DEWline and the resource industries. Also the ice patrol over the Arctic waters and the Hudson Bay using especially equipped Electra aircraft.

As a contribution to the local economy on an annualized basis, the expenditures by Canadian Airlines in the NWT amount to \$8.4 million. These expenditures include wages and benefits, airport ground handling, cargo pickup and delivery, aircraft refuelling services, airport facilities, overnight crew expenses, catering, advertising, travel agency commissions, fees and local taxes. In addition to the 62 employees that live in and provide service for Canadian Airlines in the 10 communities there are a number of local residents who perform ground handling functions for Canadian Airlines.

Canadian Airlines will continue to participate in local promotions, community events such as the Yellowknife Midnight Sun golf tournament, the Cirque du Soleil, that is circus, Nanisivik Marathon, local chambers of commerce, service clubs, sports federation, arts, education and museums.

Mixed Configuration Jets

Canadian Airlines maintain a schedule designed to meet maximum frequency consistent with demands in the Territories. With its fleet of mixed configuration Boeing 737 jets, Canadian Airlines has been able to offer a frequency of service to relatively low density markets by combining passenger and cargo traffic on the same flight. Our experience has demonstrated that passenger and cargo mixed flights allow the carrier to offer greater frequency for scheduled services. This does, however, result in the southbound cargo inventory being underutilized and non-productive.

Canadian Airlines current winter schedule offers the following weekly flight frequencies in each direction. Between the cities of Montreal and Iqaluit we have 10 flights a week. Montreal-Iqaluit-Hall Beach, two flights a week; Montreal-Iqaluit-Nanisivik, two flights a week; Montreal-Iqaluit-Resolute Bay, two flights a week; Edmonton-Fort Smith-Hay River-Yellowknife, six flights a week; Edmonton-Yellowknife, 21 flights a week; Edmonton-Yellowknife-Norman Wells-Inuvik, eight flights a week; Edmonton-Yellowknife-Cambridge Bay-Resolute Bay, two flights a week.

Our plans for the summer of 1989. We plan to make the following schedule adjustments. Firstly, the traditional service to the High Arctic, to and from Resolute Bay with separate routings will be maintained from Edmonton and Montreal. Increased frequency to the Mackenzie Delta by one weekly round trip will take place; also improved scheduling between Calgary and the Mackenzie Delta. Increased frequency to Nanisivik by one weekly round trip from Iqaluit that is originating and terminating in Montreal. Increased uplift from the West to Resolute Bay and Cambridge Bay by dedicating one of the weekly flights to each community. And lastly, the Yellowknife to Edmonton non-stop, which I understand has been of some concern here in the city of Yellowknife, will be adjusted so that the flight will leave at a prime time.

I should mention that the Boeing 737 jet service on the route into Fort Smith and Hay River has been cause for concern at Canadian Airlines. Traffic from both communities produces an average of 26 passengers southbound per flight and an average of 24 passengers to Yellowknife. I think you will understand that those numbers are not what they should be. We are considering different marketing initiatives to improve ridership.

Canadian Airlines recognizes the price sensitivity that exists in today's economic climate. Canadian Airlines must be able to deliver services that are affordable and attractive for consumers. At the same time, it must earn a fair return on invested capital. In 1988 Canadian Airlines unit total services carried in excess of 168,000 passengers and 18.3 million pounds of cargo to and from within the NWT. In northern Canada where distances are long and surface transportation is the exception rather than the rule, air transportation is a necessity and to the consumer the cost of such service can be a large expenditure. However the air fares and cargo rates reflect the cost of doing business. Fare comparisons are often targets of criticism from and by those who steadfastly believe the North is discriminated against. We have tried to choose fares which are a fare comparison based on route length, as opposed to density of the market.

Fare Comparisons

I would like to turn your attention now to the exhibits which you have, Canadian exhibits No. 2, 3 and 4 and deal with No. 2, first. Rather than take up more time and in the interest of time and expediency, looking at Canadian exhibit No. 2, I will not go through all the city comparisons. Certainly they are there for your review and comment later. Looking at the first exhibit, No. 2, Canadian Airlines International passenger fares comparison, what we have tried to do is group similar stage lengths by city, comparing north-south routes to east-west routes, and in some cases we have tried to make some comparisons for you between similar type distances in the United States. For example, exhibit No. 2, Yellowknife to Fort Smith today, at a mileage of 188 miles, the economy fare in cents per mile -- and this is how these are expressed -- is 61.7. If you compare that to a similar stage link in southern Canada which Canadian Airlines operate, Kelowna to Vancouver, we have 178 miles and that rate per mile is 61.2.

If we could go to the next grouping, Edmonton-Fort Smith, we have a mileage of 467. The Canadian rate in cents per mile is 44.5. From Calgary to Vancouver we have a mileage of 426, and the rate there is 42.5 -- as you will note very close. We have between Calgary and Vancouver a high density market with large aircraft in an east-west configuration. Just a quick example, the Denver-Wichita US rate is 71 cents with Delta Airlines.

If we could jump to the next longest one, Montreal-Iqaluit, 1278 miles, the economy fare there in cents per mile we give you is 41.1, that is today. Similar type stage link, we can go down a couple to Vancouver-Winnipeg at 1165 miles, the rate there is 29.4. It is lower and I have some comments on that after we finish the review of the exhibits. That is again on the east-west comparison.

Deep Discount Rates

If we could quickly look at exhibit No. 3, what we have provided you with here is a comparison of deep discount rates, again comparing north-south rates versus east-west rates, and comparing those in the high density market versus the north-south rates. Again, if we take a look at Yellowknife-Fort Smith -- these are deep discounts -- at 188 miles you will see 30.9; Kelowna-Vancouver, a similar stage link, at 28.7, very close. We will do two more if we can. Edmonton-Fort Smith at 467 miles, 20.1 is the rate in cents per mile; Calgary-Vancouver, a similar stage link at 426, is 19.3.

Cargo Rates Compared

If I could draw your attention now to exhibit No. 4, it is quick comparison of our cargo rates in the 45 kilogram general commodity category. The rates are expressed in ton kilometres. On the city pair of Fort Smith to Yellowknife we have 303 kilometres, Canadian's rate is \$2.03. On the east-

west route structure of Montreal to Toronto, 315 kilometres, it is \$3.00. Suffice to say, if we go through the rest of them, you would find that, in fact, in this category the east-west rate is higher than the north-south.

Detail Of Higher Costs In North

Any comparison must include an understanding that costs in northern operating environments are higher and the market density is significantly less. I would like to examine a few of the higher costs and begin with fuel. Fuel costs on the system basis represent 19 per cent of Canadian Airlines' operating costs on a route basis. In the Territories fuel costs represent 24 per cent of our operating costs. Station operations in the North are also more expensive than southern locations. Housing rentals, northern allowance and communications all cost more in the North and have to be reflected in the prices charged to the consumer. In addition, costing penalties exist as a result of cost distribution over much smaller units.

While mixed configuration aircraft provide increased frequency and service, nonetheless weight penalties and reduced productivity may be cited as a cost to a northern operation. Aircraft operating in a mixed configuration carry payload penalties, and given the unit directional flow of the cargo, the majority of the south-bound cargo inventory is underutilized and non-productive.

Another category is maintenance and capital costs of the aircraft. Servicing costs increase on aircraft operated in the North because some runways are not paved. The requirements to handle cargo and additional servicing to specialized equipment add 20 per cent to Canadian Airlines operating costs, while capital costs for these special aircraft are nine per cent more than standard passenger models.

Canadian Airlines offer a variety of deep discount fares. However, the deep discount "V" excursion fare, which is available year-round on a system basis, including northern Canada, is the discount fare most widely sought after. I should point out that on an average, 42 per cent of our traffic on routes in the Territories travel at discount fares.

If we could just quickly look at exhibit No. 5. What we have attempted to do here is show you the city pair Edmonton-Yellowknife and a sample of a typical week. Given November 1988, we show the days of the week, Monday through Sunday, the total scheduled seats on the city pair Edmonton-Yellowknife, and it runs at 402 a day, approximately that number for the rest of the week. The deep discount fares sold on that city pair, you will note in the next column at 31, roughly; the "V" fares, or the deep discount seats unused, the inventory that was allocated to that city pair, at 211, 167 and 165. An illustration of, in fact, on that particular city pair, underutilization of the inventory that is even allocated.

Commitment To Tourism Development

Moving on, Canadian Airlines has been actively involved in tourism development in the North since the company inaugurated jet service to the region.

CHAIRMAN (Mr. Zoe): Excuse me, could I ask the presenter to slow down? You are going a little bit too fast for our interpreters.

MR. FISCHER: As a matter of corporate policy, the support and development of the tourism industry is not only desirable, but essential to traffic growth in Canadian Airlines responsibility to the communities it serves. I believe that as an airline, our record of co-operation with, and promotion of, the domestic tourism industry is exemplary. With respect to package tour marketing, Canadian Airlines has acted as a tour operator, wholesaler and retailer for package tours featuring its destinations. However, most products which highlight Canada's North are developed jointly with independent tour operators. We remain committed to tourism development, including the distribution and marketing of these products through our international network.

Moreover, we believe that the communities in the North benefit from being part of Canadian Airlines global network and they receive the total mix of pricing available throughout the system and reliability of service. For example, Canadian Airlines, as part of its service, makes available the communication links for direct access to computerized reservations from the North to anywhere in the world; access to 160 destinations worldwide, which includes a large Canadian part in the network; an attractive frequent flyer program, and as a matter of policy, all domestic seat sales are extended to northern Canada regions; and tourism promotion from a global network.

Business Class Not Provided

Concerns have been expressed that in-flight service and meals differ between southern Canada and the North on Canadian Airlines. In high density markets only, Canadian Airlines offer a business class product. This product does not only provide for additional seating space and other airport and in-flight amenities, but the consumers are required to pay a premium fare for those services. This product is not provided in the North because our experience, which we conducted recently, demonstrates a low demand for such service in northern Canada. Canadian Airlines' all-economy coach product, which is offered to northern Canada, does not differ in any way from the product being provided throughout our North American network.

There has been concern expressed on the lack of offering services in aboriginal languages. Firstly, let me say that to ensure that safety information is easily understood by passengers, regardless of the language spoken, all safety folders are pictorial. We believe that the present internationally accepted pictorial format is consistent with all safety requirements.

Motion 32-88(2), Announcements on Commercial Aircraft in the NWT in Aboriginal Languages, calls for air carriers operating in the North to make announcements in one of the aboriginal languages. The difficulty that this particular motion poses for Canadian Airlines is due to the wide geographical area of our operations. We, of course, service the Eastern, Western, and at Resolute Bay, the High Arctic, operating through many areas with different aboriginal languages. An extreme example would see a requirement to have our flight crews versed in four or five languages to operate these services. In other cases we would have to block special crews on specific flights with that inherent penalty on costs. On the flight itself, with the number of aboriginal languages required, the actual announcement and demonstrations could take longer than the time permitted on the flight departure.

Language Bureau To Assist In-Flight Services Department

However, in light of recent correspondence from the Minister of Culture and Communications, Canadian Airlines will set up a working group between our in-flight services department and your language bureau to look for practical solutions and options. We would look for your guidance in specifying the aboriginal language desired. We appreciate the offer made by your Minister to volunteer the assistance of his department's language bureau.

Canadian Airlines has been providing service for over 30 years to northern Canada and is committed to the North. We plan to continue our role as a major supplier of air transportation in northern Canada.

I apologize for taking longer than I think I was permitted. Thank you very much.

CHAIRMAN (Mr. Zoe): Mahsi cho. I would like to call upon Calm Air. Mr. Barnsley.

Presentation By Mr. Joseph Barnsley, Calm Air

MR. BARNSELEY: Mr. Chairman, honourable Members. Calm Air is very happy to have been invited to meet with you to discuss air transportation in the NWT. Calm Air has been operating in the NWT for over 16 years. It started with Twin Otters on floats north of Lynn Lake and Churchill

doing mining exploration. In 1975, it commenced its scheduled services taking over Transair's Twin Otter operation and establishing a base at Rankin Inlet.

At that time, few airports in the Keewatin had any shelters for people waiting for flights, and navigational aids were very poor. The territorial government and federal Department of Transport are to be complimented on the job which they have done over the past decade in making aviation safer for the customers and for the airlines and a more comfortable experience all around.

In 1979, Calm Air started Hawker-Siddeley HS 748 service from Churchill and into the Keewatin. Since then, Calm Air has added Beechcraft King Air which is set up to do medivacs in the Keewatin and to provide supplemental scheduled services. It has added more 748 aircraft to provide more frequent flights between the communities.

It was only a little more than 20 years ago that the community of Repulse Bay was served by one DC-3 flight every two weeks. Now Repulse Bay receives three flights a week with a Hawker, with an additional weekly frequency during the summer.

Calm Air's flights are safe and reliable. Calm Air supports the Keewatin. It pays nearly \$300,000 a year to local businesses to provide ground and passenger handling. That is in addition to its purchases of fuels, commissary, its payment to agencies, commissions and the like. That is just money to people in the communities to do work on the ground. By hiring local agents, Calm Air brings employment where it is needed rather than moving people in from the South who do not have the knowledge of or commitment to the region and who may not be conversant in local languages.

Calm Air supports the Keewatin and the NWT in other ways too. During 1988, the company gave away about \$230,000 in donations in the district. This included passes for local fund raising, social, cultural and political meetings. It provided transportation for the artists in the schools program. It provided transportation to operation RALLY. It gave free transportation of school books. It moved the Girl Guide cookies for free. It sponsored sports tournaments and gave extensive discount fares for the participants in those tournaments and gatherings. It gave reduced rate travel for the chamber of commerce in economic development initiatives. It gave reduced rates to religious, social, political and cultural organizations. It sponsored economic initiative programs to try and develop the Keewatin and the Territories.

Calm Air provides dramatically reduced intercommunity and special commodity freight rates, which allow the movement of country foods within and the exports of commodities from the district.

In-House Skill Training Development Program For Northern Residents

Calm Air serves many native settlements both in the NWT and through northern Manitoba. One of the biggest problems that we face is that there are no facilities in the North to train local residents in the increasingly sophisticated skills which are needed to work in the aviation industry. Calm Air has, therefore, set up an in-house skill training development program. Local agents and representatives are flown into the company's headquarters in Thompson, where intensive training sessions are carried on to equip these people in the communities with the ability to provide the highest possible levels of services. On the engineering side, Calm Air has an apprentice program which prioritizes northern employment. By doing this, Calm Air hopes to achieve a stable work force of skilled individuals who are committed, long-term residents of the North.

Calm Air services in the Keewatin are co-ordinated with Canadian Airlines, providing jet links to southern Canada and indeed world wide. Through the Canadian partner program, Calm Air is able to offer even the smallest arctic settlement air travel products that are consistent with those received in the largest southern markets. For example, the Keewatin enjoys the same seat sale discounts, frequent flier programs, computerized reservations system, and through baggage and tickets as do cities in the South. This is particularly important, we feel, to develop tourism in the

region since there is immediate worldwide access to flights to all of the communities which Calm Air serves.

Calm Air is proud of its association with Travel Keewatin and of the awards it has received for promoting tourism in that area.

I want to talk briefly about Motion 20-88(2), and the comments which supported it. The motion talks about the importance of air transportation and the effective delivery of government services to the communities, intercommunity private and personal transportation, and the distribution of freight within regions. The motion acknowledges that reliable air transportation is needed to achieve meaningful social and economic development for the citizens in the NWT. In passing the motion, this Assembly supported the need for air transportation services which are reliable and efficient and which reflect the price structures, service frequency and aircraft types that are acceptable to the public. Mr. Chairman, your motion seeks what Calm Air has been working to provide over the past 16 years.

Let me review briefly some of the discussion in this House on the motion which I think is very important. Mr. Angottitauruq said the wrong type of aircraft and reduced frequencies have meant service and freight backlogs. He said in 1988 it is unacceptable to fly in poorly heated aircraft, no stand-up room, no washroom facilities and no cabin service facilities.

Ms Cournoyea said we should be very conscious of the fact that we cannot drive the price down so low as to get inadequate service and unsafe service. We cannot do that. There are many things that could happen in the High Arctic that cannot take place because it costs too much to transport. It may not necessarily be the problem of the airline because the airline has to make a profit. It may be a problem of the high costs that they have to incur to make their business viable. The airlines that are there all year round have to operate in the winter period when the high costs are incurred.

Mr. Arlooktoo echoed these views. He stated his biggest concern with regard to air transportation is safety. He said that if he is going to be flying around he would not want to be travelling from one community to another without having any passengers or freight. From this table, amen.

Deregulation And Competition

Mr. Patterson spoke of deregulation and competition between NWT Air and First Air on the route between Yellowknife and Iqaluit. He said, and this was prophetic, "It should be obvious to everyone that this is too much capacity and I am very concerned that this action will force First Air to cut back in its plan, three flights per week. It could jeopardize that new service." He continued, "Another example I would say would be the Keewatin where I believe we now have presently up to five carriers licensed to provide service routes in that region." I am sure that Members would agree that this is an over capacity and undoubtedly a situation not in the long-term interest of the residents of the Keewatin.

Mr. Chairman, I am glad that this House understands that there is no magic in running an airline. Like everything else, if you want to stay in business you have to pay your bills. To pay your bills you have to take so much money on each flight. You make some from the passengers, some from the freight and some from the mail. You could not pay for the flight with just passengers because the communities are too small. If you tried to do that you would have to cut back on the number of flights or use smaller aircraft with no washrooms, no cabin service. Over the years people have told Calm Air that they would prefer the bigger aircraft. They do not want DC-3s. They do not want old technology.

Reasons For High Air Fares

We talk a lot about air fares and how they are so high. Mr. Fischer told you about fuel costs. In Winnipeg, fuel costs just over 41 cents a litre; in Churchill, 48 cents; in Rankin, 65 cents; in the Arctic coast it is over 81 cents a litre. Those are reflective of all of the costs the airlines face the

further north that they operate. It costs a lot to have local agencies so that people have local contacts and can get the service that is being offered. In Coral Harbour, for example, the cost per boarded passenger of the contracted ground services is over \$30. There are some fixed costs that airlines can try and spread around to all of their customers within a region. Because the Keewatin does not now have the mines or other commercial activities which consume a lot of air transport and because it has the smallest population of any of the regions, it is the most expensive place to provide air transport to the communities.

Air transportation in each district is different. It is not always fair to compare, say, passenger rates. For example, in the Baffin a lot of freight moves by mail. That is because the government allows food to be shipped by mail from Val D'Or, Quebec. In the Baffin, mail revenues are, we believe, over two million dollars. In the Keewatin, they are under \$250,000. To move a kilogram of mail between Iqaluit and Broughton Island, which is a distance of about 300 miles, the carrier gets \$2.60. From Churchill to Baker Lake, which is nearly 400 miles, the mail rate is about \$1.41. Food that would be moved at \$2.26 in the Baffin would not go by mail in the Keewatin. It would probably go at a volume rate for the Bay or for the Co-op for around 85 to 95 cents per kilogram. Even the regular freight rates in the Baffin are much higher than those in the Keewatin. If we look at the published tariffs between Iqaluit and Broughton, the rate is around \$2.40 a kilogram for a stage length of around 300 miles. Churchill to Baker Lake, which is just under 400 miles, has rates between \$1.40 and \$1.50.

Calm Air asked the post office if it could set up a food mail operation. It was told it could not. The post office loses a lot of money on food mail. It would not make it available to any new locations. The effect, though, is that the air carrier in the Baffin gets what is really a government subsidy to carry mail. If Calm Air had those same mail rates and freight rates in the Keewatin as it did in the Baffin it could charge much lower passenger rates. As I told you, you have to pay your bills and it is the combination of passenger, mail and freight revenue that does that. I suggest to this committee that if you look at purchasing, both individually in the settlements and by this government, there is as much or more spent on moving goods as on moving people. So when you look at promises of savings, look at the whole picture, please.

Calm Air Provides More Frequent Service In Keewatin

I will tell you something else about the differences in service between the Keewatin and the rest of the Territories. The Keewatin gets more frequent service. When you take a look at the size of the communities and the number of flights to and from them, Calm Air provides about 50 per cent more frequency than other areas of the Territories receive for comparable community sizes. Calm Air could make more money with fewer flights with more passengers but because Calm Air flies more often, people in the Keewatin do not have to overnight as much and the cost to the government of providing services is less. So remember if people tell you they charge less, it costs every carrier about the same to fly an aircraft. If they are not making it on passenger fares they will be making it somewhere else.

Mr. Patterson expressed concern over the number of carriers licensed to provide service in the Keewatin. Calm Air shares that concern. Even though a lot of new carriers were licensed last summer, Calm Air was the only one that has been providing services all through the winter. We hear that Nunasi Northland is going to start flying King Airs out of Rankin Inlet. They say that they are going to charge lower fares. When Nunasi Northland applied for their scheduled licence in the Keewatin they did not bother with Whale Cove or Chesterfield Inlet, just the larger settlements.

Calm Air has never made a profit serving Whale Cove and Chesterfield. It does it because that is part of the responsibility of serving the entire region. When First Air applied to serve the Keewatin it forgot about Whale Cove and Chesterfield Inlet too. Remember these things when people tell you that a new service can be better. Calm Air flies King Airs and it knows how much they cost. At the rates which Nunasi Northland says it is going to charge, it will need very full airplanes to pay its bills.

What will happen is just what will happen in Kitikmeot and on the Yellowknife-Iqaluit route. When you put too many planes on a route, nobody makes money. Pretty soon everybody cuts back or goes broke. You can end up in the long run with less service and higher priced service. Remember it is easy to make promises of better service and lower fares but you have seen over the last year that every promise has its price.

Calm Air has some promises for you. It promises to continue to give the NWT the best air service it can at the best possible prices. It will continue to give strong support to initiatives such as the development of tourism and the resource industry. It will not compromise safety or reliability. It will continue to offer a wide inventory of discount fares of more than 50 per cent off to permit intercommunity and inter-regional travel. In new areas where it can offer a truly better service or price, Calm Air will provide a competitive alternative.

Calm Air Asks Continuing Support

Calm Air's price for these promises is your continuing support. Your motion inviting airlines here talked about reliability, efficiency, price, frequency and aircraft type. Calm Air believes that when you look at its operation with those factors in mind, you will see that it is doing a good job.

Some Members have suggested that the government should reward an airline doing a good job with some loyalty with government business. That is a good idea. This loyalty will be needed if the Territories are to continue to receive the type of air service that you want. Please be sure, therefore, that there will be a real long-term benefit to all the communities before you support new operations.

Mr. Chairman, Calm Air's president, its board of directors and management are sad that they could not be here today. Mr. Morberg did plan on being here. However, March 9 has been reserved as a board of directors meeting in Thompson for over three months. Because this meeting brings together people from across the country to make important decisions about your air services, it could not be rearranged on a few days' notice. However, your motion does call for meetings between the Executive Council and the airlines, and Calm Air looks forward to a continuing dialogue with you in that regard. Mr. Chairman, Calm Air is proud to be a part of the NWT. Thank you for letting me address you today.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Barnsley. The next is Mr. Bob Engle, NWT Air.

Presentation By Mr. Bob Engle, NWT Air

MR. ENGLE: Thank you, Mr. Chairman, honourable Members. Twenty-seven years have gone by very quickly. NWT Air was founded by me with one single-engine De Havilland Otter on Yellowknife Back Bay. I squeezed a bit of dock space between Wardair on the west and Pacific Western Airlines on the east, and competition was very heady even 27 years ago. But survival is the essence of northern business, really of any business. I think it is significant to review, in this appearance, that NWT Air really predated the sitting of this government, when it was moved from Ottawa to the new capital of Yellowknife, in 1967.

During that 27 years, NWT Air, as your resident northern airline, pioneered a number of firsts. It continues today to be the Territories' largest airline with its head office and principal base of operations in the NWT. A bit of brief review of that history.

In 1968, NWT Air built the first hangar at the Yellowknife airport. At that time there were only two structures at the airport, the old Canadian Pacific wood air terminal building and the weather station in an old Quonset hut. Both are now long gone, and we know a new terminal building is under construction.

The building of that first hangar, owned by NWT Air, was fundamental in establishing the growth of its northern operations. First came the Douglas DC-6, the first heavy transport to be based year round in the NWT, and specifically at Yellowknife. That was followed in 1976 with the first heavy

turbo-prop aircraft to be based in the NWT and at Yellowknife; shortly thereafter, in 1978, the Lockheed Hercules freighter operations, which continue worldwide today.

The NWT Hercules is the only heavy lift outsize cargo aircraft operating in Canada today. It is particularly significant to this Assembly that this Hercules is an essential service for support of emergency services, resource industries and resupply of northern communities. However, there is not enough business year round to support a highly specialized, capital intensive operation with the Hercules. To make this possible, our crews operate worldwide. The aircraft continues in its primary role worldwide in famine relief, and these operations are scheduled to be complementary to its northern operations.

NWT Air In Relief Work In Angola

For the past two months we have been in Africa with the International Red Cross of Geneva in famine relief in Angola. The Canadian flag is well respected in Third World countries, and the expertise developed by our northern crews adapts well to the international frontier conditions where the airport and the navigational aid infrastructures are limited.

NWT Air has pioneered air routes across the NWT during approximately the last 20 years, the decade of the 1960s and the decade of the 1970s. In the decade of the 1960s, it was single-engine Beaver and floats on pontoons and skis. In those days, the federal government was basically the arm of government transportation in the NWT.

There was the initial circuit court of the Supreme Court of the Northwest Territories with the Hon. Mr. Justice Sissons as the first justice of the NWT, who pioneered those routes across the Territories by single-engine Otter. The trip to Iqaluit from Yellowknife was at least a two day trip, usually with an overnight in Baker Lake, and often Coral Harbour as well. Those court circuits were often of 7000 to 10,000 miles in distance. They would take sometimes two to three weeks. That is really the first blush of east-west scheduled transportation.

Then came the 1980s. In 1980, NWT Air was the first carrier to be licensed across the Territories between Yellowknife-Rankin Inlet-Iqaluit. The journal of the Canadian Transport Commission for that year referred to that as a "benchmark decision of the air transport committee in establishing Canada's second transcontinental route." This service was established with Lockheed Electra turbo-prop aircraft with one stop across the Territories, reducing to hours, a handful of hours, rather than some two days across the southern route. The trans-territorial service has operated continuously to the present time.

In November 1988, the reliable Electra service was supplemented by the company's first Boeing 737-210 combination advanced jet aircraft.

In 1985, NWT Air established the first competitive services between Yellowknife-Edmonton International-Edmonton Municipal airports with one round trip per day. The particular advantage of that competitive scheduling was that, for the first time, passengers could travel to and from the Territories across Canada, from coast to coast, without overnighing in both directions.

In 1988, NWT Air again was the first scheduled carrier to provide competitive service from the capital at Yellowknife direct to the Edmonton Municipal Airport and return. In 1988, NWT Air was the first scheduled carrier to establish a competitive service between Inuvik via Yellowknife to Edmonton, again connecting with the transcontinental flights coast to coast, eliminating an overnight en route both to and from the Mackenzie Delta. With the advent of deregulation and the development of traffic feed by the regional carriers to the mainline airlines, Air Canada and Canadian Pacific, now Canadian, Air Canada purchased a 90 per cent ownership in NWT. I retain the balance of the ownership and continue as the airline's chairman and CEO.

Schedule Changes

In reviewing the Hansard of the concerns of this Assembly, I thought it would be pertinent to review the schedule changes about which concern has been expressed as to the possibility of reduced services. Specifically, may I refer to the Yellowknife-Rankin Inlet route? At the present time, NWT Air provides a Monday non-stop service. Until recently we were providing a Friday non-stop service. We are and continue to provide a Tuesday through plane, one stop, to Winnipeg on Tuesday and return on Thursday. The net effect is that today between NWT Air across the Territories and First Air across the Territories, Rankin Inlet has through plane service three flights per week. With our spring/summer schedule change we will continue to have those two days a week, Monday and Friday, between the two airlines, providing non-stop service but with increased service between Winnipeg and Rankin Inlet from three flights a week to four flights a week. It will then be possible to travel alternate days on Tuesdays and Thursdays as well. It is a one stop southbound and it does require an overnight northbound.

But just pausing for a moment, I would like to give you some other examples of North American airline services as to through plane services or, in fact, hub and spoke services. I have a visitor in Yellowknife today. He came over from Anchorage yesterday. The best scheduling was on Delta Airlines from Anchorage to Seattle to Salt Lake City, and Salt Lake City to Edmonton to catch our morning flight at 7:00 a.m. this morning. That is in the order of probably a 4000 mile flight to cover a distance ordinarily less than 1000 miles. But in the economics of service levels and traffic patterns, the best way in the hub and spoke system developed in North America was to travel via Salt Lake City. It seems to me that we in the NWT should also recognize the economics of travelling via hub cities like Winnipeg and like Edmonton.

Number Of Days Service Available Is Important

What is important is the number of days that service is available, whether it is direct through plane, or non-stop, or via a hub and connecting flight -- and like the flight from Anchorage it did require an overnight. The same goes for service from Yellowknife to Iqaluit. Today NWT Air is operating on Mondays and First Air is operating on Fridays. Until recently both NWT Air and First Air operated on Friday and First Air was moving on to Monday. The traffic, quite honestly, has not supported four jet flights a week. What it does is it does support the upgrading from turbo prop aircraft to jet aircraft and reduced fares. But in addition to those two days that we have excellent service in the NWT you can travel all alternate days via the southern route.

Now that might sound like I am going back to 1980 when it took two days to go around the South instead of one overnight today. But quite honestly, where we have the direct service, the alternate days via the South are really, to me, not such a tough alternative. One thing that has concerned me for the last nine years regarding flying across the Territories, and being the airline that pioneered that route, there has been considerable traffic authorized by this government to travel via the southern route. If we are going to support increased frequency on direct service I think it would be a suggestion that you canvass your managers and your Ministers insofar as whether there can be a directive as to support the direct service.

If we indeed can find the origin and destination traffic, I am not suggesting ever a subsidy or a guarantee, but if we are going to find the traffic, it has got to be the traffic that is otherwise travelling for other reasons via southern Canada.

Moving north to the Kitikmeot where concern has also been expressed by Assembly Members. Today we have four non-stop flights between Yellowknife and Coppermine, on Tuesdays, Thursdays, Fridays and Sundays. On April 2nd we will continue to have four days a week but we think it is a better spread on Monday, Tuesday, Thursday and Friday. These flights connect to and from Edmonton.

Looking at the Yellowknife-Cambridge Bay market. We have been providing non-stop service on Monday, Wednesday and Friday. With a recent schedule change, NWT Air will be operating non-stop service on Wednesdays and Fridays. To look at the reduced service by NWT Air on Monday,

I draw to your attention the other services on that same route. Canadian, as we have heard this afternoon, operate two non-stop flights per week at the moment, on Tuesdays and Saturdays. First Air operates two non-stop flights per week. From the East on Sunday, from the West on Monday and the same on Thursday and Friday. That is a total of six days a week non-stop service to Cambridge Bay that connects south to Edmonton. As well it connects across the Kitikmeot settlements to the East.

Cambridge Bay-Coppermine-Holman Island, the intracommunity Kitikmeot service. NWT Air has been providing traditionally two Electra flights, with one stop in Coppermine per week, on Tuesdays and Thursdays. At the present time, NWT Air is providing non-stop service Tuesdays and Thursdays between Cambridge and Coppermine that connects to Holman Island. It was only within the last three or four months that for the first time, Holman Island received through plane service twice a week between the main administrative centre in Cambridge and the settlement of Holman Island. Today, NWT Air is providing twice weekly round trip service between the Kitikmeot communities of Holman, Coppermine, Cambridge and Cambridge, Gjoa Haven and Spence Bay.

Major Contributor To Economy Of NWT

In summary, NWT Air has progressed over a period of some 20 years as the resident regional carrier of the NWT, moving from a single-engine bush aircraft with floats and skis to today where the airline operates the most modern equipment, the advanced model of the Boeing 737 and the super-stretch model of the Lockheed Hercules and the reliable workhorses of the Douglas DC-3 and the Lockheed aircraft. We meet a payroll of some eight million dollars a year. We employ 230 employees. We are a major contributor to the economy of the NWT because the dollars that we receive on revenue for the most part are dollars that go back into the economy of the NWT. Thank you very much.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Engle. Since our coffee break is usually at 3:00 o'clock, we will break for coffee and we will come back when the bell rings. Thank you.

---SHORT RECESS

CHAIRMAN (Mr. Angottitauruq): We do not have a representative from Kenn Borek Air, so we will go on to Mr. John Crichton, executive, vice-president, First Air. Mr. Crichton.

Presentation By Mr. John Crichton, First Air

MR. CRICHTON: Mr. Chairman, honourable Members, First Air welcomes and appreciates this opportunity to appear before you and discuss the current issues affecting air transportation in the NWT. My intention is to provide you with a brief biography on our company, particularly as it relates to the North and then highlight some areas we believe should be items of concern to Members of this Assembly and to Northerners. Naturally I will attempt to answer any questions Members may have.

First Air was formed in 1946 by the late Russell Bradley. Incidentally, First Air is a trademark name owned by Bradley Air Services and denotes all of the scheduled and large aircraft charter services operated by the company. For convenience sake I will simply refer to ourselves as First Air in this submission.

The company began operations in the NWT with a DEWline construction contract in 1954. This involved four Cessna 180s based in Cambridge Bay. Our president John Jamieson had his first taste of field operations on this contract, living out of a tent and acting as a mechanics helper. He subsequently became a pilot/engineer and accumulated over 10,000 hours flying experience in the High Arctic on Super Cubs, Beavers and single-engine Otters.

Our involvement with the North has been continuing and expanding since that time. In 1971 we obtained a charter licence at Eureka on northern Ellesmere. In 1973, Resolute Bay was added as another charter base. Iqaluit became a charter base in 1975 and Hall Beach was added in 1978. In mid-1978 we purchased the former Eastern Arctic network of Nordair from the bankrupt Survair, Nordair's successor in this region. We re-equipped this network with HS 748 aircraft, linked north and south Baffin together in 1980 and began service to Greenland in 1981.

I would like to digress if I could, Mr. Chairman, from my brief slightly here. There was a situation referred to in a previous presentation with respect to the carriage of mail in the Baffin Region and freight rates. The facts that were cited were incorrect. The amount of money we received for carrying mail in our Eastern Arctic network is significantly less than our freight rates. I would like that correction made.

After an unsuccessful licensing attempt in 1984, we were awarded a north-south scheduled licence in and out of Iqaluit in late 1985 and commenced Boeing 727 jet service between Ottawa and Iqaluit in April 1986. In 1987 we obtained a licence to operate our current Northwest Passage service linking Iqaluit and Yellowknife through Igloolik, Pelly Bay, Spence Bay, Gjoa Haven and Cambridge Bay. In 1988 Rankin Inlet was added to the network and we began Ottawa-Iqaluit-Rankin Inlet-Yellowknife jet service. In addition to our scheduled and charter services in the North, we operate a number of routes in southern Canada along with a range of charter flights from all cargo to passenger sun charters to Mexico, Florida and the Caribbean. Our business philosophy has been and remains to focus on the North while at the same time maintaining a diversified base of income in order to ride out cyclical market and economic vagaries.

At the present time we employ over 600 people, over half of whom work directly in northern operations. We are the largest private sector employer in Iqaluit with 75 employees currently on staff in that community.

Our intention is to continue our emphasis on the North. We know the North, we know the people in the North and we are comfortable in this environment. In short, we are trying to follow the principle that a business should do what it does best and not be diverted unnecessarily by less productive endeavour. Our business plan is to stick with our northern roots and only engage in other activities that complement rather than compete with this northern focus.

Effect Of Deregulation On Airline Industry

Keeping our nose to the northern grindstone has become an increasingly difficult task. In the past two to three years, the commercial airline industry in Canada has undergone the biggest upheaval in its history as a result of deregulation. Airlines that were once household names, no longer exist. Canadian Pacific, Nordair, Transair, Quebecair, Eastern Provincial and soon, apparently, Wardair. It was only a few years ago that there were eight major airlines in Canada. Now there are only two.

Air Canada and Canadian, along with their wholly or partly owned connector carriers, and I include Wardair in this traffic figure, account for about 97 per cent of domestic scheduled traffic. Together these two carrier groups generate about six billion dollars a year in revenue.

First Air is the last major regional airline to remain independently owned. This has been by design and not by default. We believe that we can be a more effective airline and a more viable corporate entity by being free to make our own decisions. Obviously this freedom has a risk factor when one is surrounded by two giants with enormous financial and market clout.

We believe there is a role to play for an independent regional airline operating at market niches, the largest of which is the North. Northern air markets are different from southern markets and they require a clear focus on the part of the airline in order to be efficient and responsive to northern needs. Because of this we have resisted pressures to sell out to either of the major airline groups. We believe our track record of service in the North is a good argument for an independent third force in northern aviation.

We recently agreed to enter into a co-operative marketing agreement with NWT Air, a 90 per cent owned Air Canada connector. This marketing accord is a natural outgrowth of a commercial relationship First Air has had with Air Canada since 1976. It is not unusual for the carriers to seek out co-operative relationships in the Western Arctic to complement the ones that have existed for some time in the Eastern Arctic. This does not mean that First Air has ceased being a competitor. In the new age of deregulation and megacARRIER groups, a relatively small independent carrier like ourselves would be grossly imprudent to reject the notion of co-operative marketing. There is no point in being confrontational just for the sake of being confrontational. Given the current market duopoly we find ourselves in, this would simply be an irrational business act.

First Air has achieved a good many firsts in providing air service in the NWT. These actions on our part have been of significant benefit to Northerners, including the GNWT which has saved very large sums of money as a result of our initiatives. Enclosed with this brief is a table showing some examples of passenger fare decreases brought about by new services we introduced over the last few years.

Our ability to continue these positive initiatives is interdependent on our ability to manage our affairs prudently in a competitive environment which is unprecedented in Canadian aviation history. This environment was put in place by the federal government. We are faced with the situation where someone else is calling the tune and we have no choice but to dance. While the manifestations of such a dance may confuse Members of this Assembly from time to time, please keep in mind who the piano player really is.

My company does not know if deregulation will ultimately prove to be a positive or negative force in the North. It is just over a year since the act was proclaimed. That is not enough time to make an assessment of its consequences. Just as some of the good things that have happened with aviation in the North are not all attributable to deregulation, neither are all of the perceived ills.

Northern Expansion Of First Air Based On Market Need

The amount of competition most routes in the North can support is indeed limited. Now some people who think of First Air as an aggressive, competitive airline, may view this statement as

contradictory. We do not think it is and I will tell you why. Our northern expansion has only occurred on routes where the public demanded an alternative to a monopoly service, due to negative perceptions of service levels and price. The public discontent was of such a magnitude that it was clear to us that if we did not provide an alternative service, someone else would. Our decision to expand was therefore a business decision based on market need and not a decision based on the notion of competition just for the sake of competition.

Our primary role is to provide services in the North that are reasonably priced, reasonably responsive to public need and reasonably profitable. While we are far from perfect, we do think we are discharging this responsibility in an overall proper fashion.

There can be no doubt, given the tumultuous changes that have occurred in Canadian and indeed, global aviation, that our ability to maintain a strong northern network as an independent carrier is potentially threatened. We take that threat seriously and intend to remain constantly vigilant. Mr. Chairman, First Air intends to continue to grow and serve the North, notwithstanding the massive and fundamental changes that have occurred in our industry. Our ability to provide that service and experience that growth will be a function of managements success in responding to the customers needs while at the same time maintaining our basic business integrity. We intend to do that. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Crichton. The next one is Mr. Silverstone, Air Inuit. Mr. Silverstone.

Presentation By Mr. Sam Silverstone, Air Inuit

MR. SILVERSTONE: Thank you. I would just like to introduce myself and my associate. My name is Sam Silverstone. I am legal counsel to Air Inuit. With me is Bob Davis. He is the operations manager. Together we are going to make a presentation within the allotted time.

We would like to begin by thanking the committee for inviting us here to be witnesses. We are a relatively young company, Air Inuit. We are a wholly owned subsidiary of Makivik Corporation. Makivik Corporation is the native corporation which was created pursuant to the James Bay, Northern Quebec land claims settlement of 1975. It administers the compensation moneys received under that land claim settlement and promotes generally the rights and interests of Inuit of Northern Quebec.

The company, Air Inuit, was originally created in 1978 to serve the Ungava Bay coast in Northern Quebec. In the early 1980s, the company took over the Hudson Bay route from Austin Airways. Basically, the company service provide class two and class three commercial service to approximately 15 communities north of the 55 parallel in Quebec. We also run a service from LG-2 to Quebec City and from LG-2 up to Kuujjuarapik, Great Whale River. We also provide service, and perhaps this is the reason we are here today, to two communities in the NWT, Cape Dorset and Sanikiluaq in the Belcher Islands.

Basically our objectives which we have stated to many bodies and to many people many times and it is no secret, are very consistent with the needs or the objectives which you have set out in your Legislative Assembly Motion 20-88(2). Our objectives are: to provide first a safe service, a reliable service; of course, to make a profit; to maximize employment opportunities for Inuit in our company; and to grow. We are always looking to grow. We are always looking for new business of course and we look to the Territories either through joint venture or for other business opportunities there. But right now we are focussing our efforts within Quebec and servicing those few NWT communities.

Now in terms of the details of our operations and some of the issues related to the operations, Bob Davis will continue the presentation as operations manager.

Presentation By Mr. Bob Davis, Air Inuit

MR. DAVIS: Again, we would like to thank the committee for allowing us to make a short presentation here today. As was stated, the major part of our operation is concentrated within Quebec but due to the proximity of Sanikiluaq to our area we do end up servicing it. We provide a class two regular specific point service to Sanikiluaq with approximately nine flights a week. We bring in approximately 260,000 pounds of mail and cargo and provide for about 1900 passenger movements per year in and out of Sanikiluaq. We feel, for the size of the community, we do provide adequate service and good frequency for what is required.

To Cape Dorset we provide a single flight a week to Cape Dorset and Sugluk. This route is very marginal profit-wise for us but it is done basically as a service between Baffin Island and our area in Quebec. We make very little money, if any, off that per year whereas the service we provide to Sanikiluaq is profitable and we continue to wish to provide service, and adequate service, to that area.

A little bit more about our company. We do want to expand although the opportunity to expand is fairly limited in our area. We would like to go farther north but with the presence of other operators such as First Air, it makes it fairly difficult to do so and we, as they would, question the requirement of two operators in that area. Our company has presently a volume of approximately \$20 million a year transporting 40,000 passengers and 7.7 million pounds of cargo and mail. In addition, we have our charter business. We employ approximately 150 to 160 employees of which approximately 30 are Inuit. Under company policy and in the spirit of the James Bay/Northern Quebec agreement we do try to provide preference to Inuit in our operations but due to the number of qualified people specifically for flight crew and maintenance, it is fairly difficult for the native population to obtain positions in those capacities, although we do have a number of flight crew which are Inuit.

Presently we have no plans to upgrade our fleet past 748 category aircraft. And for the services we provide to Sanikiluaq and Cape Dorset, that is the only type of aircraft that would justify the use to those areas. We agree with our colleagues as to the reasons for the air fares and tariffs we are charging. Basically they have all been gone over here as far as fuel prices, cost of labour. We do have to make money and we are going to stay a money-making operation if we are to stay in existence.

As I mentioned, one of the large problems we do have for our particular company is that we are based in Northern Quebec. We do not have the qualified labour force to draw from within the communities as far as specialized labour for aircraft use. All the labour that we obtain for cargo and passenger handling is local people. We do not have the benefit of having year-round people. We have to operate on a rotational basis which is fairly expensive for us.

We disagree in a sense with the motion you have made, Motion 20-88(2), in that we feel we do provide a reliable service and a fairly cost effective one to both Cape Dorset and Sanikiluaq. We look forward to any questions that you may have. Thank you.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Davis and thank you, Mr. Silverstone. That appears to conclude the presentations by the witnesses. I would like to thank you all for your presentations. Mr. Government Leader.

HON. DENNIS PATTERSON: Mr. Chairman, if I may. The president-elect of the Northern Air Transport Association, is Mr. Duncan Fischer who is here and as well, the vice-president Roch Gagnon is also here. Mr. Chairman, if I may, Mr. Pollard and I attended the 12th annual meeting of NATA held in Hay River over the last two days. We did learn there that NATA had made a number of resolutions, one which I believe would be relevant to the discussion we are having today concerning the condition of northern airports. So I would respectfully request that the committee consider allowing Mr. Fischer and Mr. Gagnon to make a brief presentation on that resolution before we conclude this part of the debate.

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Angottitauruq): We will have our Sergeant-at-Arms escort Mr. Fischer into the committee. Oh, he is here? Sorry. Mr. Fischer.

Resolution One, NATA Annual General Meeting

MR. FISCHER: Thank you, Mr. Chairman. We at NATA thank the Assembly for this opportunity to bring you this very important resolution. As the newly-elected president of NATA, I appreciate being given the opportunity to present the Assembly with resolution one, from our recently concluded 12th annual general meeting in Hay River. If I may be permitted to read the resolution as follows:

"Whereas the air carrier industry in the Northwest Territories is required to operate scheduled and charter flights 24 hours per day, 365 days per year, to all communities within the NWT; and whereas many of the charter flights are medical emergencies; and whereas it is critical to the integrity of flight operations that current weather and airstrip condition reports for destination communities be available as required and on request; and whereas the CARS, community aerodrome radio station, program has been structured and funded by Transport Canada for administration by the Government of the Northwest Territories on a 9:00 to 5:00, Monday to Friday basis only; and whereas this rigid structure does not take account of the public demands placed on air carriers for service; now therefore, be it resolved that the Government of the Northwest Territories take all necessary steps to obtain funding in order to supplement the existing CARS program with a procedure whereby air carriers can obtain weather and airstrip reports at any time, day or night, at all communities within the Northwest Territories; and be it further resolved that the Government of the Northwest Territories strike a working group with the Northwest Territories air carrier industry to immediately establish the specific guidelines and parameters of an expanded CARS program."

I should add that resolution one is specifically directed toward NATA's concerns on the level of service at community-operated airports in the NWT. Those concerns centre on runway snow clearance, frequency and reliability of weather operations and runway conditions, hours of operation of airports and standby emergency power. There are a number of carriers here today that were at the NATA annual general meeting who have first-hand experience operating into these community airports. I would add, before asking Roch Gagnon, who is chief pilot of Aklak and also newly-elected first vice-president of NATA, to speak to this in further detail, that further questions with respect to the resolution -- I would believe that some of the operators who are fully experienced in operating into these community airports would be in a better position to answer on specific terms than I would. When we get to the question period, I would direct you to those carriers. With that, Roch, I think I would like to turn it over to you.

Presentation By Mr. Roch Gagnon Re NATA Resolution

MR. GAGNON: Thank you, Mr. Chairman, Mr. Fischer. I appreciate the opportunity to speak to you today in my capacity as first vice-president of the Northern Air Transport Association, but I am especially pleased with the opportunity of also speaking in my capacity as chief pilot of an air carrier directly affected by the issues addressed in the resolution that Mr. Fischer has spoken of.

I am not a politician or a policy-maker. I am an operations person directly responsible for the safe and efficient operation of my flight crews, my airplanes, and the destination aerodromes which they operate in. I have to say, Mr. Chairman, as we progress with more complex aircraft, more stringent schedules and more demands placed on us by our clients, of which the GNWT is the major client, we find it extremely difficult as time goes on in trying to convince the authorities that flight safety is everyone's business, from the air carrier to the client, and especially government.

We feel that government's job here is to ensure that the infrastructure, being ground support such as runways, navigational aids, beacons, operators and weather, must keep pace with the developments in the air industry in the NWT. While the Calm Air submission was very correct in saying that you should be commended in your level of servicing, I would submit to you that more needs to be done now to ensure that we are able to keep up with our ever-growing commitments.

I would be glad to field any questions of a technical nature, but I would first like to speak to you in my feeling of where we feel some of the problems may be. We feel that perhaps some of the problem may be in attitude in the higher levels of the bureaucracy, and as well the fact that the government may not be aware that maybe some changes are in order. The Government of the Northwest Territories responded to our last year's resolution of the NATA convention. They responded last year to resolution two, which in effect, said the same thing as this year's resolution one, on which no action was taken. I would like to read you the first paragraph of part one of your reply to our resolution two, of last year's annual general meeting. Then I would like to, as I did at the convention, insert some of my own words which I would have put to more accurately describe what we feel, as the air carrier industry, the defects are and how urgent the need is to take a closer look at how we service our communities.

GNWT Response To Last Year's Resolution

I will begin by reading the GNWT response, one short paragraph here. "The Government of the Northwest Territories acknowledges the requirement for expanded CARS service at some airports. In addition, the government acknowledges that, from time to time, CARS at some communities have been closed as a result of staff resignation, vacation or illness. It is understood that both situations create significant inconvenience from the air carriers' perspective."

If I may be so bold as to put in my views as to this paragraph, I would like to change a few key words, and I would like you to remember these as the views of an operations person in charge of keeping everybody happy and running a safe, efficient and profitable operation. So my version would go like this. "The Government of the Northwest Territories acknowledges the requirement for expanded CARS services at some airports. In addition, the government acknowledges that often CARS at all communities have been closed as a result of staff resignations, vacation, illnesses, weekends, lunch breaks, holidays. It is understood that both situations create a significant safety problem from the air carriers' perspective."

Having said that, I do not believe that we run an unsafe CARS program. I believe that through training and diligence on the air carrier part, and as well, through diligent efforts on behalf of the bureaucrats in charge of keeping the airports open, with a limited budget, I feel that we are doing a fine job within the constraints of limited funds.

Right now as the situation is, we feel that the potential future safety problems are there, but now we see them as an inconvenience and as a safety inconvenience because we will go to some communities without any runway information, without any weather information, and we will go there and we will have to return not having accomplished our mission. Right now that is a financial burden. I cannot say that it will always remain a financial burden. Sooner or later, if we let the situation persist that we fly into these communities blind, something is going to happen.

On that note, I would like to end and would be pleased to field any questions you might have. Thank you.

CHAIRMAN (Mr. Angottitauruq): Thank you. General comments to any of the witnesses. Do Members have any general comments or questions? Mr. McLaughlin.

Comparison Of Percentage Of Discounted Fares

MR. McLAUGHLIN: Thank you, Mr. Chairman. I have just one general question and it applies to Canadian Airlines and to NWT Air with relation to Air Canada. I expect you may not be able to give

me the exact details now and you might want to follow up with information later. I was just wondering, you have seat sales and excursion rates and we have got some information on the number of seats available in the Territories but I was wondering what percentage of your scheduled seats are available in the NWT for cheaper rates, as opposed to what percentage is available on your airlines when you are flying east-west across the country. I do not believe you could give me the information right now but could you maybe give me some of the criteria right now on when these seat sales and excursion deals are provided, the criteria used to determine when and how many? I would appreciate it if you could follow up later with how the east-west in your organizations compares to the north-south on the percentage of seats available with the cheaper rates.

CHAIRMAN (Mr. Angottitauruq): Excuse me, for the record I have to recognize who is talking because we have Hansard service here. Mr. Fischer.

MR. FISCHER: Thank you. Mr. Chairman, as I had indicated in my earlier remarks, 42 per cent of our traffic and travel in the NWT, travel at some form of discounted seat program. Unfortunately I do not have with me the percentage of seats or percentage of travel in the discounted category for our east-west operations but I would be more than happy to reply in writing to the Member on that issue.

CHAIRMAN (Mr. Angottitauruq): Questions. Mr. Engle.

MR. ENGLE: Thank you, Mr. Chairman. In the month of December, in excess of 60 per cent of the seats on NWT Air were at discount and I would be pleased to provide a breakdown of east-west versus north-south services. Thank you.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Engle. Mr. McLaughlin.

Levels Of In-Flight Service

MR. McLAUGHLIN: Just one more thing on service that the general public has asked a few of us about. It all has to do with the levels of service. In particular the airlines used to have, I believe, an empress class and a connoisseur class for people that had full fare tickets. On those airlines when you travelled east-west, one of the services for example, was free alcoholic beverage service but then when you flew north-south it was not available. I know that happened to me once with one of the two airlines going between Edmonton and Vancouver, and then when the plane turned and headed north, the service was cut off even though the schedule and the ticket that I had in my pocket said I had that level of service. I would like to ask the same two airlines again if they still give a different level of service for people going east-west on full fares as they do for people going north-south, as far as cabin service goes.

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

MR. FISCHER: I will get this to work eventually. You probably got caught up in a policy change. Prior to September of 1988, Canadian Airlines had a free bar and beverage policy on all services in Canadian Airlines' system. After September 1988, we introduced the pay bar on all economy services throughout North America. We still provide and that continues today, free bar and beverage services for business class which applies on an east-west basis and first class which applies on an east-west basis. Passengers travelling on economy class out of Saskatoon or Regina or Kelowna or other points in the South where we do not offer a business class product on board the aircraft, they in fact, pay for beverages as well. So as far as the north-south beverage policy versus the east-west beverage policy, it is the same. The difference is, of course, on the east-west Canadian Airlines in the business class configuration or in the first class configuration aircraft it is a free bar.

CHAIRMAN (Mr. Angottitauruq): For the information of the Members so that the record shows properly, would Members who are asking questions identify who they are directing their question to, please? Mr. Engle.

MR. ENGLE: Thank you, Mr. Chairman. Traditionally NWT has had a courtesy wine service with a hot meal. On November of 1988, we changed from a cash bar to a courtesy bar and our level of service has always been the same within the Territories or our services to and from the Territories.

CHAIRMAN (Mr. Angottitauruq): Question. Mr. McLaughlin.

MR. McLAUGHLIN: These are all basically general territorial consumers questions. This would apply to Canadian Airlines, NWT Air and First Air. Do you intend on introducing in the future, executive class travel or business class travel on your north-south jets?

CHAIRMAN (Mr. Angottitauruq): Mr. Fischer.

MR. FISCHER: I guess in the interests of competition I should try and evade the question a little bit, but certainly it is something that we consider from time to time and believe me, if we feel it would be a good business case and business opportunity, we would look at it very favourably. But at the present time I could not answer in the affirmative.

CHAIRMAN (Mr. Angottitauruq): Mr. Crichton.

MR. CRICHTON: Mr. Chairman, I honestly feel our north-south jet services are all business class now, with the standard of service that is provided, in terms of the meals, the complementary bar, which has been there since day one, and the seating. So at the risk of sounding facetious, I think we almost have that product now, but we are always looking at enhancing our product if we think there is a need for it and if there is something to be gained by doing it.

CHAIRMAN (Mr. Angottitauruq): Mr. Engle.

MR. ENGLE: Thank you, Mr. Chairman. NWT Air likewise, thinks of itself as providing business class seats and with the introduction of our Boeing jets, we have maintained the cabin ambience with extra seating space, extra leg room and meals catered in the North as well as in the South. Thank you.

CHAIRMAN (Mr. Angottitauruq): Question, Mr. Arlooktoo.

High Fare Between Iqaluit And Lake Harbour

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. My question is to First Air. This was brought up by Lake Harbour in regard to service provided to them. From Lake Harbour to Iqaluit, I am not sure if the fare introduced is the one they are following. It seems that the fare is so high and between Iqaluit and Lake Harbour is not a great distance. I wonder if they are going by the rules that they have to follow with regard to fares.

Also to First Air, just recently, from Cape Dorset to Lake Harbour -- if they are able to have runway space, they want to be able to do that. I understand they are proposing to start on the 24th of March. But it is very expensive. Looking at air fare from Cape Dorset to Lake Harbour, it is almost the equivalent of from Iqaluit to Yellowknife. We would also like to know why it is so high. My question again to the First Air representative is, is the 748 able to land on the ice strip, if the snow was removed?

CHAIRMAN (Mr. Angottitauruq): Mr. Crichton.

MR. CRICHTON: Thank you, Mr. Chairman. I think there were three questions there. I will try to deal with each one in turn. On the question of air fares. The one-way economy fare between Lake Harbour and Iqaluit is \$86. The route is a distance of 75 miles, that computes to approximately \$1.14 per mile. If one looks at similar route distances in other parts of the NWT and compares the fares charged, under similar circumstances you will find that the fare between

Lake Harbour and Iqaluit is at least as low as any other and in most cases, lower. Keeping that in mind, and the type of aircraft that we are forced into using in that route, which is a Twin Otter, because of the very short length of the Lake Harbour airstrip -- the fact that that type of airplane of course has economic penalties associated with it, compared to larger airplanes -- keeping in mind the fuel costs in that region, and so on, in fact, I believe the air fare charged between Iqaluit and Lake Harbour compares very, very favourably to similar routes in other parts of the NWT.

I am not certain I understood the Member's question with respect to fares in and out of Lake Harbour in comparison to Yellowknife. But perhaps I have dealt with that in the remarks I just made. If not, perhaps he could clarify that for me.

Service Between Lake Harbour And Cape Dorset

With respect to the question of service between Lake Harbour and Cape Dorset, this has been a concern of people in both communities for many years. There are very strong family ties between both communities. Unfortunately the amount of demand for service is insufficient to justify the cost of providing a direct, non-stop service between Lake Harbour and Cape Dorset. It just simply would not pay. As an alternative we have been very careful over the years in our scheduling to ensure that there is a same day connection in Iqaluit between those two communities, and we are continuing to do that.

As far as the use of a 748 on the ice, this is certainly a possibility. A 748 would require a 3500 foot ice strip. If the resources were available to provide such an ice strip at Lake Harbour, we would seriously look at utilizing it.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Crichton. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. The route that we wanted to take, was instead of going through Iqaluit. We were only trying to find out whether it would be cheaper coming from Lake Harbour to Cape Dorset, without having to go through Iqaluit. The air fare was our only reason. They have tried that route already, going direct, and the fare has not changed at all. If I were to go through Iqaluit, and I mention coming from Iqaluit to Yellowknife equivalency, it is over \$400 but if I am going to Yellowknife, it is only about \$509 and it is very close. That is the reason I am mentioning the fare between Cape Dorset and Lake Harbour; it is similar to the air fare between Yellowknife and Iqaluit. I am glad that you indicated to me that you will be looking into this.

I will be informing my people that with regard to the 748 landing on the ice. Maybe I can ask my constituents and bring this up, because I do not think there would be any problems if the facilities were available. Right now, there are Twin Otters flying from Cape Dorset to Lake Harbour. Maybe if you were to fly a 748 in wintertime it would probably be cheaper too. Thank you.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Arlooktoo. Mr. Crichton.

MR. CRICHTON: Mr. Chairman, simply in response, the air fare from Lake Harbour to Cape Dorset through Iqaluit is something in the order of \$250, and I believe the air fare between Lake Harbour and Yellowknife is in the order of \$600.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Crichton. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I have a question to Air Inuit. They travel to Cape Dorset coming from Northern Quebec. I was asked to bring this question up, coming from Lake Harbour and Cape Dorset. Would Air Inuit be able to fly to Lake Harbour? Would it be economical, for example, from Sugluk to Cape Dorset, and from Cape Dorset to Lake Harbour, and from Lake Harbour to Sugluk? Would they be able to take that route? This was brought up by my constituents to be brought to the attention of the airline. The reason is that First Air is more expensive, and it would probably be cheaper. This is why we are asking Air Inuit if they would fly that route at a cheaper fare. I am not sure if Air Inuit would be able to land on

the airstrip because our airstrip is not the same. I believe it is only 1600 feet in length. Thank you.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Arlooktoo. Which of you is going to answer? Identify yourself for the record please.

MR. DAVIS: Bob Davis for Air Inuit will answer. It is an interesting question. We would have to study the potential for that. As I have said, the route we are doing from Sugluk to Cape Dorset at the moment is basically a break even or a money losing proposition. Off the top of my head, I would say it would be fairly unlikely that we would be able to generate enough revenue to cover our costs for that trip. I would question the need for us to go from Sugluk to Cape Dorset and Sugluk to Lake Harbour. As I recall, it is a fair distance from Cape Dorset to Lake Harbour, but we will look into it and see what we can come up with, and we can come back to the committee on that.

CHAIRMAN (Mr. Angottitauruq): Thank you, Mr. Davis. I have a list of names here. Mr. Ernerk was next.

MR. ERNERK: Thank you, Mr. Chairman. You should know by now that I not only ask questions, I like to make some statements...

MR. LEWIS: Long preamble, long preamble.

MR. ERNERK: With your permission?

CHAIRMAN (Mr. Angottitauruq): Yes, Mr. Ernerk, go ahead.

MR. ERNERK: Thank you. First of all, thank you for coming and appearing before the Legislative Assembly. I made that Motion 20-88(2), that you made some reference to. I would like to start off my remarks this way.

Mr. Chairman, first of all, I noted that the president of Calm Air is not here. That is not unusual. He never comes to the Keewatin Region to see the people that he serves. I would like to take particular note of Mr. Barnsley's remark about Calm Air supporting the Keewatin Region at \$300,000 a year. To me, Mr. Chairman, that is peanuts. Keewatin residents support Calm Air. Let us establish the facts first.

Letters Of Concern From Communities

Mr. Chairman, I guess I would like to go on to reading some letters that I received from the communities, who showed their concern for the lack of, what they call and what I call, an acceptable service to the people in the communities. Firstly, I would like to read a letter from Mr. F. Mac Proctor of Rankin Inlet, dated January 4, 1989. He says. "I would like to make you and the Legislative Assembly aware of our latest adventure on NWT Air. I was scheduled to fly January 3, 1989, from Winnipeg to Rankin Inlet. I was bumped off the flight with no valid explanation and informed that I would be flying the following day, January 4. I was not alone, as quite a few others were in the same situation. In order to ensure flight arrangements as quickly as possible for home, I was booked through Calm Air via Gillam, Churchill, Eskimo Point to Rankin Inlet. I spent the better part of January 3 at the Winnipeg airport attempting to make the above arrangements. The morning of January 4 was mostly a repeat of the previous day, with the exception of my luggage, which was now to be shipped home via NWT Air. Upon arriving in Rankin Inlet at approximately 1720 hours I discovered that there had been a further delay with NWT Air and that the plane would not be arriving until 2100 hours. Apparently the pilot became ill and they were awaiting the arrival of another pilot from Edmonton to complete the flight north. The reasons that were given for the bumping off was priority freight and/or the Minister of Transport had disapproved the use of seats that were not fire retardant. These seats had been removed from the plane, leaving plenty of room for freight, I assume. Regardless of the reasons or the fact that apologies were made and vouchers provided for the additional expenses, the

service is not reliable. I booked well in advance. I paid the high costs and then it would seem I must wait to see if I am to get the service. The inadequate service and the inconveniences are not acceptable and it truly is sad if we must accept them just because we choose to live and work in the North or because that is all that is available, NWT Airways. If I can be of any further help, please do not hesitate to contact me anytime. Sincerely, F.M. Proctor, Rankin Inlet".

Mr. Chairman, I would like to read another letter from Chesterfield Inlet dated December 14, 1988. "Dear Peter, In regard to your letter dated November 16, 1988, referring to the use of aboriginal languages on flights, terminal buildings and on the quality of flight services presently being provided to our community.

"This subject was discussed at the hamlet council's regular meeting held on November 28, 1988. Council has given their whole-hearted support in your efforts to have aboriginal languages used both in flight and in terminal buildings. In council's discussion on this matter, a couple of incidents were brought forward where elderly unilingual people were on aircraft when announcements were made in regard to connecting flights and persons having to disembark so that the aircraft may be refuelled. Other passengers would have to translate for the elders so they were always getting information second-hand."

Mr. Chairman, I have had to translate many times on airlines myself. A couple of years ago during a flight from Iqaluit on NWT Air, I had to translate in the plane, making safety announcements, no smoking announcements as well as takeoff and landing times because we had a lot of unilingual persons. That is why I keep saying that the Inuktitut language is important and should be used in all airplanes wherever there are a large number of customers such as Inuit in our communities.

Continuing the letter now, Mr. Chairman, "In regard to the quality of flight services presently being provided to Chesterfield Inlet. In the summer of 1988, Calm Air provided seven flights a week to Chesterfield Inlet. In the fall of 1988 this was substantially reduced. Two flights per week. On several occasions the Hawker-Siddeley or the Hawker 748 had been pulled off in favour of the KingAir. This reduces the number of passengers and also means that no freight or mail will be coming in.

"It seems with the approval of First Air's licence to fly within the Keewatin Region, mainly the larger settlements, Calm Air is boosting operations in the larger settlements, and communities like Whale Cove and Chesterfield Inlet are getting the short end of the stick.

"I sincerely hope that this information will help you in your efforts in having more and better quality air service for all areas of the Keewatin Region. Yours sincerely, Roy Mullins, senior administrative officer, hamlet of Chesterfield Inlet. cc: Brian Zawadski, Calm Air agent, Chesterfield Inlet".

Another one, Mr. Chairman, this is from Baker Lake dated December 16, 1988. "Dear Sir, Council for the hamlet of Baker Lake reviewed your letter dated November 16, 1988, regarding increased use of Inuktitut and Inuit on the airlines serving the NWT.

"Council share many of your concerns. Accordingly, a resolution was passed at their meeting on December 7th, 1988, supporting your efforts on this matter. Yours truly, Mike Mullin, municipal manager. cc: Gordon Wray, Minister; hamlet of Chesterfield Inlet; hamlet of Coral Harbour; hamlet of Eskimo Point; hamlet of Rankin Inlet; hamlet of Repulse Bay; hamlet of Whale Cove; Keewatin Inuit Association; Keewatin Regional Council; Keewatin Regional Health Board and Keewatin Chamber of Commerce".

This one came from Eskimo Point dated December 1, 1988, to myself. "Re: Your letter, quality of flight services NWT, November 16, 1988. Please be advised that we, the hamlet council of Eskimo Point do fully agree with you. We then support your observations and recommendations with regard to more Inuit representation in air terminal and in-flight staff positions on flights in the NWT.

"We feel that this issue is important as many of our elders only read and speak Inuktitut. It has been observed that in larger centres, communication problems do exist when airline counters are staffed by people who do not speak Inuktitut. We hope this letter will give you some support. Sincerely, Mark Kalluak, mayor, hamlet of Eskimo Point".

This one from the hamlet of Whale Cove, Mr. Chairman, dated December 5th, 1988. "At our last regular council meeting held December 1, 1988, your letter was brought to the attention of the council. The council supports your letter by the following recommendations: 1) to see the use of aboriginal languages made on flights as well as in the terminals by all airlines involved; 2) the adoption of the safety procedure cards, brochures and all correspondence in Inuktitut and English; 3) employment of Inuit in terminal staff positions as well as flight attendant staff positions is the sort of measure required to address the current state of inadequacy; 4) the quality of flight service presently being provided is worse than before, where we presently only get two flights a week and before we used to get three or four flights a week, with no Inuktitut on all flights. These are our concerns about air service and flight operation which we are not happy about at Whale Cove, NWT. Sincerely, Paul Sabourin, senior administrative officer. cc: Gordon Wray, Minister and MLA for Kivallivik".

Good Airline Service Needed For Economic Development

Mr. Chairman, I appreciate very much the concerns that were brought to us this afternoon by the airline industry that operates in the NWT. It must be extremely difficult at times to try and make an airline operate in these harsh conditions. But airlines have an attitude problem toward their customers, toward the communities in the East, in Nunavut. They have a communication problem. For years and years now we have invited, for example, the president of Calm Air. Very rarely does he come to the community meetings, such as the Keewatin Inuit Association meetings, Keewatin Regional Health Board meetings, Keewatin Regional Council meetings, and when they do appear, they sent in a lawyer like Joe Barnsley. So we never get a chance to talk to the top man within these organizations.

I have always felt that economic development and tourism are the two ideas that could work successfully, providing we have good airlines that operate within our communities. I have always felt that lower fares could provide more travel by different communities, people could visit their friends and relatives, as long as we have lower fares. In other words, I have always felt that there could be more travel within communities.

Now regarding the aboriginal languages motion. Each of you as northern operators, will recall that a committee of the House of Commons came to the communities just a couple of years ago. They were in Rankin Inlet. I spoke to them myself, about these very issues that I am talking about now. One of the things that we recommended was the use of Inuktitut language, about four or five years ago -- Inuktitut language used in various airlines that operate up here. A few years ago there was a meeting that took place with regard to transportation, I believe it was in Iqaluit. John Amagoalik who was involved with Inuit Committee on National Issues, made a recommendation then that Inuktitut language should be used by airlines that operate in the NWT.

Now how long do we continue to appear to look to be complainers? I do not want to complain about airlines for the rest of my life. I would like to start to see improvements. Calm Air talks about good services that you provide in the Keewatin Region. Perhaps you do. But I tell you, you have to start providing improved services in terms of serving meals, for example, between communities. All you serve is crackers. Crackers and cheese. That is not even within my diet and the people that I represent in the communities. Why do you not start buying and purchasing bannock, locally made? You agree with me about the fact that we have to promote economic development. That is economic development. Buying locally, bannock. Good for the community. Airlines have to be seen as caring about their passengers.

I have some notes here that I made as far back as December 8th. The delays of airlines, continual delays. I give you an example here that I wrote on December 8, 1988. Rankin Inlet to Churchill, flight 859, Calm Air, delayed seven hours. Agent upon arrival at airline told us at 6:15 that airplane

had a mechanical problem in Churchill but would be here in Rankin Inlet by 9:00 or 9:30. Will call us to let us know. She called at 9:00 p.m. and said the mechanics were coming in to check Churchill at 9:30 and it would probably be here by 11:00 p.m. I called back to the agent. The agent said plane would come through Rankin Inlet by 11:30 or so. Be here at 12:45 a.m. I went there at 12:45 a.m., told by radio operator that the plane should arrive in five or 10 minutes. Ten to 15 minutes later finally called back to the plane in Chesterfield Inlet -- no answer. She told me they could be in Chesterfield Inlet for a while because they had a big load for Chesterfield Inlet. Arrival at the airport. Calm Air agents also told me that the plane would land temporarily. I did not understand what that meant. By 1:05 a.m. I left for home. She called me back at 1:20 a.m. that the plane was arriving in 10 minutes and could I be at the airport. Plane came in at 1:40, 20 minutes later. We were finally off the ground three minutes to 2:00 a.m.

Well-Trained Staff Needed To Provide Acceptable Service

I have a note here too, that I appreciate the work of agents. But those involved in Churchill do not seem to have the slightest idea as to what they are doing. They seem to be confused and as a result, confuse the passengers. That is not acceptable to me. That is what the motion means, when we say that we want to have acceptable service to the people in the communities.

I often notice at Rankin Inlet airport, in particular, that big aircraft, NWT Air, stops right next to the gasoline station and passengers get out of the plane when the plane is sitting right next to the gas station. I often wonder if that is abiding by the rules.

I very much like the statements made by Mr. Silverstone of Air Inuit. You indicated to me and this Assembly that you do employ 30 Inuit and I think that is a move in the right direction. I do want to indicate to Mr. Crichton that I noticed on some of the flights, that you do provide Inuktitut-speaking flight attendants and they do announce in three languages, en francais, English, Inuktitut. You do not have to do it, but I think you do it because you know where you are at, and I like that. But NWT Air, Mr. Chairman, has to improve in that area. Calm Air has to improve in that area.

The other day when I was asking questions about this matter, the Minister of Economic Development indicated to this House that Calm Air had posted a number of job advertisements in the Keewatin Region for quite some time, looking for Inuktitut speaking flight attendants. I got the idea that there were not that many applicants, if any. What seems to be the problem? Is working for an airline not a rewarding thing? Is that the problem? Is being a flight attendant not really a rewarding job? What qualifications do you require to be a flight attendant?

I said at one point that the whole idea is to provide good services, to please the passengers, to please the customers. I guess what I am trying to say is that when there is a drum dance at a community hall in Rankin Inlet and when I am the one who is playing the drum, aside from enjoying the drum dancing, part of my big purpose is to please the audience.

CHAIRMAN (Mr. Nerysoo): Thank you, Mr. Ernerk. In reflecting upon the time, if I could ask the indulgence of the witnesses so I could proceed to other individuals who wish to comment, because there is a limit on the time. I believe it is until 6:00. So if we could have all Members make their comments and raise concerns and then they could address them later on, if the witnesses do not mind. Mr. Whitford.

MR. WHITFORD: Thank you, Mr. Chairman. I have not to date had the pleasure of using First Air, Inuit Air, Aklak Air, Calm Air. However, I have had the pleasure of using the predecessor of Canadian Airlines, as far back as 1955 when Canadian Pacific Airlines had it and then Pacific Western Airlines and eventually Canadian. I want to move away a little from what has been going on here and offer congratulations to the airline companies. It is a difficult job; they are operating in extreme conditions. This is unlike anything other than perhaps Alaska where you would find conditions this bad.

Safety Is Main Concern

My main concern is not so much as to whether I am going to get a free drink between here and Edmonton. My main concern is getting to Edmonton or getting to my destination and I want to make sure that people understand that the concerns they should have are for safety. Safety first. You get that plane and its passengers to its destination and you have done your job. They may grumble a little about getting there late, but it is better to be half an hour late in Edmonton than half an hour early in heaven.

---Laughter

MR. LEWIS: Or the other place.

MR. WHITFORD: Now, that aside. There are a few minor things that do affect some northern customers. I wish there were backhaul for flights going north. They do travel an awful lot there and they drop off people and stuff, but they do not bring anything back. I do not know how deeply they have looked for stuff to haul back, but I do not suppose there is that much. But we were discussing now some returnables here, tin cans, bottles, etc., and I am going to be bringing up that subject a little later on in the House, so keep your ears to the ground and you may hear of some backhaul for recyclables for the near future, if my colleagues are in agreement.

But there are a few other little things now. The travelling public between Yellowknife and Winnipeg at one time would be able to go to Ottawa in one day. They would leave here in the morning on NWT Air, connect all the way through to Ottawa and get there a little late at night. On the weekend they would be able to come back from Ottawa via Winnipeg, but that route has been cancelled now, as I understand. I do not know why, and I do not know if it is a feasible thing but it might certainly be worth while looking at again. I have heard some concerns from people, in the federal government, in particular. People from the Departments of Energy and such.

The other thing that I do have some concern about is -- now NWT Air is to be congratulated for already taking the initiative here -- there is a connection between Yellowknife and the Edmonton Municipal Airport and other flights south and west from there, to Calgary, to Vancouver, and they land at the municipal airport. There they provide the traveller with transportation across the city. They get them from one airport to another in order to catch their flight. Canadian does not do that. When passengers come in from Calgary to the Edmonton Municipal Airport, and they have to get over to the international airport, they are on their own. If they have to travel the other way around, same way, from Calgary to the international but to get on something at the municipal, there is no connection there. I think with our destinations being north, from the South going north, there should be some provisions made for that connection. I understand that there are a lot of people from Calgary that do their business in Edmonton. But that is a different story. We have to go from the South to the North; we have to pass through Edmonton and connect airports. If there was a connecting shuttle service, for example -- perhaps Canadian can speak to NWT Air and get the details on how they do it and save me the time here.

Minor Complaints

That is the only concern that I have been hearing, other than the fact that Canadian, as my friend Mr. Ernerk has mentioned, have ceased some of their meals on the plane. They give you a bag of peanuts and they charge you for the beer that you drink, too. People feel that late in the evening when a lot of things are closed and they are travelling in the North, it is nice to be able to get on a plane and relax and enjoy a good meal, good service, and when you get to your destination you are a much more satisfied customer. They all come back. Again, congratulations to NWT Air on providing china. The tinkling of a cup sounds really nice, and stuff like that. All make toward a happy traveller and a happy traveller is one that will come back.

Again, those were just minor things that I wanted to bring to your attention. Again, my congratulations from a traveller that has been travelling since 1955 on airlines and I certainly hope that deregulation does not lower your level of service, level of safety, to the detriment of the

travelling public. Because up here, that is our bus. We have no other choice. If we want to go from point A to point B, we have to fly and we want to get there. So thank you very much, gentlemen.

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

HON. NELLIE COURNOYEA: Thank you, Mr. Chairman. I guess one of the things that has to be addressed -- and I know it is not really the job of the private enterprise airline companies who are struggling to stay afloat and cover their operations and make a profit -- one of the things that the NWT government and this Legislative Assembly is attempting to address is developing the NWT. One of the key elements that put handicaps in various areas is the cost of transportation. I personally do not mind being without some of the small amenities or extras on a transportation airline, given whichever one it is, but the basic problem that we have in the NWT is, how are we going to develop the NWT? How are we going to allow the economy to be supported by rates that allow the areas that are not really in the mainstream? We all know that Yellowknife, Hay River, Fort Smith and the major places closer to southern Canada have a different expectation. I, for one, did not support deregulation. I certainly felt there should be more regulation. I also believe that in a very short period of time we will not have all the air carriers that are sitting here in business, mainly because I do not believe we have the passengers and we do not have the amount of produce that is shipped back and forth.

Deregulation Causes Greatest Difficulty To Small Communities

The concern that I have, certainly in terms of responsibility to all the NWT, is to building that economy and attempting to tie together a kind of transportation system that supports or more or less equalizes the larger centres to the smaller centres. Certainly this GNWT is a major passenger and probably is the biggest customer of the airline companies. The money we spend is really money that is allocated to all the residents of the NWT. It concerns me a great deal when I see that the eventual outcome, because of deregulation, probably is going to cause the greatest difficulty to smaller communities. Everyone wants to vie for services that are going to be the money-makers and certainly that is what private industry is all about. I really feel that some of the words some of the carriers were using with regard to being co-operative and taking three flights for Monday, Tuesday and the other airline is Thursday and Friday -- given whatever everyone has made reference to in answering questions on why the rates could not be lower, why the mileage was greater per mile in northern areas, mainly the three things that come forward are cost of operating, density and basically enough people to move around.

Certainly, as a legislator of these Territories, I feel that this whole business of deregulation has caused a great deal of problems to people. There have been a lot of promises on lower rates and when you are getting into the business I suppose you can make those promises but the hard, cold facts are you have to pay your costs. Hopefully, the cost will never be the cost of safety. I do not mind if you do not have the smaller things. I could eat crackers but I think what people are trying to say to us as legislators is that we have to tie the NWT together. The small communities are just as important as the larger communities. This government is expending funds for all the people of the NWT.

I do not know how the airlines that are all sitting here are going to resolve, because there is only so much business. It very much disturbs me that I see down the road the problems where it is very marginal and no one will want to serve that. What does the government do? Does the government come in and say that we will support an airline company to serve those smaller communities because we have too many people who have backstops? The major airlines have an opportunity to have their companies for a few years, I do not know how long it lasts, to prop it up while it is in competition in the NWT. We understand that, and our eyes are not closed to what is happening around us, but how long are these numbers of airlines going to last? At some point in time we are going to have to address that and I do not think addressing that is to say, "My airline is better than your airline" because there is only room for so many.

Airlines Must Not Take Only Lucrative Routes

There has to be some kind of policy or criterion that demands you do not just take the lucrative routes. You serve the smaller routes as well, or make an arrangement. Right now the problem comes because the major airlines that are regional airlines that are in operation now are all looking at the same business opportunity. Either it is the main communities or they have a gleam in their eye for the DEWline contract. Those are the two areas where the profit and money are. I am very concerned about how do we develop the NWT and how do we provide a transportation system? Who pays to tie the NWT together? We know we do not have to worry about it if someone is making money because there will always be someone there. It is a very big issue for us right now because of the whole development and how we are going to support not only major centres but also smaller communities. How are we going to support that and tie that together and give equal opportunity economically? Economically means transportation costs. It comes up over and over again.

I would like to say to Canadian Airlines, if you can ask a simple question and maybe naive question, and certainly Air Canada, NWT Air, who struggled a great number of years to try to get into the Beaufort club there, if we do not see any major development down the road, how long is it going to be before one of you decides that you have to opt out? Between here and the Western Arctic, if there is not something big down the road, certainly competition between two or three airlines in that area -- there is not that much traffic. If you do not get any major support from a major contract from the North Warning System, how long does that go on before one of you opts out and we are back to the same situation as we were before?

Real Problem Not Addressed

We have addressed nothing but putting in competition, to have a time period where people get excited because in the end somebody is going to provide a better service for lower prices. But it is already identified that everyone says they have to cover their cost and that they do not have enough passengers. In terms of the Inuvik-Yellowknife run I do not see how anyone can run a 737 with 14 passengers or 12 passengers on quite a consistent basis. Who has the most money to hang in there? To me, we have to plan here as legislators to see what we are going to do about providing service not only to Inuvik but to outlying areas. What do we do? Certainly growth is a factor but if things stay as they are and there is not a pipeline, which I am sure is part of the reason why there is some excitement -- there is some excitement over the North Warning System -- but what if that does not happen? I guess Canadian Airlines, NWT Air, First Air -- who is going to cave in first? Maybe you can answer that question so that we can do some planning here. Thank you.

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

MR. LEWIS: Thank you, Mr. Chairman. On the 15th of February we had a special committee on the northern economy meeting here in Yellowknife. One of the witnesses indicated that Northwest Territorial Airlines is going to be moving its headquarters from Yellowknife, south. I did not believe it. I really did not believe that that could possibly happen, because I know very well the story of Mr. Engle's life in the North and the fact that he had flown single-engine Otters in the Eastern Arctic before we ever had scheduled airlines. There was just one sched and that came from Montreal up to Frobisher and up to Resolute; it was a DC-4 and it seemed to take days to get up there. He was one of the pioneers in the Eastern Arctic, as I remember it, and eventually built up, as he called it, a transcontinental airline, from one side of the country to the other.

However, what I did on the 16th, the following morning, I did try to make a few phone calls, but Mr. Butters must have caught the same rumour because the lines were busy that particular morning. When I asked him a question in the House, whether he had heard this, he indicated that he had phoned NWT Air -- at least his staff had, somebody had contacted NWT Air -- and they had been reassured that, in fact, all they were doing was consolidating their maintenance work in Edmonton. They were moving some people from Calgary.

Consolidation Taking Place In NWT Air

Then the thought struck me, well, since there was a restructured company, and the parent really now was Air Canada -- even though it was a separate company -- maybe Air Canada knew something that NWT Air did not know. Being a bit naive about the way some companies are structured, I thought I would ask that question, "Why do we not phone Air Canada to find out what is going on?" The story we got from Mr. Rowe, I believe, was a different one, that in fact there was consolidation taking place but, in fact, there were a couple of people moving out of Yellowknife. I thought, "that is no big deal. There does not seem to be much happening there."

Last week I heard there were three more people that were no longer going to be working for NWT Air, from their headquarters staff. They had been offered transfers, apparently, to Inuvik. This present week there were two other people in the cargo area that were laid off. I can understand that; every company has to look at what it needs and has to stay afloat and stay alive; but my question is, if in fact there is no transfer taking place from Yellowknife to Edmonton -- if we assume there are, say, 100 people that work in Yellowknife for this company -- and if, in fact, seven people have gone since the 15th, then at this rate, through attrition, if we keep up this rate from now until this time next year, there will be no staff left in Yellowknife. It may be just another way of achieving the same result. You simply cut back in one area and build up somewhere else over a period of time, through attrition.

Good Business Decision

I did not believe it when the Oilers got rid of Gretzky either. I did not think it was possible that that could ever happen, but it did. It was probably a good business decision. Since our airline operators are running businesses and have to make business decisions every day of their lives, I am just wondering whether in fact there is a restructuring that will eventually result in NWT Air making a business decision, much in the same way that Max Ward did.

I remember when Max Ward built himself a big building here in Yellowknife with the expectation that there was going to be pretty massive development in the Mackenzie Valley. There were all kinds of potential developments being discussed at that time. Then eventually he decided to pull out. Max Ward also started in Yellowknife and built up a huge company over a long period of time, but then he made the business decision to leave.

I would really like to get Mr. Engle, since he is here in life today, to give us some indication as to whether, given the business climate in which he has to operate, that is a possibility. Looking at the future, he may have to say that it makes better business sense, given the kind of infrastructure that we have, given the increasing, maybe, international role that his company could play, it would make more sense to have his base in Edmonton and develop the NWT in the way that we used to think of the NWT 150 years ago, which took in all of this broad northwestern part of Canada. It is a concern I have heard raised in my area over the last few weeks, Mr. Chairman, so I thought I would bring it up.

Like Mr. Whitford to my left here, I have seen a tremendous improvement in air services over the last 25 years. It is a big improvement from flying in that DC-4 up from Montreal, with a little fuel stop in Chimo, with a small cabin to have a cup of coffee in while they fuelled up the plane. It is certainly a long, long cry from those days when you never knew when you were going to get a plane in any small community. It could be any time, because there were no scheduled airlines. I feel the same way as my friend here, that we have been well served, but we have a tough battle on our hands now that we have deregulation. For people like ourselves, we want to be able to see through the glass as clearly as we can so that we know what we are dealing with and begin maybe to make our own plans accordingly as we try to develop our northern economy. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Nerysoo): Mr. Pudluk.

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I am happy that we are able to have the witnesses in front of us. I remember the first time when I started flying on the airlines. I used to be very scared because I was not used to flying, and I was a very young person. The airlines from the East and the West have always been coming in, and the planes from the East would come in more often than the planes coming in from the West. The plane coming in from the East would be Nordair, and the West would be PWA. They were using DC-4s then, and it could take about 14 hours from Montreal to Resolute Bay. I am not sure how long it used to take from the western islands to the East because I was not flying those routes then.

When they started using the jet aircraft, it would only take about five hours to their destination from Montreal. It takes a shorter time now, but the fare is more expensive now than before. I know what Mr. Fischer has indicated. I know the air fares are increasing because of inflation. When you live in the High Arctic, inflation is really with us; it really ties with our lifestyle.

When the airlines from the West and the East were coming in and using the jet they used to come in at the same time to Resolute. When Nordair came into Resolute I noticed that people who were hired by PWA were trying to find out how many passengers were coming in on the Nordair flight. And vice versa. Even though they used to do that, right now they are working together. The emotions now are not like the old days before.

Every time I must leave my community I have no alternative but to take that flight that is servicing us. I think I have been using these same airlines since my election in 1985. I have been flying Canadian Airlines ever since my election. I am happy that you were able to be here and that you are trying to service the High Arctic so that the High Arctic would economically grow in the NWT and also in Canada.

Problems With Air Cargo

Sometimes the communication breaks down between the airline cargo and the dates and time they will be arriving. In those days we had a lot of problems in regard to the airlines coming in from the East. When they started coming in from the West they changed the schedules. When my constituents have problems, I also get involved in the problems that they have. Right now it is a lot better than other times but the one that is coming in from the East comes in on Tuesday very late. This is still a problem for the reason that the private sector up in the High Arctic are all trying their best and they do not have a lot of people employed to work over extended hours. Fresh produce and meats that do not have to be frozen do not have proper places for storage. The only time that you have to save the fresh produce or meat, they have to be picked up right away so that they will not be spoiled.

I am happy with what Mr. Fischer said in regard to the motion that was introduced. The resolution that was introduced will be able to assist us in great detail and I think we will have to look into this further, into the things that have to be rectified, and communication should be a lot better in the future. I would like to thank them for the answer I received from Canadian Airlines that they would be making changes to the scheduled airlines. I would like to show my appreciation for them having responded positively to this.

Also in the exhibits that he gave us with the distances of the places, there is no statement about going to Resolute Bay; the flight from Iqaluit and the flight from Yellowknife. Perhaps you would be able to provide me better information than this, and if so, I would really appreciate it.

When you live in the High Arctic, I think what you really have to do is observe the weather. In the resolution it is stated properly. I also would like you to be a resident in the High Arctic. I think there are two things that are unpleasant; when there is fog and when there is a blizzard. I think these are the two most dangerous elements for flying. We do not have any fog in the winter, but in the spring there is fog quite often when the snow is melting. Usually this occurs at night when it cools down. There was a private person who wrote a letter on August 15th. I will read it in English. (Translation ends)

Letter From High Arctic Constituent

"The flights from the West should both arrive during the day. In midwinter at 40 below, we have to worry about cargo freezing when it arrives at 2:00 a.m. Most passengers prefer to travel on Saturday day flight which cuts down the amount of space left for freight. Last year the suppliers advised us we could only ship freight on the Tuesday flight or we would not get any freight at all. I really think whoever sets up the schedules does not have much clue what it is like to live in the High Arctic where planes are our only life line for food and mail and passengers. Please try to have some consideration for people instead of only dollars and cents. The northern runs have always been moneymakers for the airlines and we have always had to pay higher air fares and freight rates just to live here. Unlike your biggest customers in the North, the Governments of the NWT and Canada, we are a small tourist business that must work very hard to survive. We want our customers to go home happy and to tell the rest of their friends about the NWT. So far they have not been happy about the flight times or the service on Canadian in the past four months. It definitely is time for a change and improvement and I hope that you will take these thoughts into consideration when setting the new schedule."

(Translation) This is the concern that was raised. There was also further correspondence sent by those who are concerned but they were not able to be forwarded to the executive level of the airlines. Like I said, there should be more communication in the future. Also I always attend the BRC meetings and they deal with the concerns in Baffin Region. They made a resolution and I will read it. Resolution made December 8, 1988, No. 2304: (Translation ends)

Resolution From BRC

Whereas BRC has on several occasions invited Canadian Airlines International to attend BRC sessions to address community concerns; and whereas, Canadian Airlines International has refused all such invitations to attend BRC sessions; and whereas several communities in the Baffin are becoming increasingly disappointed, frustrated and angry over the quality and level of service offered by Canadian Airlines International; and whereas Baffin communities are finding it difficult if not impossible to find Canadian Airlines International officers willing to deal with and/or listen to their complaints; therefore, be it resolved that the BRC executive express on behalf of all the Baffin communities, our anger at Canadian Airlines International's lack of concern; and furthermore, that the BRC executive invite Canadian Airlines International to attend the next BRC executive committee meeting, together with representatives from the communities most affected by this poor level of service to address their serious concerns. Moved by Moses Koonoo, Arctic Bay; seconded by Charles Manning, Cape Dorset.

(Translation) Mr. Chairman, these concerns are their concerns. Perhaps when it is convenient for you -- I realize you have a lot of work to do which we are aware of, but you also have to have concern for the passengers and for the service you provide. Once the company becomes big business sometimes the company forgets where they made the money and just concentrate on the dollar value.

Cargo Rates

Lastly I would like to say, if I were to live in Iqaluit and ordered some foods from Montreal the freight obviously has to be covered. If I am a resident of Resolute and order some goods from Iqaluit, with the same weight of goods and it is closer from Iqaluit to Resolute than it is from Montreal to Resolute, the rate of the cargo from Iqaluit to Resolute is more expensive. The distance is further from Montreal to Resolute and it is cheaper. I will stop here for now, Mr. Chairman. Thank you.

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

MR. ANGOTTITAUURUQ: Thank you, Mr. Chairman. I guess first of all before I get into my comments I would like to say that I would respect any business when they have to run a business where they are only on their two feet by dollar signs. I respect that. But then again, the receiving

end or the consumer sometimes seem to be forgotten by the business, the consumer that is giving the money partly to keep a business up.

First of all I would have a question. As of today, the president of NWT Air, Mr. Engle, said some of these words, that there are flights now available on Tuesday and Thursday between Cambridge and Holman through Coppermine. Right after the words were said, my staff phoned NWT Air reservations and when this reservation was requested, "I would like to go to Holman Island-Cambridge Bay next Tuesday, return Cambridge Bay-Holman next Thursday," I am told that there are no connecting flights or no flights, as of today. That was said today by the NWT reservations. I guess I want to know when. I thought Mr. Engle said the flights were already available. I guess that is that. Well, I guess if the flights were announced by the president himself that they should have been available.

First of all, I represent the Natilikmiot and we have connections in business and government services with Cambridge Bay, Coppermine, Yellowknife and we are required to travel between Gjoa, Spence and Pelly. Mr. Engle's airline started about 15 years ago or approximately in the middle of the 1970s. At that time we were having problems with our airline which has gone bankrupt now, which was Northward Aviation Airlines. When Mr. Engle applied for that route we fully supported him, because we believed that we were going to be travelling in modern types of aircraft. And probably in hope that we would fly cheaper airlines, cheaper than the Northward Aviation and more frequent flights.

I guess in our support for his airline to service that, well, when an airline or any company wants to invade some other place like maybe -- even on the ground, when somebody wants to start a business and says, "I will give you good service" and that is what it was, we were given advice that we would get good service. I remember perfectly. I was sitting in the audience and I was ready to sign my name to support the airline. We were told that we would get faster aircraft and cheaper fares. I know that year by year to operate the business you have to keep up with the cost of living, increases in fuel and increases in expenses.

We did the same with First Air, from the other route, from the East when they wanted to service that. First of all when I talk about First Air, when they started to come through that area, some of us who experienced travelling the southern routes, compared to the NWT Air DC-3, when we jumped into a 748 we believed and we knew that we were flying first class air, through Air Canada. That was an improvement, because we do not have trains and we cannot travel by truck. To do our business and for people to go to the hospital and things like that, we only go by air.

Businesses In Natilikmiot Not Informed Before Cutbacks

Recently the people I represent are disappointed in the cutbacks because they also have budgets and they also run businesses. They are wondering how they are going to survive. Can the government give us more money to give out our services? I respect that businesses have to make money. Also at the other end there are people that could not be listened to by the businesses. When they have to give out services, they also operate by money. So after the people were satisfied with the number of days they could travel, due to what I just said about watching their budgets, the cutbacks came, when they believed that they could do more travel. Most of all they have a question to ask because the airlines did not come to the communities and say they were going to cut back. All of a sudden they announced it, without actually informing the communities or consumers. I think what the communities are trying to say is that if you are going to make any changes, please give us more time. Not just a sudden burst of information. The government has a budget for one year and some of these communities were not ready for the change in schedule.

Mail Service To Pelly Bay

The community of Pelly Bay is very concerned about the cutbacks on the airline schedules, because they are only serviced by air. They charter for their supplies, but then again on regular schedules they receive some of their merchandise. They are also concerned with regard to mail. This spring, even with NWT Air and First Air flying to Gjoa Haven on a regular basis, I have had

some invitations from important people and in fact, an invitation came very late. This may be outside of airline services as the carrier of the mail in some way, and I do not know who to blame, but I am saying this because Pelly Bay is going to experience that problem. When I received the invitation for the important opening of the Kitikmeot patient transient centre, to my surprise it came a week and a half late. I looked at the posting date when it was stamped here in Yellowknife to be sent out. It did not reach me for two weeks even though aircraft were coming in almost every day. What was the problem? I do not know. I know the airline would not be blamed for that, but they were the carrier. It must have stayed either in the post office here or my good guess was that it stayed in Cambridge Bay for a long time because I know that I have heard some complaints about Cambridge Bay holding some community mail for a while.

Those are the main concerns the Natilik have. With the decentralization of headquarters, the regional office for Education was moved to Coppermine. They are concerned about the whole situation of cutbacks. I would be happier if both airlines would come to the communities and explain their situation. I respect the businesses trying to make money. It is sometimes very difficult when you are not representing one of the companies and you are trying to make your communities understand.

Consultation Must Be Done With Communities

What I am saying is that if I went back to the communities and explained that the reason why the airlines are cutting back on their schedule is because if they continue to keep coming around the way they are -- and they are only on their two feet by the dollar signs -- if they are not getting enough money, they would go bankrupt. That would be good-bye for a good company. They are the ones giving out the money and they are also wondering how they can save. But can the airlines recognize us trying to save our money? No, they would not. I think it would be a good idea for NWT Air and First Air to consult if possible. Not only if possible, it has to be done. As MLAs we work for all the people and there are times when we are not operating the type of businesses that you are operating. We are the same as these people. We could be talking to a brick wall.

In order to have satisfaction in something there has to be communication. There always has to be. It is not only the consumer, it is the general public as well. This is what the communities are concerned about. Mr. Chairman, I leave it at that and hope that the two airlines would send a representative from their business to consult in the communities. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Nerysoo): Thank you, Mr. Angottitauruq. Mrs. Marie-Jewell.

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Chairman. First of all, Mr. Chairman, I would like to take the opportunity to thank all the carriers for their comments. The presentations were quite interesting to listen to. However, there is no doubt that air transportation is one of the most vital means of travel in the North. The dependence on travelling by air is very high mainly because there is no other means of travelling in the more remote areas in the Territories. Mr. Chairman, my constituency being Fort Smith, my constituents are fortunate that we have a road in the event that we may not want to use the opportunity of travelling by air. We have an alternative route, which is to travel by vehicle. However, there are many MLAs here that have not been as fortunate as we have been and I sympathize with them.

Mr. Chairman, I am concerned with the comments that Mr. Fischer has made from Canadian Airlines, indicating in this House that the route from Edmonton to Fort Smith causes concern. I recognize that the use of that particular route has probably had a downward trend in the use of the airlines by my constituents or people coming in and out of Fort Smith. I think one of the main reasons for a downturn is no doubt because of a poor economy, which is being currently faced by my constituency. Decentralization by the previous government has affected my constituency in many ways. This is probably one of the factors. Mr. Fischer has indicated to us in this House that a flight averages approximately 26 south-bound passengers from Fort Smith to Edmonton and a further 24 north-bound passengers from Fort Smith to Yellowknife. What we do get into our community -- we are very fortunate -- we get 737 jet service six days a week. An average of 25

passengers, as we can see, on a jet service is not very much. However, I am greatly concerned that we may go back to some slower method of travel out of my constituency, and I am gravely concerned about the lack, or the cutback of service, that we may have to endure in the future.

I would like to take the opportunity to ask the vice-president, Mr. Fischer, if he would be able to give me some assurance, on behalf of my constituents, that this particular route will not be jeopardized by elimination, and further, I would like to be able to ask him if he would indicate to me what alternative measures they may be considering for transporting passengers in the future. Once again, Mr. Chairman, I would like to thank all the airline carriers for their comments and I look forward to replies to my questions. Thank you.

CHAIRMAN (Mr. Nerysoo): Thank you, Mrs. Marie-Jewell. Mr. Allooloo.

HON. TITUS ALLOOLOO: Thank you, Mr. Chairman. First of all, I would like to thank the airline companies that have come to this Legislature to inform us, and they have been quite adequate in representing their companies. First of all, I would like to again mention our dependency on the airlines. If there was no transportation service provided by the airlines from my community, I would not be here. In the Nunavut area we are dependent on air service more so than the Western Arctic. Like the Member for Yellowknife Centre said, the airlines in the NWT have improved greatly in the last 20 years. I remember my first airplane ride in the Baffin, this was back in 1963. First of all, I waited in Iqaluit for five days to get home. I was waiting for a charter. When I got on the plane, we got on to this little single-engine Otter; there was no seat for me so I sat on the luggage and it took two days to get home. The pilots got tired along the way and needed some rest. Now I can go home from Iqaluit to Pond Inlet in six hours. But that is still a lot of time. Back then it would be a short time. I am looking forward to the day that I would be able to go from Yellowknife to Pond Inlet in one day, less than seven hours, but the quickest time I can go home is close to seven hours.

Room For Improvement In Airline Services

Even though the airlines and air services that are provided to our people have greatly improved in the last 20 years, there still is room to improve services, to our people, by the airlines. One of the improvements I can see by First Air to my people would be preboarding. I see Iqaluit passengers northbound do not get that service and I see little kids and mothers with their small children struggling to get a seat side by side. And I see elderly people being left behind by other passengers. I would hope that in the near future that this service would be provided by First Air, which is the main airline that services my people.

After the Legislature passed a motion that we should encourage the airlines to use native languages in announcing their safety announcements, to this date I have not received any reply from any of the airlines. I offered them my department to help them out in terms of taped messages in native languages. I see this as a minimum that airlines could service the people by. Again I would offer the same message to the airline operators; that we have a language bureau with varieties of native languages that could assist the airlines in getting their announcements in native languages.

Mr. Chairman, the airline is very important to our people and the service that is provided by them is vital to our people and I would continue to encourage them to work with communities and encourage them to take on the local people as their employees. I know this is not always an easy task but I believe it is one that the airlines could achieve to some degree. With that, I would thank the airline operators for responding to our requests. Thank you.

CHAIRMAN (Mr. Nerysoo): Thank you, Mr. Allooloo. What I will do now is ask each representative to make closing remarks and respond to some of the comments and questions that were asked. Mr. Butters.

HON. TOM BUTTERS: I asked your assistant, not the current one but the one sitting there previously if my name could be placed on your list. Obviously it was not, Mr. Chairman.

CHAIRMAN (Mr. Nerysoo): Okay, Mr. Butters, proceed.

HON. TOM BUTTERS: Thank you, sir. Speaking as all other Members of the committee have done as an MLA representing a particular constituency, I thank the representatives of the airlines for their presence. I regret that they have had to sit for the last two hours silent and not be able to respond to our questions. Obviously there is a great deal of interest by Members -- the Members that are present because some Members are not present, but the Members who are present -- in the service that is being provided by the industry.

I too, with some of my colleagues compliment them on the services they have been providing. I also can recall the early days in aviation in the North and it was by guess and by God. Schedules were not invented at that time. You got around as best you could. It is a real tribute to the people sitting here before us today that we are enjoying the service that we do -- one and a third million square miles of land to be serviced and 52,000 people in that land mass.

Concern That Deregulations Will Diminish Current Service

I would like to indicate that I was very impressed by what Mr. Fischer and Mr. Gagnon said with regard to the requirement of our government to sit down and strike a working group with the industry to try and improve services at our smaller airports and in our smaller communities. I agree with the officials of the association that this action is very keenly needed. I hope that the representation made here today has fallen on fertile ground, that there will be a move afoot by our government to effect the recommendation they have placed before us.

I wish also to express a concern that my colleague from Nunakput put on the table some two or three hours ago with regard to deregulation. I share her concerns that the deregulation forces that we feel blowing in the Territories today do not result in a diminution in the number of the carriers currently serving us to one or two airlines, with very little service being offered in our small communities. I notice that Mr. Crichton was very careful in his presentation while describing the situation, "...a competitive environment which is unprecedented in Canadian aviation history." Now those are strong words and yet he was very cautious to say that he at the present time, was not sure whether deregulation will ultimately prove to be a negative or positive force in the North.

Well, with my colleague for Nunakput, I hope it does not prove to be a negative force. I hope that the carriers that are here before us and other small charter carriers that exist in the North today will continue to thrive and grow. It would be regrettable if as a result of some action from some other place, we saw a diminution of the current services that we are enjoying, that are being provided by our northern carriers. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Nerysoo): I was going to suggest that each representative of the airline industry could make closing remarks and respond to some of the issues and concerns and questions that were asked of you. Sorry, Mr. Crow.

Dissatisfaction With Routing

MR. CROW: (Translation) Thank you, Mr. Chairman. In Sanikiluaq -- and Sanikiluaq is part of the NWT, but when we try and get to our community we have to go through Montreal to get into the NWT. I am happy that Air Inuit are able to be here and I appreciate that they were in Sanikiluaq just recently to try and gather the problems that we have there.

Looking at the future, I would really love to see us travelling to the North through the Keewatin or Baffin and not have to take the southern route, even to charter a plane to get into these communities. This is what I am looking forward to in the future. This will always be our concern as long as I am a Member of the Legislative Assembly.

Some people from Sanikiluaq are in favour of having to go through a southern route but there are more people that are not satisfied with the route that we take at this time. Especially for those going to the hospital to be hospitalized. If they are going to Churchill or Winnipeg, the only way they get to these places is by charters. People who are going to be attending meetings in the Baffin, to attend government meetings, because our government officials are based in Iqaluit, and in order to get to Iqaluit you would have to go through a southern route, through Montreal, and people from the Baffin Region have to go through the same way. I know it would help, especially when we received scheduled service -- Sanikiluaq is also within the NWT. Maybe the airline industry could consider having to take some alternatives and this could be one of their priorities. The MLA to my left, he is urging the Air Inuit -- I know they only have one flight a week.

There are a lot of problems that are occurring. For instance Air Inuit have a 748 and some of the communities do not have adequate air strips and are not able to be serviced by a 748. Because in Northern Quebec communities can be serviced by the 748 airlines, then I would see no problem having to go through the southern route.

Sometimes the Twin Otters are very sufficient when you have to fly into the smaller communities because in a lot of small communities they are not able to be serviced by a 748. This is a problem to some of the communities because if we were to have longer air strips then we would be serviced by 748 jets. For Sanikiluaq and Inukjuak and Salluit, between those two places, three places, they are able to be serviced by this 748 jet plane.

I think we would be saving money if the scheduling of the airlines would be rectified. We all know that scheduling is much better now than it was in the past. For instance, we used to get airlines almost every day in 1975 from Monday to Friday and every morning and toward evening. They used to come in twice a day. It was a lot cheaper when they first started coming into our communities. For instance, if you were travelling from Sanikiluaq to Northern Quebec, as long as a person had \$50 they would be able to get back to Sanikiluaq that same day. Today, if a person has \$160 they can only get to Great Whale. It is a lot more expensive now. Sometimes a person wonders why it is so expensive now and it is hard to believe the cost of fares that one person has to pay for. I can use an example. As my friend to my left indicated, from Cape Dorset to Lake Harbour it was \$68 and the distance is 104 miles but we were paying \$80. Sometimes we begin to wonder if the airline people are just raising the cost of air fare. Thank you, Mr. Chairman. That is all I have to say.

CHAIRMAN (Mr. Nerysoo): Thank you, Mr. Crow. Are there any other Members that wish to speak? Go ahead, Mr. Silverstone.

MR. SILVERSTONE: Do you want an answer to the last question or do you want me to save that for our closing remarks?

CHAIRMAN (Mr. Nerysoo): What I wanted to do was have everyone note all the issues and questions and then we would have all of you respond to those issues.

Are there any Members that wish to speak? Could I then have the representatives of the airline carriers make their closing remarks? Mr. Gagnon.

MR. GAGNON: Aklak Air will pass it to the other carriers who obviously had people speaking to them. We will be glad, as we said earlier, to make our brief via paper when we have it ready. I will be glad to answer questions on behalf of the Northern Air Transport Association should they come along later.

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

MR. FISCHER: This is going to be a little difficult in that, Mr. Chairman, there was a lot of information flowing through over the last few hours, but I will attempt to deal with those questions that were directed at Canadian Airlines, at least those that I caught.

Air Services To Fort Smith

The last one that I really remember was the last one that was presented to Canadian from the Hon. Jeannie Marie-Jewell with respect to Fort Smith and air services into Fort Smith by Canadian Airlines -- which is really Fort Smith and Hay River. I believe it was asked that Canadian Airlines provide some sort of guarantee that we would continue providing services, Boeing 737 services, on that particular route out of Edmonton. I really would not be able to do that. We cannot give a guarantee. We are in business. In the long run we really have to make a reasonable rate of return on services. As I indicated in my opening remarks, we are certainly going to be looking at various marketing initiatives to try and generate some more traffic. If that does not work, we are going to have to look at some kind of different gauge of aircraft that is more suited to those kinds of traffic demands. Hopefully, at some point in time, there is an expectation of growth in the economy and/or other services, then maybe something else can be done; but in the short term we do plan to continue the 737. We are looking at various marketing initiatives, and if that does not work we are going to have to look at some other type of aircraft.

I am not really sure I understood Mr. Pudluk's concern with respect to Resolute Bay. I think he might have been referring to the schedule from the summer of 1988 and expressing concerns from the residents of that community. As I had indicated in my opening remarks, we are currently operating a schedule which is a historical schedule with aircraft out of Edmonton, turning around in Resolute Bay and going back to Edmonton; and aircraft operating in Montreal and going to Iqaluit and Resolute Bay and turning around and coming back to Montreal. With respect to some concern about invitations not being accepted by representatives from Canadian Airlines, I would certainly be happy to talk to Mr. Pudluk after the session to see when we might be able to schedule some kind of a meeting in the future.

Effects Of Deregulation

How long can it last, from the Hon. Nellie Cournoyea. If I could put my NATA hat on for a moment, one of the items covered in the president's report of last year, from Les Dvorak, past president, he talked about deregulation, and reading from the annual report: "Another area experiencing changes are the number of air licences for seasonal charter bases, charter licences, scheduled routes being approved by the National Transportation Agency in northern Canada, bringing concern to operators and governments who have experienced an established level of experience and stability in the past year, only to see policy suddenly change to every licence application, approved to anyone and anywhere." I guess that is all well and good, but the cat is really out of the bag and the licences are there today, and the carriers are operating today.

With respect to Canadian Airlines, and putting on my Canadian Airlines hat, as a matter of policy our company is supportive of more open competition. However, we believe that some smaller markets are thin markets, such as those that are in the Northwest Territories, and may not be capable -- in fact, some are not capable -- of supporting two or three carriers. Some markets can support more than one carrier, others cannot. I think we have already seen in those cases that rationalization has already taken place. In my opinion I would expect some more of that to continue in the future. The chapter has not been closed on this whole business of deregulation in the NWT. And really, although it is supposed to be regulated, we have really entered into a period of, I would say, almost full deregulation. I am sure I have missed at least a half a dozen points, but I think I will conclude with those remarks.

CHAIRMAN (Mr. Nerysoo): Thank you, Mr. Fischer. Mr. Barnsley.

MR. BARNSELEY: Thank you, Mr. Chairman, the comments which I heard from both the other airline representatives and from Members of the committee, I think come to one conclusion and that is that we all agree with the reasons for the motion and the need to make sure that the air service is responsive to those needs. You have a bunch of believers at this table, that is why we are here, because we care about air service and good air service.

The comments that were specifically addressed to Calm Air's operation, I think are mainly centred around the problem of languages and service involving native languages. That is a problem which Calm Air, probably NWT Air and Air Inuit would share, perhaps more than the First Air operation. It is really a problem that is more cultural and sociological than business.

Our cabin attendants have to be based either in Churchill or Thompson in order to be on the flights going through those points into and through the Keewatin. And there is a very great resistance that we have found amongst the Inuit people, to relocate to centres where there is not a community of their peers. We have advertised to get people to take these jobs. We have, by and large, not been successful in getting applicants. When we have had applicants, they have been hired. One of the things about the airline industry is that it is quite a mobile one and there are opportunities for advancement. We have found that Inuit employees have advanced and have moved out of the areas where they can provide this very service. If there is something that you as a government can do to assist in terms of encouraging this sort of employment and overcoming this natural problem, we would more than welcome it.

In terms of in-flight announcements, the letter from the Minister has not gone unheeded. The company has a mechanized in-flight announcement system on one of its aircraft and we intend to use the facilities, hopefully we can use the ones in Rankin Inlet, to do these translations. We will be taking you up on your kind offer.

In terms of the other aircraft and making this a universal practice, there are some problems in terms of installations and systems, and frankly, there are some problems in terms of costs. Mr. Ernerk indicated that he felt that a donation of \$300,000 was peanuts, and I guess it is usual to hear people complaining about peanuts from airlines, but I want to assure you that Calm Air does everything that it can, and it did not make \$300,000 in the Keewatin last year. So that was truly a gift. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Nerysoo): Mr. Engle.

Air Services To Small Communities Dramatically Reduced After Deregulation

MR. ENGLE: Thank you, Mr. Chairman and honourable Members, for both your criticism and your compliments. Just addressing a few highlights, if I may. I share with Mr. Butters and Ms Cournoyea with regard to essential services. The United States entered deregulation 10 years before Canada and they did it with the wisdom of an essential services subsidy policy. The result in that 10 years has been a dramatic reduction in any air service to many small communities, albeit that an essential subsidy has applied for the past 10 years. While I am not subsidy minded, the problem that we are experiencing now is within indeed a strong wave of deregulation in the NWT. There is a good example south of the border and there may be other ways to approach it but the problem is not new and the results are not unique.

I would like to assure the honourable Brian Lewis that NWT Air is not moving south. We indeed are, after 27 years, committed to being the northern resident regional carrier. You are quite correct. We have transferred several jobs from Yellowknife to Inuvik and there have been several technical jobs transferred to Edmonton with the advent of improved technology. The Boeing aircraft are maintained in Edmonton, not in Yellowknife, and that has tended to centralize some purchasing and some technical services but on net balance we are not losing staff within the NWT as a growing airline.

A bit of clarification, if I can, for Mr. Angottitauruq. Our service pattern for April 2nd, which is now in the black box of Reservec II, Air Canada's computer system, does confirm that service between Cambridge, Coppermine and Holman Island is twice weekly return on Tuesdays and Thursdays. At the present time that service is Tuesdays and Fridays so it is a point of clarification. I would reinforce that the ability to travel between the Kitikmeot communities that NWT now serves is a minimum of twice a week, round trip, throughout the week.

Fares In Kitikmeot Reduced

As to fares in the Kitikmeot in particular, with the further economies of going from DC-3s -- in 1981 when NWT Air assumed the bankrupt services of Northward Airlines we were servicing the Kitikmeot from Yellowknife with DC-3s. It may be a case of looking at the glass as to whether it is half empty or half full. But indeed services have improved to the Kitikmeot with the present scheduling of Boeing 737s into Cambridge Bay and Lockheed Electra turbo-prop service both in Coppermine and Holman Island. During 1988, on a review of Kitikmeot air fares, they were reduced an average of 18 per cent.

With regard to east-west transportation and, specifically, Coppermine to Cambridge Bay, during the last half of 1988 these services, which operate continuously two days a week, averaged eight passengers a flight in each direction. Our Friday flight still services that route with a Lockheed Electra and that is definitely sufficient traffic for a Lockheed Electra. Cambridge Bay is still one of the two last places that we operate a DC-3. It is the only airplane operating across that route that can carry a skidoo or carry four-by-eight plywood and/or construction materials or other heavy equipment. I think possibly the DC-3 and I will retire about the same time but it is not that time yet. Again, thank you to the Members for the opportunity to express our views.

CHAIRMAN (Mr. Nerysoo): Thank you, Mr. Engle. Mr. Crichton.

MR. CRICHTON: No comments, Mr. Chairman.

CHAIRMAN (Mr. Nerysoo): Good comments. Thank you. Mr. Silverstone.

MR. SILVERSTONE: Thank you, Mr. Chairman. Just in closing, I wanted to have an opportunity to respond to the honourable Charlie Crow's comments with respect to Sanikiluaq service by Air Inuit. My understanding now is that we pass through Sanikiluaq six times a week presently. Three of those times are in fact round trips from Sanikiluaq to Kuujjuarapik.

Northern Quebec Airstrips Being Extended

We are concerned about the use of the 748. It is a good aircraft in our area. Its use is now coincident with the schedule of improvement of our 15 airstrips in Northern Quebec. As you may be aware, we have been negotiating with the federal and provincial governments for over 12 years to bring in an airstrip program which is to basically extend strips which in some cases are as small as 800 feet up to 1200 to 1500 feet and we are extending those now to 3500 feet with the appropriate equipment and proper preparation and access and weather equipment, etc. This has been a long time coming. Basically we are trying to emulate the strips that you have in the NWT. That is under way. The more strips that come on line over the next five or six years the more you will see the use of the larger aircraft and in particular the 748 as opposed to the Twin Otters. As consumers of our air services we feel you have every right to insist on safe, reliable, efficient and frequent air service. We do not take issue with that.

As the Hon. Nellie Cournoyea mentioned, and her comments are valid about whether we or other airlines are going to be able to continue servicing the North, and as the other carriers mentioned, in business as in life generally there are no guarantees. We try to succeed. We want to succeed. But everyone has to do their share. The regulators have to do their share. The people who establish the price of fuel have to do their share. The consumers have to do their share as well. We all have to work together to make this happen. Right now, we are running a few routes that are break-even and even negative cash or below break-even but we persist in the hope that they will become profitable in future.

Air Inuit Shareholders Are Biggest Users

Thirdly, we are in a unique situation in Northern Quebec in that Air Inuit is in fact owned by the shareholders who are, in fact, our biggest users of our air service. We tend to get rather direct feedback as to the quality of our service. In any case, as we indicated earlier, we are trying to provide a reliable and safe service. We are trying to do this by providing maximum employment opportunities to Inuit. Whether all of this will work out over time we do not know, but these are the present objectives of our company and we are pursuing them vigorously.

Finally, Air Inuit appreciates the opportunity to come from the far Eastern Arctic today to appear before this committee of the Legislative Assembly to hear our comments. We also appreciate this opportunity to hear the comments of the other carriers as well as the committee Members. It is only through exchanges of views such as this today that can lead to a better understanding of our respective problems and concerns. Hopefully, ultimately this will lead to better service. Thank you.

CHAIRMAN (Mr. Nerysoo): Thank you. I would like to thank the witnesses for appearing before the committee today. It has taken us a bit of time but we thank you for your comments and responses. I would certainly like to thank all the committee Members for raising their concerns. I think it is important that those that are involved in the airline industry know or at least understand the kinds of concerns that have been raised in some of the constituencies across the NWT.

---Applause

The witnesses can leave. Does the committee agree that this matter is concluded? Mr. Ernerk.

MR. ERNERK: Mr. Chairman, you did not have to clap before I speak, but thank you just the same. Mr. Chairman, I move that you report progress.

CHAIRMAN (Mr. Nerysoo): Thank you, Mr. Ernerk. The motion to report progress is in order. All those in favour? Those against? The motion is carried. I shall report progress.

---Carried

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

ITEM 18: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF APPEARANCE OF AIRLINE WITNESSES

MR. NERYSOO: Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering appearance of airline witnesses and wishes to report that the appearance of airline witnesses is concluded.

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

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Item 19, third reading of bills.

Item 20, assent to bills. In accordance with the powers given to the Speaker by this House by Motion 12-89(1), the hours of sitting for tomorrow, March 10, will be from 10:00 a.m. till 12:00 noon and from 1:30 p.m. till 5:00 p.m. Mr. Clerk, orders of the day.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. There will be a caucus meeting immediately after adjournment and a meeting of ajauqtit at 9:00 a.m. tomorrow morning.

ITEM 21: ORDERS OF THE DAY

Orders of the day for Friday, March 10th.

- 1. Prayer**
- 2. Ministers' Statements**
- 3. Members' Statements**
- 4. Returns to Oral Questions**
- 5. Oral Questions**
- 6. Written Questions**
- 7. Returns to Written Questions**
- 8. Replies to Opening Address**
- 9. Petitions**
- 10. Reports of Standing and Special Committees**
- 11. Tabling of Documents**
- 12. Notices of Motion**
- 13. Notices of Motion for First Reading of Bills**
- 14. Motions**
- 15. First Reading of Bills**
- 16. Second Reading of Bills**
- 17. Consideration in Committee of the Whole of Bills and Other Matters: Consideration of the Matter of Arctic Contaminants; CR 1-89(1); Bills 1-89(1), 3-89(1), 7-89(1), 10-89(1); Tabled Document 58-89(1), Tabled Document 59-89(1); Ministers' Statement 15-89(1)**
- 18. Report of Committee of the Whole**
- 19. Third Reading of Bills**
- 20. Assent to Bills**
- 21. Orders of the Day**

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Friday, March 10th, at 10:00 a.m.

---ADJOURNMENT

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