Northwest Territories Canada

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

6th Session

11th Assembly

HANSARD Official Report DAY 4

MONDAY, FEBRUARY 12, 1990

Pages 41-66

Speaker: The Hon. Richard Nerysoo, M.L.A.

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

Speaker

The Hon. Richard Nerysoo Fort McPherson, N.W.T. XOE 0J0 (403) 873-5786 (Home) (Yellowknife) (403) 979-2668 (Home) (Inuvik) (Mackenzie Delta)

Gargan, Mr. Samuel, M.L.A. General Delivery Fort Providence, N.W.T. XOE 0L0 (403) 873-7999 (Office) (403) 873-7999 (Office) (403) 699-3171 (Home) (Deh Cho) Deputy Speaker and Chairman, Committee of the Whole

Kakfwi, The Hon. Stephen, M.L.A. P.O. Box 1320 Yellowknife, N.W.T. X1A 2L9 (403) 873-7139 (Office) (403) 873-8215 (Home) (Sahtu) Deputy Government Leader, Minister of Education, Government Services and Housing

Kilabuk, Mr. Ipeelee, M.L.A. General Delivery Pangnirtung, N.W.T. XOA ORO (819) 437-8827 (Home) (Baffin Central)

Lewis, Mr. Brian, M.L.A. P.O. Box 1320 Yellowknife, N.W.T. X1A 2L9 (403) 873-7999 (Office) (403) 873-5549 (Home) (Yellowknife Centre)

Marie-Jewell, The Hon. Jeannie, M.L.A. P.O. Box 1051 Fort Smith, N.W.T. XDE 0P0 (403) 873-7959 (Office) (403) 872-2940 (Home) (Slave River) Minister of Social Services and Personnel

McLaughlin, Mr. Bruce, M.L.A. P.O. Box 1320 Yellowknife, N.W.T. X1A 2L9 (403) 873-7999 (Office) (403) 873-6220 (Home) (403) 874-2884 (Hay River)

Morin, Mr. Don, M.L.A. General Delivery Fort Resolution, N.W.T. XOE 0M0 (403) 394-3471 (Tu Nede)

Ningark, Mr. John, M.L.A. General Delivery Pelly Bay, N.W.T. XOE 1K0 (403) 769-6703 (Natilikmiot)

Officers

Acting Clerk Assistant Mr. Doug Schauerte Yellowknife, N.W.T.

Patterson, The Hon. Dennis, M.L.A. P.O. Box 310 Iqaluit, N.W.T. X0A 0H0 (403) 873-7112 (Office) (819) 979-5993 (Office) (403) 873-2802 (Home) (Iqaluit) Government Leader, Chairman of Executive Council, Minister of Executive

Pedersen, Mr. Red, M.L.A. General Delivery Coppermine, N.W.T. XOE 0E0 (403) 982-5788 (Coppermine) (Kitikmeot West)

Pollard, Mr. John D., M.L.A. Box 1095 Hay River, N.W.T. X0E 0R0 (403) 874-2345 (Office) (403) 874-2600 (Home) (Hay River)

Pudluk, Mr. Ludy, M.L.A. P.O. Box 240 Resolute Bay, N.W.T. XOA 0V0 (819) 439-8898 (Arctic Bay) (819) 252-3719 (Home) (High Arctic)

Sibbeston, Mr. Nick, M.L.A. P.O. Box 560 Fort Simpson, N.W.T. XOE 0N0 (403) 695-2452 (Fort Simpson) (403) 873-6215 (Home) (Nahendeh)

Whitford, Mr. Tony, M.L.A. P.O. Box 2772 Yellowknife, N.W.T. X1A 2R1 (403) 920-8010 (Office) (403) 873-5328 (Home) (Yellowknife South)

Wray, The Hon. Gordon, M.L.A. Baker Lake, N.W.T. XOC 0A0 (403) 873-7962 (Office) (819) 793-2914 (Baker Lake) (819) 793-2700 (Home) (Kivallivik) Minister of Municipal & Community Affairs and Economic Development & Tourism

Zoe, Mr. Henry, M.L.A. P.O. Box 1320 Yellowknife, N.W.T. X1A 2L9 (403) 873-7999 (Office) (403) 873-4136 (Home) (Rae - Lac la Martre) Deputy Chairman, Committee of the Whole

> Sergeant-at-Arms Mr. Harry Finnis, B.E.M., C.D. Fort Smith, N.W.T.

Allooloo, The Hon. Titus, M.L.A. 5024-57th Street Yellowknife, N.W.T. X1A 1Y6 (403) 873-7113 (Office) (403) 873-4813 (Home) (Amittuq) Minister of Culture & Communications and Renewable Resources

Arlooktoo, Mr. Joe, M.L.A. General Delivery Lake Harbour, N.W.T. XOA 0N0 (819) 939-2278 (Office) (819) 939-2363 (Home) (Baffin South)

Ballantyne, The Hon. Michael, M.L.A. P.O. Box 1320 Yellowknife, N.W.T. X1A 2L9 (403) 873-7658 (Office) (403) 920-2963 (Home) (Yellowknife North) Government House Leader Minister of Finance and Justice

Butters, The Hon. Tom, M.L.A. P.O. Box 1069 Inuvik, N.W.T. XOE 0T0 (403) 979-2373 (Office) (403) 979-2373 (Home) (Inuvik) Minister of Government Services and NWT Housing Corporation

Cournoyea, The Hon. Nellie, M.L.A. P.O. Box 1184 Inuvik, N.W.T. XOE 0T0 (403) 873-7128 (Office) (403) 977-2405 (Tuktoyaktuk) (403) 979-2737 (Inuvik) (Nunakput) Minister of Health and Public Works & Highways

Crow, Mr. Charlie, M.L.A. General Delivery Sanikiluaq, N.W.T. XOA 0W0 (819) 266-8940 (Home) (Hudson Bay)

Ernerk, Mr. Peter, M.L.A. Box 182 Rankin Inlet, N.W.T. XOC 0G0 (819) 645-2800 (Aivilik)

> Law Clerk Mr. Don Cooper, Q.C. Yellowknife, N.W.T.

Clerk Mr. David Hamilton Yellowknife, N.W.T.

> Editor of Hansard Ms. Marie J. Coe Yellowknife, N.W.T.

TABLE OF CONTENTS

MONDAY, FEBRUARY 12, 1990

	PAGE
Prayer	41
Budget Address	41
Ministers' Statements	
- 4-90(1) Release of Nelson Mandela	45
Members' Statements	
- Mr. Lewis on Democracy for South Africa	46
- Mr. Ernerk on Invitation to Nelson Mandela to Visit North	46
Returns to Oral Questions	46
Oral Questions	47
Written Questions	53
Reports of Standing and Special Committees	53
First Reading of Bills	
- Bill 9-90(1) Appropriation Act, 1990-91	56
Second Reading of Bills	
- Bill 9-90(1) Appropriation Act, 1990-91	56
Consideration in Committee of the Whole of:	
- Bill 9-90(1) Appropriation Act, 1990-91	56
- Department of Executive	56
- Department of Health	62
Report of Committee of the Whole	66
Orders of the Day	66

YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 12, 1990

MEMBERS PRESENT

Hon. Titus Allooloo, Mr. Arlooktoo, Hon. Michael Ballantyne, Hon. Tom Butters, Hon. Nellie Cournoyea, Mr. Ernerk, Mr. Gargan, Hon. Stephen Kakfwi, Mr. Lewis, Hon. Jeannie Marie-Jewell, Mr. McLaughlin, Mr. Morin, Hon. Richard Nerysoo, Mr. Ningark, Hon. Dennis Patterson, Mr. Pedersen, Mr. Pollard, Mr. Pudluk, Mr. Sibbeston, Mr. Whitford, Hon. Gordon Wray, Mr. Zoe

ITEM 1: PRAYER

----Prayer

SPEAKER (Hon. Richard Nerysoo): Orders of the day for Monday, February 12, 1990. Item 2, Budget Address. The honourable Member for Yellowknife North.

ITEM 2: BUDGET ADDRESS

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. Mr. Speaker, it has been a long tradition that Ministers of Finance, as they are preparing to present their Budget Address, purchase new shoes. But this year because of the restraint nature of this budget, I am wearing a pair of "almost new" shoes, but I would like to inform the House that I do have a brand new tin of shoe polish.

Mr. Speaker, the budget I am presenting today marks the beginning of a new financial challenge for all of us. In the past 10 years, our territorial budget has grown substantially in order to meet the legitimate needs of the population and to introduce the kinds of programs and services available to other Canadians. That growth exceeded the rate of inflation and allowed us to establish programs and services that meet the unique needs of northern residents.

At the same time, we have been able to maintain the lowest tax rates in the country. Our tax structure recognizes the higher cost of living in the Northwest Territories and the need to have tax rates favourable to economic development.

While our expectations have been high, our vision of a northern territory equipped to take its rightful place within Confederation has been, and remains, reasoned, practical and deliberate. Our vision of the Northwest Territories is clear -a territory with government institutions that respect cultural values and traditions, that work toward political, social and economic progress, a territory that provides fair treatment regardless of race or sex.

We also know that northern residents, particularly those born and raised here, have a toughness that is seldom found in more urban circles. Boom and bust cycles, although not desirable, are not new to the Northwest Territories. Adapting to changing political, financial and economic environments has been a continuing reality.

It is in support of this vision, or these realities, Mr. Speaker, that our government has shaped its budget for the 1990-91 fiscal year.

We may have been dealt a bad hand by the federal government with the imposition of the new formula financing arrangements, but we are not going to let that interfere with meeting the goals and objectives that we have all been working so hard to achieve. We will have to slow down and shoulder a little more of the expense ourselves, but I am convinced that, with determination, the challenge can be met.

Economic And Fiscal Challenges

Mr. Speaker, a major and critical challenge that we will face throughout the 1990s will be the promotion of economic development. We have a very young population and these young people will soon be moving into the labour force. We must ensure that there are meaningful job opportunities for our youth.

The Northwest Territories economy was subjected to a detailed review in 1988 and 1989. The Legislative Assembly's special committee on the northern economy travelled throughout the North to look at the current problems and listened to the concerns and recommendations of the public. As the committee's report noted, there are a number of structural economic problems. We do have a dual economy, one developed, the other underdeveloped. The lack of job-related skills and job opportunities in smaller communities are major impediments to reducing unemployment.

This year our goal of economic development will be made more difficult to achieve as a result of weakening national and international economies. This weakening may bring down the prices of some of our major exports and slow down the rate of employment growth in the Northwest Territories.

An economic slowdown was already in evidence in the Northwest Territories in 1989. Employment grew at a slower rate than in the previous year and the rate of growth of investment also declined. The outlook for 1990 is for little economic growth.

Despite this, Mr. Speaker, there are many bright spots on the economic horizon. In 1989 the National Energy Board approved an application by Esso Resources Limited, Shell Canada Limited and Gulf Canada Limited for a licence to export 9.2 trillion cubic feet of natural gas to the United States. This is the first step in the development of gas reserves in the Mackenzie Delta-Beaufort region and the creation of jobs for Northerners. The progress towards oil and gas development made to date must not be lost. It is critical that the Northern Accord be signed in 1990-91. As Minister of Finance, I will work with the Minister of Energy, Mines and Petroleum Resources and my other cabinet colleagues to ensure that the accord will provide appreciable financial and economic benefits to the Northwest Territories from oil and gas development.

In December an agreement in principle was reached on the Inuit land claim. It is hoped that both the Inuit and the Dene/Metis claims can be finalized in 1990-91. The settlement of land claims will mean the permanent recognition of the role of northern aboriginal people in shaping social and economic decisions affecting them and in achieving greater economic self-sufficiency. The economic benefits from land claims will be felt by all Northerners, not just the immediate beneficiaries.

In the mining industry, we are pleased to see the continued development of the Colomac mine project. At full production, the value of the mine's output would boost gold production in the Northwest Territories by about 50 per cent. We were also pleased by the opening of the new Treminco mill at the Ptarmigan Mine eight months ago.

Tourism, Mr. Speaker, continues to grow as an important industry, providing opportunities for employment throughout the North. Over the past 10 years there has been a tremendous strengthening of this industry and we can look forward to its continuing development and to the new opportunities that it will provide.

This year, construction will begin on the North Warning System short-range radar sites. Construction of these sites is scheduled for completion in 1993. Of the 36 short-range radar installation, 31 are to be located within the Northwest Territories. We must ensure that the construction and maintenance of these facilities will benefit Northerners.

We are enthusiastic about new and unique opportunities arising from our renewable resource industries. Four years ago, for example, the Baffin off-shore shrimp and scallop fishery was virtually non-existent. Now it provides employment to about 50 persons in the Baffin Region. This is an excellent example of what can be achieved when economic development opportunities are identified and seized.

Our government faces new fiscal challenges in the 1990s. Last December the federal government announced a new formula financing arrangement to come into effect on April 1, 1990. I will be talking about the details of the new formula later in this address. The immediate financial impact of the new arrangement is a reduction in our 1990-91 grant of about \$25 million from what we would have received under the old formula. Over the next five years the reductions will amount to about \$110 million. Not only are these cuts damaging to the government's fiscal position and to our ability to respond to the pressing needs of our residents, but the new formula contains serious flaws which will limit our ability to develop the northern economy.

Mr. Speaker, economic development, control and development of our natural resources, both renewable and non-renewable, protection of the environment, settlement of aboriginal claims, formula financing – these are the challenges we face. Our response will set the course for the next decade. The fiscal strategy that we adopt now can either tie the hands of future governments or give them the flexibility they will need to achieve their goals.

Fiscal Strategy

Changes to formula financing mean that our revenues will grow by less than inflation in 1990-91. It is the first time that this situation has had to be dealt with by a territorial government.

Our spending cannot continue to grow the way it has in the past. We must make some tough choices. We can still manage under the new formula, if we are careful. We must all be prepared to reduce our expectations and to bear part of the burden. Unless we limit our expenditure growth, it will not be long before we have to borrow. Debt charges would then have to be paid with dollars taken from badly needed programs. If we do not act responsibly over the next few years we could find ourselves, like the federal government, burdened with debt and paying over 30 cents of every tax dollar to finance that debt.

In the long run, that leaves us with only one responsible approach -- a balanced approach using both reduced expenditure growth and modest increases in taxes. Although, under the new formula, the federal government is forcing us to increase taxes, we simply do not have the fiscal capacity to replace the entire amount of the federal cuts this way. Therefore, we must rein in our expenditure growth. We must realize that we cannot do immediately everything we want to do. We must establish our expenditure priorities.

The decisions the government has made, Mr. Speaker, reflect this balanced approach to our fiscal realities: Expenditures, after adjustment for inflation, will be less than last year; tax increases have been kept to a minimum; we will incur a small, manageable budgetary deficit to cushion the impact of the federal cuts. Despite this small deficit, we are projecting an accumulated surplus over \$20 million at the end of the 1990-91 budget year.

Mr. Speaker, this represents a reasoned, balanced use of our accumulated surplus over the next two transitional years during which the government will adjust to the new financing arrangement. In the long run we will continue to strive for a balanced budget.

These measures are necessary to preserve the fiscal integrity of the Government of the Northwest Territories and to ensure that we have flexibility to meet current and future challenges. They will affect everyone -- all departments, all government boards and agencies, all municipalities. The Government of Canada is attempting to reduce its unmanageable budgetary deficit. Federal transfers to the provinces have been subject to restraint for a number of years. We could not expect to remain unscathed. We must all be prepared to do our part. We must all recognize that the old days are gone. We cannot ignore the circumstances that we have been forced into. We must face the problem now, not later.

Mr. Speaker, later in this session the government will be tabling its economic development strategy. The fiscal strategy we are adopting in this budget is an essential element of that strategy. Without a sound fiscal policy there cannot be a successful economic strategy. A government so burdened with debt that it lacks the resources to provide essential services is powerless to promote economic development. A government which must continually increase taxes to finance ever-increasing expenditures will eventually stifle incentive and drive investment elsewhere. Over the long run, a sound fiscal policy means living within our means.

Budgetary Expenditures

Total expenditures this year are projected to be one billion dollars. Voted expenditures will increase by five million dollars over the 1989-90 revised estimates. After estimated supplementary requirements and lapses are accounted for, expenditures in 1990-91 will increase by \$26 million, or 2.7 per cent over those of 1989-90. This is considerably lower than our average rate of spending growth of 10 per cent a year over the five years of the old formula. Given expected inflation of four to five per cent, this \$26 million represents a cut in real expenditures.

The government established the initial 1990-91 budget after carefully considering expenditure needs that were submitted by all departments. Following the announcement of the changes to formula financing, it was necessary to re-examine this plan and make expenditure cuts and reallocations in order to increase expenditures in certain priority areas. As a result, all government departments and all government funded bodies must tighten their belts. We must all take stock and plan for a new era. The growth of the civil service has been halted. In fact in 1990-91 there will be a small cut in the size of the civil service. Growth in contributions to government funded bodies will be constrained. However, no operating contributions to organizations primarily funded by the government will be reduced below the level of support provided in 1989-90. Capital spending has been kept at \$161 million, virtually unchanged from 1989-90 levels.

Economic Development Initiatives

As I mentioned earlier, economic development remains a priority of this government. I would like to present some of the budgetary initiatives being undertaken in 1990-91 in support of the development of our economy.

Expenditures by the Department of Economic Development and Tourism will total \$38.8 million in 1990-91. The funding that historically has been in the budget for the economic development agreement is not there, but the Minister is currently negotiating an agreement with the federal government for a continuation of the EDA program. The Northwest Territories Development Corporation, scheduled to be established at the beginning of the fiscal year, will allow the government to actively participate in business development, either as the sole investor or by providing equity capital in joint ventures with the private sector. The government has allocated an initial two million dollars in investment capital to the corporation for 1990-91. The corporation forms one part of the department's economic development strategy aimed at employment creation and stimulation of the economy.

The department has been allocated a \$9.2 million capital budget in 1990-91, an increase of \$5.8 million over the current year. This reflects increased activity in the development of facilities designed to increase tourism. The Baffin Cultural Centre will be constructed at a cost of almost three million dollars. This is a joint project with the Department of Culture and Communications, which will be funded out of the Department of Economic Development and Tourism's capital budget. The centre will promote tourism throughout the Baffin Region. It will provide a focal point for information about tourist attractions and facilities, and about locally produced arts and crafts. Together, the Departments of Culture and Communications and of Economic Development and Tourism will provide over \$400,000 in capital funding to restore and develop historic sites. Culture and Communications will spend over one million dollars for the construction of the Cape Dorset Community Museum. Economic Development and Tourism will promote the development of the fishing industry in the Baffin Region through the purchase of a \$350,000 demonstration vessel to test various fishing methods and technologies. The arts and crafts industry will benefit from more than \$400,000 in capital contributions.

Mr. Speaker, education is of critical importance in maximizing the positive effects of many of the other strategy-driven initiatives being undertaken. The greatest potential for reducing unemployment will be achieved by educating and training Northwest Territories residents to fill existing and future jobs. The Department of Education initiatives, therefore, fill a key role in that strategy. The department's efforts involve the schools, Arctic College, literacy programs, and federally and territorially supported employment initiatives.

Spending by the Department of Education will increase by \$10.7 million in 1990-91 to a total of \$181.6 million. Almost two million dollars in new funding will be allocated to programs designed to provide training and jobs to Northerners. Of this, over \$580,000 will go to help the private sector employers hire and train Northerners as apprentices. The training-on-the-job program will be expanded. This program provides salary subsidies to the private sector to hire and train northern residents. An additional \$500,000 has been allocated to this program. A total of \$800,000 will be used to fund Northwest Territories native organizations to train native leaders for the administration of land claims settlements and to increase the number of native teachers in the Northwest Territories school system.

Funding for the student financial assistance program has been enhanced by over \$600,000 to provide scholarships and enhanced accommodation and transportation benefits, and to increase existing benefits in recognition of the higher living costs faced by post-secondary students.

The department will begin construction of new schools in Paulatuk, Broughton Island, Baker Lake, Colville Lake and Rae. A new adult education centre will be built in Arviat and existing centres in Hall Beach and Repulse Bay will be upgraded.

Transportation remains an essential element in the development of the Northwest Territories economy. The government has allocated \$37 million to the Department of Transportation in the year 1990-91. The department is actively pursuing the transfer from the federal government of responsibilities for transportation. Negotiations for the transfer of responsibility for the interterritorial road program and arctic B and C airports are under way. The highway transfer agreement is expected to be signed within the next few months, taking effect retroactively to April 1, 1989. The airports transfer agreement should be finalized over the winter, provided the Minister and cabinet are satisfied with the financial arrangements. The department is also concentrating efforts on the improvement of the most heavily travelled road in the Territories, the road from the Alberta border to Yellowknife. Over the next decade it is hoped to have most of this highway upgraded.

This past year the Government of the Northwest Territories and the federal government began work on a special joint study to develop a Northwest Territories transportation strategy. This strategy, when complete, is meant to encourage and support transportation developments over the next 20 years.

Social Programs

Despite the necessity for overall government financial caution, this government remains committed to providing the social programs which form an essential component of family and community well-being in the North.

Alcohol and drug abuse continues to contribute to the breakdown of community and family life. The Department of Social Services will spend almost six million dollars over the next two years to construct and provide operating funding to two treatment centres for alcohol and drug rehabilitation.

The construction of the Somba K'e Treatment Centre, between Yellowknife and Dettah, and the Alcohol Treatment Centre on the Hay River Reserve will almost triple the number of bed spaces currently available in the Northwest Territories.

---Applause

The department's long-term strategy will also include construction of a treatment centre in the Eastern Arctic. The operating costs of the new treatment centres will be offset by an increase in alcohol prices. An additional \$400,000 has been allocated to meet the increased demand for funding for community and band alcohol and drug rehabilitation centres.

The department will also allocate additional funds to meet the demand for child sexual abuse treatment and prevention services. These resources will be used to respond to the increased number of reported cases of child sexual abuse throughout the Northwest Territories.

The provision of quality health services in much of the North depends on the presence of highly skilled community health nurses. The Department of Health will spend an additional \$400,000 in 1990-91 to provide advanced skills training for community nurses.

The effects of environmental contaminants in food, especially in country foods, continues to worry Northerners. The department will be establishing an environmental contaminants unit responsible for providing the general public and interested groups with information on contaminants and their potential impact on human and animal health. The Department of Renewable Resources has also allocated funding of almost \$200,000 to monitor contaminants and diseases in wildlife and country foods.

The government remains committed to improving the housing conditions of territorial residents. This budget will provide the Northwest Territories Housing Corporation with funds to construct another 300 new units of social housing throughout the NWT and replace 100 aging northern rental units. The Housing Corporation will be implementing new program initiatives during the coming year to broaden eligibility for home-ownership by a wider spectrum of territorial residents. A total of \$625,000 has been allocated to the rental rebate program and the access program. In time, these initiatives will enable greater numbers of families to house themselves and reduce dependence on government assistance.

Mr. Speaker, I would now like to address two issues which cabinet took into consideration when making decisions about taxes: formula financing and the goods and services tax.

Formula Financing

The federal government has significantly altered the formula financing arrangements under which our annual grant is determined. The new arrangements take effect April 1, 1990, and will be in place for five years, with a review after three years. As a result of the federal changes, our funding will be tied to an indicator based on provincial and territorial tax effort in the year 1987-88. The result is reduction in our grant because the federal government considers the tax effort of our government to be lower than the provincial average for that year. In addition, federal grants in subsequent years will be reduced according to how we have lagged behind the growth in provincial tax effort since that base year 1987-88.

Mr. Speaker, this change has fundamental consequences for our expenditure and taxation policies over the next five years. We would have to impose the same taxes as the provinces, at rates comparable to the provincial average in order to recover the cuts imposed by the federal government. We would also have to keep up with increases in provincial tax effort to protect our total funding from further erosion. This provision of the formula ignores the fact that northern residents already face a higher tax burden than most other Canadians when the high cost of living in the North is taken into account. It also ignores the fact that we must be careful not to introduce drastic tax changes which would seriously harm initiatives to work and to do business in the NWT. In fact, the formula as a whole, we believe, acts as a disincentive to economic development. However, this disincentive will not distract us from our goal of developing the economy of the Northwest Territories.

There are some positive elements of the new formula. The most important of these is that the formula now takes population into consideration. We have argued for this change for several years. As a result, some of the reductions resulting from the tax effort change will be partially offset by the population adjustment. This is because the population of the NWT is expected to grow at a faster rate than that of the rest of Canada over the next five years. One other positive element of the new formula is our expectation that a five year arrangement will allow us to plan our fiscal strategy without the threat of further direct federal cuts to our grant.

I think that on February 20th, as the Conservative government is looking across the spectrum of their programs and looking at some very serious expenditure cuts, I think we will recognize that in this aspect we can count ourselves fortunate.

In addition, representations by the government and by the chairman of the standing committee on finance, Mr. Pollard, supported by the hard work of the officials of my department, resulted in a formula that includes other elements designed to further reduce the impact of the tax effort adjustment factor. Firstly, the reduction is not as large as was originally proposed by the federal government. Secondly, there will be a phase-in of the financial impact over three years.

Despite these hard won concessions, the Government of the Northwest Territories remains fundamentally opposed to the application of the tax effort adjustment to the formula. Its use produces a formula which is flawed and its imposition by Canada could have severe financial consequences for our government over the next five years.

Goods And Services Tax

Another federal government initiative, Mr. Speaker, the goods and services tax, or GST, is also a source of serious concern. The federal government seems determined to introduce the GST in 1991. I have argued against the tax in its proposed form because it is inequitable and, we feel, will reduce our relative competitiveness with southern Canada.

Let me give you our main objections. First, the tax will result in residents of the Northwest Territories paying more sales tax than other Canadians for the same goods and services. The current federal sales tax, to be replaced by the GST, is levied at the manufacturers' level. Because the GST is applied at the retail level, the large components of transportation costs and higher northern margins that are not currently taxed will be fully taxed under the GST. Second, higher incomes in the North will result in residents with the same real purchasing power as southern Canadians benefiting less from the enhanced federal sales tax credit. Third, except for some industries, the GST has the potential to seriously reduce our competitiveness compared with southern Canada. The tax will make the Northwest Territories an even higher-cost region in which to do business and, therefore, a less attractive place in which to invest. This will certainly retard our economic development.

Finally, residents of the Northwest Territories already face a high tax burden. The GST will further limit the tax room available to the Government of the Northwest Territories. This is particularly ironic since the same federal government is penalizing this government for having what they perceive to be a low tax effort. So we are squeezed both ways.

I advised the Hon. Michael Wilson of our objections on a number of occasions. I tabled a brief with the House of Commons standing committee on finance, and with the help of our northern MPs, persuaded the committee's chairman, Mr. Blenkarn, to send members of his committee to the Northwest Territories to hear first hand what Northerners had to say. I think the results of those presentations and the response by the federal government we all know too well is not acceptable; but we will continue in our efforts to have our views heard and the inequitable treatment of Northerners addressed.

Another federal initiative which will cause hardship to many Northerners is the phasing out of postal rate subsidies. The Minister of Government Services will be speaking on this issue later in the session.

Revenue Initiatives

Mr. Speaker, as I have mentioned, the grant from Canada will be approximately \$25 million lower than under the previous formula. This is a permanent rather than a one time reduction. Presently 85 per cent of our funding comes from the federal government. Only 15 per cent is raised through our own revenues. Under the new formula, we will be forced to bear more of the burden of our own expenditures.

Mr. Speaker, I am announcing this afternoon changes to tax and other revenues which will generate a total of \$5.3 million in additional revenues in the coming year. However, Mr. Speaker, this budget does not introduce a Northwest Territories sales tax.

---Applause

In 1988 I initiated extensive consultation on Northwest Territories tax policies. I released a major document entitled "Northwest Territories Tax Options" and distributed over 20,000 pamphlets in all communities that summarized the options open to us. On a number of occasions I have met with representatives from different community groups. Following these consultations, the government considered a number of options. Decisions were influenced by the views we have received from taxpayers and respected the fundamental criterion that any tax changes, taken as a package, should not hold back the economic development of the North.

It is regrettable that the federal cuts have come at a time when our small business sector is struggling to establish itself in most of the Northwest Territories. Any tax increases have the potential to hurt the economy of the Northwest Territories, but it is our small business sector which is the most vulnerable.

We have decided to address this. I am pleased to announce that a new, lower corporate income tax rate of eight per cent will apply to the first \$200,000 of taxable active business income of private Canadian-controlled corporations. This decrease of two percentage points is effective January 1, 1990. It is estimated that 90 per cent of the companies which are based here and pay taxes here can benefit from this reduction. This rate is lower than the equivalent rate in all provinces except for Quebec and Yukon.

Income in excess of \$200,000, and income earned by public and non-Canadian-controlled corporations will be taxed at a higher rate of 12 per cent instead of the current rate of 10 per cent. This rate still remains lower than all the other provincial rates except those of Quebec and Yukon.

A modest increase to the personal income tax rate, as well as to the corporate income tax rate, is an equitable way to spread the burden of our revenue needs among all NWT taxpayers according to their means. I am announcing an increase of one percentage point in the Northwest Territories income tax rate for individuals. This rate will be increased from 43 to 44 per cent of basic federal tax. This rate is still the lowest of any province or territory in Canada. It will be effective for all income earned in 1990.

For a taxpayer with no dependant and an income of \$45,000, this represents an increase in the NWT income tax of \$72 per year. In the appendices to the Budget Address there are a number of other scenarios that are outlined there as to the impact on families and individuals. The reduction in the federal grant in the upcoming year represents a reduction of \$475 per person in the Northwest Territories. The increase in the income tax rate will offset only a small portion of that reduction.

Health care costs are a large and growing part of the

expenditures of the government. Considerable resources are also spent educating residents on the health risks of smoking and drinking. I am introducing several measures today which, in addition to increasing revenues, will provide an additional incentive for people to follow a more healthy lifestyle.

Effective April 1, 1990, liquor commission markups on alcohol will be increased to generate an additional \$1.8 million annually from the sale of liquor and beer. The impact of the increase will be an eight per cent increase for wine and spirits, and a five per cent increase in the price charged for beer. The revenues generated from these increases will offset the cost of the new alcohol and drug treatment measures I announced earlier.

Also on April 1, 1990, the tax rate on cigarettes and most other forms of tobacco will go up from 55 per cent to 60 per cent of the price. This change will increase the cost of a carton of cigarettes by about one dollar, with corresponding increases to the prices of most other tobacco products. I think I should say here that the agreement that we made last year in the House on loose tobacco -- the increase on loose tobacco will go from 25 to 40 per cent this year, and next year it will match the other types of tobacco. I will be introducing legislation for these tax changes during this session of the Legislative Assembly.

Conclusion

Mr. Speaker, the funding growth provided for under the previous formula financing arrangement allowed our government to increase its expenditures and to address a substantial number of legitimate program needs. However, the new formula arrangements mean new rules and lower funding expectations. The expenditure growth we have been able to accommodate in the past cannot be maintained.

This government has taken a balanced and reasoned approached to our new fiscal realities. Expenditure growth has been cut, tax increases have been kept to a minimum, and during this coming transition year we will incur a manageable budgetary deficit of about \$17 million, leaving us with the projected accumulated surplus of over \$20 million.

The Government of the Northwest Territories is in good fiscal shape. We are in better shape than other Canadian jurisdictions. We still have among the lowest tax rates in Canada and we are free of the burden of a large public debt. It would be irresponsible to jeopardize this. We have to make some tough decisions about our future. We must reduce our expectations and be willing to do more with less. I believe, Mr. Speaker, that Northerners can meet this challenge. Thank you.

----Applause

ITEM 3: MINISTERS' STATEMENTS

MR. SPEAKER: Thank you. Ministers' statements. The honourable Member for Iqaluit.

Ministers' Statement 4-90(1): Release Of Nelson Mandela

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. Mr. Speaker, I rise today to recognize an historic event in South Africa. Yesterday, most of the world was watching as Nelson Mandela was finally released from prison in South Africa where he has been incarcerated for 27 years. During his time in prison, Mr. Mandela has not only become a symbol for the anti-apartheid movement in South Africa, he has become a worldwide inspiration for freedom and racial equality.

The Government of the Northwest Territories welcomes the

news of Mr. Mandela's release and hopes that this courageous move on the part of Mr. de Klerk and the South African government is only the first of many changes to come in the future. We also urge the federal government to maintain economic sanctions against South Africa until apartheid is dismantled once and for all.

Mr. Speaker, dramatic political changes such as these can bring upheaval and violence in their wake. We urge tolerance on all sides. I will be sending a telegram of congratulations and support to Mr. Mandela. Thank you.

----Applause

MR. SPEAKER: Thank you. Ministers' statements. Ministers' statements. Members' statements. The honourable Member for Yellowknife Centre.

ITEM 4: MEMBERS' STATEMENTS

Member's Statement On Democracy For South Africa

MR. LEWIS: Mr. Speaker, the ordinary Members would also like to join the Government Leader in noting the events in South Africa. Twenty-seven years ago when I went to Cape Dorset, Mr. Speaker, Nelson Mandela was imprisoned during that year. Many of the young people I taught had come from hunting camps and every day we told a story about things that were going on around the world. But at that time there was no television or radio, just shortwave. I remember one afternoon, in fact, because we did singing every Friday afternoon, I taught those young people the song "Kosi Sikalele Africa - God Save Africa". Many of the young people today who would be watching the events in South Africa on television hopefully will remember those days when on Friday afternoon we would sing "Kosi Sikalele Africa". Because God perhaps will save Africa, and we join the Government Leader, as ordinary Members, in wishing that tormented country every success, as these events unroll, and perhaps we will see democracy come to that troubled land. Thank you.

---Applause

MR. SPEAKER: Thank you. Members' statements. Honourable Member for Aivilik.

Member's Statement On Invitation To Nelson Mandela To Visit North

MR. ERNERK: Thank you, Mr. Speaker. I am also extremely pleased to rise to share the moment of celebration with the people of South Africa and especially the black people of South Africa for the release of Nelson Mandela. I think the whole world rejoiced yesterday. When I was watching Mr. Mandela's speech, I was very much moved by his statement.

In 1983 when I went to South Africa I saw apartheid at work and I was not at all impressed with the system. I think the world community should make every effort to defeat this unacceptable way of governing. Mr. Speaker, I would ask the Government Leader immediately to invite Mr. Mandela to come to the Northwest Territories so that aboriginal leaders and others can meet with Mr. Mandela. As an aboriginal person, Mr. Speaker, I am very much willing to help in any way I can.

---Applause

MR. SPEAKER: Members' statements. Returns to oral questions. The honourable Member for Inuvik.

ITEM 5: RETURNS TO ORAL QUESTIONS

Return To Question 011-90(1): Hockey Rink For Pelly Bay

HON. TOM BUTTERS: Mr. Speaker, I have a return to the question asked by Mr. John Ningark on February 8, 1990, relative to where the Pelly Bay arena might fit in the projected five year capital plan for that community.

The construction of a medium arena in Pelly Bay is planned for 1992-93 according to the following schedule: 1991-92, design; 1992-93, construction; 1993-94, warranty inspection.

Due to the government's current policy of fiscal restraint, this project will have to compete along with all other capital projects for limited government financial resources in order to remain in the capital plan.

The community is expected to contribute in the neighbourhood of \$85,000 to the project, representing 10 per cent of Yellowknife based-construction costs. An option for part of this community contribution would be for the community to finance a geotechnical investigation in 1990-91. The value of this work is normally around \$10,000. With the results of such a geotechnical investigation available next fiscal year, the consultant could initiate design early in the spring of 1991 when government funds become available. This matter has already been discussed with community representatives. Thank you.

MR. SPEAKER: Thank you. Just prior to proceeding, if I could draw the attention of Members of the House to the presence in the gallery of the president of the Metis Association of the Northwest Territories, Mr. Gary Bohnet; and the president of the Dene Nation, Mr. Bill Erasmus.

---Applause

Returns to oral questions. The honourable Member for Igaluit.

Further Return To Question O9-90(1): Closure Of Government Offices, December, 1989

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. Mr. Speaker, this is a return to a question asked by Mr. Pedersen on February 8th, concerning time off for Christmas and New Year's holidays.

In recognition of the holiday season, territorial government employees were excused, where operational requirements permitted, during the hours of noon to 5:00 p.m. on Friday, December 22, 1989, and from 3:00 p.m. on Friday, December 29, 1989. This leave has traditionally been granted by, and under the authority of the Minister of Personnel since the portfolio was taken on by an elected Minister, including the Member for Kitikmeot West, I may add. Prior to that time, the then Commissioner held the authority to grant such leave.

Return To Question O5-90(1): Cost Of Living In Fort Providence

And if I may, Mr. Speaker, another return to an oral question asked by Mr. Gargan on February 8th, regarding cost of living in Fort Providence.

Statistics Canada price indexes for NWT communities are based on the cost of living of federal government employees only and compare NWT prices to those in Vancouver, Edmonton, Winnipeg or Montreal. This price information is collected to help calculate federal government isolated post allowances and is published in 10 or 15 point ranges, rather than as exact figures. For example, Statistics Canada would report a community price index of 132 as being in the range of 130 to 139.

Why the cost of living figure is higher for Fort Providence than for Fort Liard, Yellowknife, Hay River and Fort Smith was raised with Statistics Canada. The answer we got is that, because of the way the cost information is calculated and then published, Fort Providence prices are really not as high as the Statistics Canada numbers might suggest. Actually, Fort Providence prices are quite similar to those in Fort Liard. Also Fort Providence costs are not really all that much higher than those in Yellowknife, Hay River and Fort Smith.

Looking first at the cost of living figures for Fort Providence and Fort Liard, it should be noted that Fort Providence prices are compared to Edmonton while Fort Liard is compared to Vancouver, which has higher prices than Edmonton. If more exact price indexes are used, rather than the 10 or 15 point ranges in which the price statistics are published, and if Vancouver's higher prices compared to Edmonton are taken into account, the numbers would show that there is not really a lot of difference between living costs in Fort Providence and Fort Liard.

Statistics Canada was also asked why Fort Providence prices were higher than Yellowknife's, even though both communities are accessible by road and Fort Providence is further south. According to Statistics Canada, prices in Fort Providence are indeed a little higher than in Yellowknife. However, the price difference between the two communities is closer to five per cent than it is to 12.5 per cent. Looking specifically at food costs, Statistics Canada says that Fort Providence food prices were slightly more because of lower sales volumes in the community and because of the lower food prices at the Yellowknife Direct Charge Co-op where some federal government employees shop. Non-food items were also a little more expensive in Fort Providence. For example, the price of automobile and snowmobile parts in Fort Providence includes shipping and handling costs. Like Yellowknife, prices in Hay River and Fort Smith were somewhat lower than in Fort Providence. However, the differences here are also less than 12.5 per cent, for the reasons described earlier. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. I wish also to draw the attention of the honourable Members to the presence of Her Worship, the Mayor of Yellowknife, Pat McMahon.

---Applause

And if I might draw your attention to the Chief of the Yellowknife B Band from the community of Dettah, Chief Jonas Sangris.

---Applause

Returns to oral questions. Item 6, oral questions. The honourable Member for Deh Cho.

ITEM 6: ORAL QUESTIONS

Question O23-90(1): North Warning System Training

MR. GARGAN: Thank you, Mr. Speaker. I would like to direct my question to the Government Leader. This morning I had an opportunity to meet with two members of my constituency whose positions with regard to the North Warning System training were eliminated because the passing grade for the high tech electronic training is 85 per cent. I believe the two individuals had 83 per cent, two per cent less, which terminated their position after five years in the program. I would like to ask the Government Leader if this government is monitoring the North Warning System construction and also the training that is going on? I would also like to ask the Minister if there is enough northern component with regard to the construction and the training?

MR. SPEAKER: Thank you. The honourable Member for Igaluit.

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I am afraid I am not aware of the circumstances the Member describes which should concern us. I will undertake, therefore, if I can get a little more information from the honourable Member directly, I will take the question as notice and get back to him as soon a possible. Thank you.

MR. SPEAKER: Oral questions. The honourable Member for Hay River.

Question O24-90(1): Decision On Womens' Correctional Centre

MR. POLLARD: Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister responsible for Social Services. Has the Minister reached a decision on the matter of a womens' correctional centre for the Northwest Territories? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. The honourable Member for Slave River.

Return To Question O24-90(1): Decision On Womens' Correctional Centre

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Speaker. Yes, a number of options by the department were presented to cabinet for consideration of where a womens' correctional centre should be located. It was decided to convert the existing Trailcross treatment centre in Fort Smith into a correctional centre for women.

MR. SPEAKER: Thank you. Supplementary, the honourable Member for Hay River.

Supplementary To Question 024-90(1): Decision On Womens' Correctional Centre

MR. POLLARD: Thank you, Mr. Speaker. I wonder if the Minister could advise the House on the time frame of this changeover. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. The honourable Member for Slave River.

Further Return To Question O24-90(1): Decision On Womens' Correctional Centre

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, there are a couple of items still to be dealt with in respect to possible renovation requirements, therefore we will probably require the approval of the Financial Management Board, although we anticipate if approval is granted that occupancy should be somewhere in the fall of 1990.

MR. SPEAKER: Thank you. Oral questions. The honourable Member for Aivilik.

Question O25-90(1): Invitation To Nelson Mandela To Visit NWT

MR. ERNERK: Thank you, Mr. Speaker. My question will be directed to the Government Leader. During my Member's

statement I made mention of the release of Mr. Mandela. I should also like to indicate to the Government Leader and to the Members of the Legislative Assembly that we all know that we have a majority of aboriginal people in the Northwest Territories. We have a system here where we have a democratic process which I think is pretty good, not perfect, pretty good. I am wondering, in light of the fact that the Prime Minister of Canada has already invited Mr. Mandela to visit Canada, I am wondering if the Government Leader would consider inviting Mr. Mandela to the Northwest Territories?

MR. SPEAKER: Thank you. The honourable Member for Iqaluit.

Return To Question O25-90(1): Invitation To Nelson Mandela To Visit NWT

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I think it is a very good idea. I would be very happy to act on it. Thank you.

MR. SPEAKER: Thank you. Oral questions. The honourable Member for Aivilik.

Question O26-90(1): Deputy Minister Of Culture And Communications

MR. ERNERK: Thank you, Mr. Speaker. I would also like to get a really good answer to the following question that I would like to ask the Minister of Culture and Communications. It is to do with the deputy minister of his department. Firstly, I would like to congratulate Mr. Dave Porter as the new deputy minister of Culture and Communications.

---Applause

Are you clapping for my speech? For the record, Mr. Speaker, would the Minister of Culture and Communications indicate to this House and tell the people of the Northwest Territories that every effort was made to hire someone from within the Northwest Territories for this important position before going out to hire someone else from outside of the Northwest Territories? Thank you.

MR. SPEAKER: Thank you. The honourable Member for Iqaluit.

Return To Question O26-90(1): Deputy Minister Of Culture And Communications

HON. DENNIS PATTERSON: Mr. Speaker, since I am responsible ultimately for the appointment of deputy ministers I will respond to the honourable Member's question if I may. Mr. Speaker, there were no less than two competitions for this position held in the Northwest Territories. I think that indicates a significant effort and more effort than is usually undertaken with such competitions. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Oral questions. The honourable Member for Baffin South.

Question O27-90(1): Location Of Baffin Suicide Prevention Centre

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I think this question will be directed to the Minister of Social Services. There is an article in Nunatsiaq News which deals with the Baffin social services. It talks about suicide. I am wondering where will that building be which will handle the program that will be dealing with suicides? I would like to know in which community it will be in the Baffin Region. Will it be in Pangnirtung, Iqaluit or where? Thank you.

MR. SPEAKER: Thank you. The honourable Member for Slave River.

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, I would like to take that under advisement. Thank you.

MR. SPEAKER: The honourable Member has taken the question as notice. Oral questions. The honourable Member for Baffin South.

Question O28-90(1): Hunters And Trappers Insurance Program

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I am directing this question to the Minister of Renewable Resources. It has come to my attention that the hunters' and trappers' equipment that was lost could be replaced by the compensation board. When snowmobiles or boats are lost, are the rifles included in the trappers' insurance of equipment that could be replaced through the Workers' Compensation Board? Thank you.

MR. SPEAKER: Thank you. The honourable Member for Amittuq.

HON. TITUS ALLOOLOO: Thank you. I will take the question as notice once I find out about that. Thank you, Mr. Speaker.

MR. SPEAKER: Oral questions. The honourable Member for Rae-Lac la Martre.

Question O29-90(1): Cost Factor Of Social Assistance Recommendations

MR. ZOE: Thank you, Mr. Speaker. Mr. Speaker, my question is directed to the Minister responsible for Social Services. During the fall session in Norman Wells, Mr. Speaker, I questioned the Minister in regard to social assistance regulations. The Minister has set up a committee that made recommendations to the Minister which in turn was supposed to do a cost factor through the Department of Justice. She indicated to the House at that time that the department would be completing the cost factor associated with the recommendations, by November. I would like to ask the Minister what were the cost factors for all the recommendations proposed to the Minister?

MR. SPEAKER: Thank you. Honourable Member for Slave River.

Return To Question 029-90(1): Cost Factor Of Social Assistance Recommendations

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, I believe that just for food alone they were in excess of two million dollars, up to \$2.7 million, if I recall correctly. The regulations have just been recently returned to my department for further review and a mandate.

MR. SPEAKER: Honourable Member for Rae-Lac la Martre, supplementary.

Supplementary To Question 029-90(1): Cost Factor Of Social Assistance Recommendations

MR. ZOE: Supplementary, Mr. Speaker. If I understand the Minister right, she has indicated that they have done this cost factor by the Department of Justice, legislation division, and it came out to over two million dollars. The Minister indicated to the House in Norman Wells that once these cost factors were determined, it is supposed to be going to cabinet for

approval. I wonder if it has gone to cabinet for consideration?

MR. SPEAKER: Honourable Member for Slave River.

Further Return To Question O29-90(1): Cost Factor Of Social Assistance Recommendations

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, because of the fact that the regulations were just recently returned to my department, nothing has gone to cabinet for the recommended changes. I would like to advise the House that it was not up to \$2.7 million, it was basically three million dollars to increase the food scales. Thank you.

MR. SPEAKER: Oral questions. Honourable Member for Rae-Lac la Martre, supplementary.

Supplementary To Question 029-90(1): Cost Factor Of Social Assistance Recommendations

MR. ZOE: Mr. Speaker, when does the Minister anticipate she will be bringing forward the review to cabinet?

MR. SPEAKER: Honourable Member for Slave River.

Further Return To Question 029-90(1): Cost Factor Of Social Assistance Recommendations

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, the regulation changes proposed many different issues that had to be looked at. I believe it was 50 different items and it exceeded over five million dollars. I indicated that these regulations would have to go through Justice. They have just recently been returned to the department. The process to formulate whether or not FMB would approve these, will take some time and, taking into account the fiscal restraint, there may be other areas under social assistance that we may be able to review. Therefore, I do not anticipate changes to be implemented until the latter part of the fiscal year, 1991.

MR. SPEAKER: Thank you. Oral questions. Honourable Member for High Arctic.

Question O30-90(1): Payment Of Freight Costs For Dead Bodies

MR. PUDLUK: Thank you, Mr. Speaker. My question will be directed to Social Services. In the holiday season, Christmas season, a young girl committed suicide in Iqaluit and they had to ship the body to Arctic Bay. The parents were asked to pay the freight costs. Who is really responsible for paying this, Social Services or the relatives?

MR. SPEAKER: Honourable Member for Slave River.

Return To Question O30-90(1): Payment Of Freight Costs For Dead Bodies

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Speaker. Social assistance has been granted, under circumstances where the family is deemed to be in need, if it is determined that the family is capable of paying the freight costs, then the costs were probably to be absorbed by the family. In the event that the individual was a client of the department, under special circumstances the department then absorbs the freight costs.

MR. SPEAKER: Oral questions. Honourable Member for Yellowknife South.

Question O31-90(1): Financial Agreements With Neptune Resources

MR. WHITFORD: Thank you, Mr. Speaker. I have a question for the Minister responsible for Energy, Mines and Petroleum Resources. In 1989 the government was approached by Neptune Resources for a loan guarantee of some three million dollars. Since then there has been a high level management reorganization of Neptune. Can the Minister tell me whether or not this government has ever entered into any financial agreements with the new Neptune organization?

MR. SPEAKER: The honourable Member for Nunakput.

Return To Question O31-90(1): Financial Agreements With Neptune Resources

HON. NELLIE COURNOYEA: Mr. Speaker, Neptune did not exercise their request for the loan guarantee in 1988 and this government has not entered into any financial agreements with the new company.

MR. SPEAKER: Thank you. Oral questions. The honourable Member for Yellowknife South, supplementary.

Supplementary To Question O31-90(1): Financial Agreements With Neptune Resources

MR. WHITFORD: Thank you, Mr. Speaker. Can the Minister tell me whether or not the government has entered into any agreements with that new mine, in relation to other financing or hiring practices?

MR. SPEAKER: The honourable Member for Nunakput.

Further Return To Question O31-90(1): Financial Agreements With Neptune Resources

HON. NELLIE COURNOYEA: Mr. Speaker, the government has not.

MR. SPEAKER: Thank you. Oral questions. The honourable Member for Yellowknife Centre.

Question O32-90(1): Minister Of Human Resources

MR. LEWIS: Thank you, Mr. Speaker. I have in front of me a document about a community health program being held in the Yukon. I notice that among the guests at this very important conference is the Hon. Nellie Cournoyea, Minister of Health and Human Resources. Has the Government Leader secretly handed over responsibilities for Personnel to this Minister without telling the rest of us?

----Laughter

MR. SPEAKER: The honourable Member for Iqaluit.

Return To Question O32-90(1): Minister Of Human Resources

HON. DENNIS PATTERSON: Mr. Speaker, actually she is secretly running the whole government; the rest of us are just fronts. Thank you.

----Laughter

MR. SPEAKER: The honourable Member for Yellowknife Centre, supplementary.

Question O33-90(1): Human Resources Responsibility

MR. LEWIS: To the Minister responsible for the Department of Health, is she now responsible for human resources because this program indicates that she is?

MR. SPEAKER: Thank you. The honourable Member for Nunakput.

Return To Question O33-90(1): Human Resources Responsibility

HON. NELLIE COURNOYEA: Mr. Speaker, on the particular program, first of all I have not fully agreed to attend the conference and be a speaker and I imagine the extra title was probably a misprint.

MR. SPEAKER: Thank you. Oral questions. The honourable Member for Baffin South.

Question O34-90(1): Docking Facilities In Cape Dorset

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I am directing this question to the Minister of Public Works, probably, with regard to Cape Dorset. Last year it was brought to my attention that there were going to be docking facilities constructed in Cape Dorset and there was funding set aside for that purpose. Since the meeting of Baffin Regional Council in Iqaluit just recently we were informed that the docking facilities have not been started as yet. Can the Minister let me know why this particular construction has not been started yet? Thank you.

MR. SPEAKER: The honourable Member for Kivallivik.

Return To Question O34-90(1): Docking Facilities In Cape Dorset

HON. GORDON WRAY: Thank you, Mr. Speaker. As you know, the docks program was transferred to the Department of Transportation earlier this year and in a letter that I recently sent to the mayor of the hamlet council I explained the situation that had occurred and some of the problems. However, if the Member examines the budget book and takes a look at what we are planning for Cape Dorset this coming summer, I think he will be pleased. Thank you.

MR. SPEAKER: Thank you. Oral questions. Honourable Member for Rae-Lac la Martre.

Question O35-90(1): Amendments To Regional And Tribal Councils Act

MR. ZOE: Thank you, Mr. Speaker. My question is directed to the Government Leader. Would the Government Leader indicate to the House when he will be bringing forward amendments to the Regional and Tribal Councils Act?

MR. SPEAKER: Thank you. The honourable Member for Iqaluit.

Return To Question O35-90(1): Amendments To Regional And Tribal Councils Act

HON. DENNIS PATTERSON: Mr. Speaker, I am eagerly awaiting advice from this House on the role, responsibilities and evolution of regional and tribal councils. I hope that this session we will undertake a vigorous debate on the government's political and constitutional development paper which had been earlier tabled and which dealt with regional councils, among other issues, but on which, unfortunately, we have not yet had a proper debate. Like in all things, Mr. Speaker, I will await advice from the honourable Member and others who are concerned about this issue before taking action to amend the legislation. Thank you.

MR. SPEAKER: Thank you. Oral questions. The honourable Member for Rae-Lac la Martre, supplementary.

Supplementary To Question O35-90(1): Amendments To Regional And Tribal Councils Act

MR. ZOE: Thank you. A supplementary, Mr. Speaker. Mr. Speaker, maybe the Government Leader is not as well aware as the former Minister of Municipal and Community Affairs, but a number of regional and tribal councils have passed motions and submitted them to Municipal and Community Affairs when that responsibility was with MACA. At that particular time the Minister indicated that later in the fall or the following winter the government may be bringing forward amendments to the Regional and Tribal Councils Act. What is keeping our government from making amendments to the Regional and tribal Councils have requested? It has been two or two and a half years now...

MR. SPEAKER: Order. The question has already been posed. The honourable Member for Iqaluit.

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. Mr. Speaker, I do acknowledge that there were recommendations on amendments of a more technical nature made by various regional and tribal councils. I thought the honourable Member was referring to the bigger question of the role of regional and tribal councils and their evolving jurisdiction. Mr. Speaker, with regard to the particular amendments, I would like to take that question as notice and respond to the Member during this session. Thank you.

MR. SPEAKER: Thank you. The honourable Member is taking the question as notice. Oral questions. The honourable Member for Tu Nede.

Question 036-90(1): Replacement Of Chipewyan Language Interpreter

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of Culture and Communications. Mr. Minister, as you are aware, CKNM radio broadcasts live the proceedings of this Assembly to the communities five days a week. Monday is the Chipewyan language day, so once a week the elders in our community can listen to the proceedings of this Assembly in their own language. Why, today, when the Budget Address was given by the Minister of Finance, as well as the proceedings right now, was the Chipewyan language interpreter sent out of the interpreter booth and replaced with the French language interpreter? I hope this is not going to continue to happen. Why did that happen?

MR. SPEAKER: The honourable Member for Amittuq.

HON. TITUS ALLOOLOO: Mr. Speaker, I do not know. I will attempt to find out. Thank you.

MR. SPEAKER: The question is taken as notice. Oral questions. Oral questions. The honourable Member for Natilikmiot.

Question O37-90(1): Facilities For The Elderly And Disabled

MR. NINGARK: (Translation) Thank you, Mr. Speaker. I will be directing this question to the Minister of Social Services. In my area there are people who are physically handicapped and older people who are incapable of moving their bodies, who require help. When they do require such help, they have to go to a larger community where there are better services

available for them. The Inuit in my region usually have their relatives to help them, and their relatives do not want the disabled people or the ones that are too old to look after themselves to go away. When will facilities be available in my constituency for disabled people? Thank you.

MR. SPEAKER: Honourable Member for Slave River.

Return To Question O37-90(1): Facilities For The Elderly And Disabled

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, it is probably the hope of this government to be able to provide facilities for the handicapped to all regions in the NWT. Unfortunately, with our fiscal restraint that we are heading into, we are going to be fairly limited. Currently there are such facilities available in the Baffin Region and an adult facility available in the Keewatin Region, along with one here in Yellowknife. The other regions are going to have to be looked at and, upon need, a determination made as to whether or not a facility will be built. However, I am sure that in the Kitikmeot Region there are many individuals who require a facility for the handicapped. In the assessment, needs will be determined and efforts will be made to assist with the facility. Thank you.

MR. SPEAKER: Thank you. Oral questions. Honourable Member for Aivilik.

Question O38-90(1): Personal Care Facilities For The Aged, Keewatin Region

MR. ERNERK: (Translation) Thank you, Mr. Speaker. I am going to ask this question but it is obvious that I will not be getting a proper answer. I will direct this question to the Social Services Minister. On February 7th a very old man, John Kavik, around the age of 95 or 96, was transferred to Yellowknife because he was not able to look after himself any more and had to be assisted by the nurses at all times. He was transferred to Aven Seniors' Centre because there is no home for the aged in the Keewatin. I would like to ask the Minister of Social Services if the territorial government could look into, and consider constructing, a home for the aged for the Keewatin Region, so the Inuit could stay at home.

MR. SPEAKER: Thank you. Honourable Member for Slave River.

Return To Question O38-90(1): Personal Care Facilities For The Aged, Keewatin Region

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, there are a number of personal care facilities now being developed across the Territories which are taken into account in conjunction with CMHC. The Member's request will be reviewed and consideration certainly be granted.

MR. SPEAKER: Honourable Member for Kitikmeot West.

Question O39-90(1): Public Service Shut-Down During Christmas Season

MR. PEDERSEN: Thank you, Mr. Speaker. To the Government Leader, further to the reply to the oral question that he gave me today. I am sure that all of us looking at a calendar realized that the public service would be shut down four days over Christmas -- Saturday, Sunday, Monday and Tuesday. Could the Government Leader inform me if the public was advised and if so, how, that this additional generosity to an already privileged group had been authorized?

MR. SPEAKER: Honourable Member for Iqaluit. Honourable Member for Slave River.

Return To Question O39-90(1): Public Service Shut-Down During Christmas Season

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Speaker. As the Government Leader indicated earlier, this leave was granted under tradition. In reviewing the documents, it was not the tradition of the government to advise the public that the public service would be closed prior to Christmas.

MR. SPEAKER: Thank you. Honourable Member for Kitikmeot West, supplementary.

Supplementary To Question O39-90(1): Public Service Shut-Down During Christmas Season

MR. PEDERSEN: Thank you, Mr. Speaker. The tradition the Minister is referring to is one that I am not aware of. It has been done in the past because in the past years referred to, the statutory holidays happened to fall on a Saturday, Sunday, apart thereof. That was not the case this year. Further and supplementary, in the response that the Government Leader gave me today, he indicated that not all employees had this off. Could I be informed how many employees had this additional time off?

MR. SPEAKER: That is extremely close to a written question in terms of the information required. However, I will allow the honourable Member for Slave River to answer if she has the answer at hand.

Further Return To Question O39-90(1): Public Service Shut-Down During Christmas Season

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, obviously I do not have the answer at hand to know how many employees had the time off. However, where operational requirements permitted, the civil servants were granted the time off if it did not interfere with operational requirements. I am sure the correctional workers and other workers that work shift work were not granted the time off.

I must state for the record that I am amazed at the dwelling on this issue by the honourable Member...

MR. SPEAKER: Order. I must also remind the honourable Members that in responding to an oral question that you should not allow for debate in the response. So I will call the honourable Member to order. Oral questions. Honourable Member for Baffin South.

Question O40-90(1): Personal Care Facilities For Aged, Baffin Region

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I have a question for the Department of Social Services. This is for the Baffin area. The same question that was raised by Mr. Ernerk. Are all the communities included in the personal care facilities being looked into in conjunction with CMHC?

MR. SPEAKER: Honourable Member for Slave River.

Return To Question O40-90(1): Personal Care Facilities For Aged, Baffin Region

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, personal care is determined by the different levels which senior citizens may be applying to. The Department of Social Services is responsible for the first two levels that individuals may be assisted in a facility. The other levels are all under the responsibility of the Department of Health. However, as the Department of Social Services does its review in determining what areas require personal care services, I am sure that the Baffin Region, along with every other region, will be

considered.

MR. SPEAKER: Thank you. Oral questions. Honourable Member for Yellowknife South.

Question O41-90(1): Purchasing Policy For Government-Run Stores

MR. WHITFORD: Thank you, Mr. Speaker. I have a question directed to the Minister responsible for Economic Development. I believe that is the department that looks after government-run stores such as the one at Rae Lakes. Can the Minister tell me if there is any policy or guidelines given to stores that are run by the government concerning "buying North" any supplies that are needed for these particular stores? Do they have a policy or regulations that give direction to the stores to buy their supplies in the North where available?

MR. SPEAKER: The honourable Member for Kivallivik.

HON. GORDON WRAY: Thank you, Mr. Speaker. I am going to have to take the question under advice because these are run by government but I do not know to what extent they are subjected to government purchasing policies, quite frankly, and I do not know if they have been subjected to government purchasing policies or whether they have been left to operate very much on their own. So I will take that under advice.

MR. SPEAKER: The honourable Member is taking the question as notice. Oral questions. The honourable Member for Tu Nede.

Question O42-90(1): Environmental Assessments For Pulp Mills

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of Renewable Resources. Mr. Minister, as you are aware, it seems that our government and the people of the NWT have got Alberta Pacific, ALPAC, on the run, the pulp mill in Athabasca. But there are also many other pulp mills and expansions being planned in Alberta. Do you have a person delegated to look after our affairs and watch these other pulp mills go through all the same environmental assessments that we are asking of ALPAC?

MR. SPEAKER: Honourable Member for Amittuq.

HON. TITUS ALLOOLOO: Thank you, Mr. Speaker. My department has been involved quite heavily on the environmental hearings and the pulp mill development in Northern Alberta. As to our representative keeping check on these proposed pulp mills, I would have to get back to the Member with further details.

MR. SPEAKER: Oral questions. Honourable Member for Aivilik.

Question O43-90(1): Press Release On Kiggavik Uranium Mine

MR. ERNERK: Thank you, Mr. Speaker. My question is directed to the Government Leader. I have in front of me a press release from Rankin Inlet dated February 12, 1990. It states that Louis Pilakapsi, president of the Keewatin Inuit Association and a member of the Northern Anti-Uranium Coalition, NAUC, said today that he is very upset with the contents of a letter written by a federal government official dated January 26, 1990. The writer is W.J. Stephen, director general, Northwest Territories region, northern affairs program, Indian and Northern Affairs Canada. The letter states in part, "After very thorough environmental screening and extensive

public hearings and political debate, the territorial government will approve the Kiggavik uranium mine. Construction will start about 1995." Is this true, Mr. Speaker?

----Laughter

MR. SPEAKER: The honourable Member for Iqaluit.

Return To Question O43-90(1): Press Release On Kiggavik Uranium Mine

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. Mr. Speaker, the letter is a surprise to me and this is the first I have heard of any decision made on that subject by our government. Our position, as has been announced by Ms Cournoyea and other Ministers in our government, is that we are waiting for the hearings before we take a position. So, Mr. Speaker, the contents of the letter certainly are not true and I am sure the honourable Member would not hold me responsible for statements made by a federal public servant. Thank you, Mr. Speaker.

MR. SPEAKER: Oral questions. Honourable Member for Tu Nede.

Question O44-90(1): Land Use Permits For Deninoo Community Council

MR. MORIN: Thank you, Mr. Speaker. My question is to the Minister of Renewable Resources. Mr. Minister, the Deninoo Community Council have tried to obtain the land use permits and any other permits that Pine Point Mine had to get to be in operation as well as to close down. They are unable to obtain those permits. Would you be able to obtain those permits and give them to me?

MR. SPEAKER: Honourable Member for Amittuq.

Return To Question O44-90(1): Land Use Permits For Deninoo Community Council

HON. TITUS ALLOOLOO: Mr. Speaker, I will attempt to obtain those permits. If I do I will give copies to the Member.

MR. SPEAKER: Thank you. Oral questions. Honourable Member for Yellowknife Centre.

Question O45-90(1): Input Into Economic Development Strategy

MR. LEWIS: I hate to interrupt the Minister responsible for Economic Development and Tourism engaged on uranium business, Mr. Speaker, but my question is this: Since the Minister of Finance has outlined a very considered response to the special committee on the northern economy's report, and has mentioned also the economic development strategy of the Department of Economic Development, would the Minister tell this House whether this was put together by his department or by the government?

MR. SPEAKER: Honourable Member for Kivallivik.

Return To Question O45-90(1): Input Into Economic Development Strategy

HON. GORDON WRAY: Thank you, I am not quite sure what the Member is referring to. Is he talking about the budget speech or economic strategy? If it is the economic strategy, it was put together by the government and the budget speech was put together by the Department of Finance with input by other government departments.

MR. SPEAKER: Thank you. Oral questions. The honourable

Member for Yellowknife Centre, supplementary.

Supplementary To Question O45-90(1): Input Into Economic Development Strategy

MR. LEWIS: That is a perfect lead in to my next question, Mr. Speaker. Since the Minister of Finance has really had input from all the government, it is a government approach to our fiscal situation, can the Minister responsible for Economic Development and Tourism indicate to this House whether he did the same thing in putting together his economic development strategy? Did he in fact have a working committee of people from all over the government or input from all over the government in order to put that economic development strategy together?

MR. SPEAKER: Honourable Member for Kivallivik.

Further Return To Question O45-90(1): Input Into Economic Development Strategy

HON. GORDON WRAY: Thank you, Mr. Speaker. There were a number of ways in which we gained input; one of those ways was a senior committee comprised of deputy ministers from the major departments concerned with economic development, who met regularly from about April or July of last year. But in fact there was considerable discussion at the very senior level of government. That was, however, only one method by which we put together a strategy. Extensive consultation was carried out with the private sector, chambers of commerce, individual businessmen, and other segments of northern society, including the input that was provided by the special committee on the northern economy. But there was a senior level of government, deputy ministers, involved in the formation of the document.

MR. SPEAKER: Thank you. Oral questions. Oral questions. Oral questions. Item 7, written questions. The honourable Member for Natilikmiot.

ITEM 7: WRITTEN QUESTIONS

Question W2-90(1): Medical Out-Patients In Yellowknife

MR. NINGARK: Thank you, Mr. Speaker. My question is directed partly to the Minister responsible for Social Services and partly to the Minister responsible for Health.

We have so often overlooked some very important negative and positive aspects when undergoing solving problems. I have seen and heard, Mr. Speaker, that some medical outpatients, when in Yellowknife, get into social and family problems because of use of alcoholic drinks. I am speaking of only a fraction of patients that are sent to Yellowknife. There are a number of these types of problems that I can justify but would the Ministers responsible take some action to put in place a monitoring system and take disciplinary action whenever possible? Thank you.

MR. SPEAKER: Thank you. Written questions. The honourable Member for Kitikmeot West.

Question W3-90(1): Cost To Government In Wages For Granted Time Off

MR. PEDERSEN: Thank you, Mr. Speaker. It is a written question to the Minister of Personnel. I do it written to make sure you do not rule me out of order. You attempted, I know. At the risk of further amazing the Minister, would she advise me how much it cost our government in wages to grant time off to our employees on December 22, 1989 from noon to 5:00 p.m. and on December 29, 1989 from 3:00 p.m. to 5:00 p.m.?

MR. SPEAKER: Thank you. Written questions. Written questions. Written questions.

Item 8, returns to written questions. Returns to written questions.

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

Item 10, replies to Budget Address. Replies to Budget Address.

Item 11, petitions. Petitions. Item 12, reports of standing and special committees. The honourable Member for Hay River.

ITEM 12: REPORTS OF STANDING AND SPECIAL COMMITTEES

Report Of Standing Committee On Finance On 1990-91 Main Estimates

MR. POLLARD: Thank you, Mr. Speaker. In accordance with its terms of reference, Mr. Speaker, the standing committee on finance is pleased to submit its report on the review of the 1990-91 main estimates of the Government of the Northwest Territories.

The standing committee on finance met in Yellowknife from November 24 to December 15, 1989 and January 18 and 19, 1990, to conduct a review of the 1990-91 main estimates of the Government of the Northwest Territories. The committee, Mr. Speaker, met with representatives of 17 departments, two corporations, one directorate, one secretariat and five boards. The 1990-91 budget review was the third review for this particular group of standing committee on finance Members and the committee was pleased to welcome Mr. Pedersen as a new Member. The committee alternates were given the opportunity to attend all sessions, Mr. Speaker, as full Members.

The committee prepared for the hearings by reviewing the standing committee on finance 1991 capital estimates summary review; the standing committee on finance 1990-91 main estimates; the 1987-88, 1988-89, 1989-90 main estimates, O and M and capital. The committee also considered material requested from the departments both prior to and during the hearings. As well, supplementary material was provided by some departments during the presentations.

The rationale for the review of the 1990-91 budget, Mr. Speaker, was as follows: 1) determine policy objectives of the department and changes to the objectives from the previous budget; 2) ascertain whether programs are meeting policy objectives adequately; 3) determine what criteria were used for the addition or deletion of programs; 4) determine whether the budget presented was realistic and adequately allowed the government departments to fulfil their mandates.

During the November to December meetings, Mr. Speaker, the committee recognized that due to on-going negotiations on a new formula funding agreement with the federal government, some budget items could change prior to the presentation of the 1990-91 main estimates to the Legislative Assembly this February.

MR. SPEAKER: Excuse me. Could I call order in the House, please. Thank you. Member for Hay River.

Major Issues

MR. POLLARD: Thank you, Mr. Speaker. Five major issues of concern to the committee arose during the 1990-91 budget review. These five issues are not specific to one department but apply to the government as a whole. The issues are: validity of originally proposed budget; deficit financing; capital process and consultation; activity size; and, capital estimates books.

Validity Of Originally Proposed Budget

During the November/December budget review sessions, the Minister of Finance provided the committee with documents which did not reflect the need for restrained growth. Mr. Speaker, Members believe the Minister of Finance made no effort to prepare and present a budget which reflected the reality of the impending changes to the formula financing agreement with the federal government. I might point out, Mr. Speaker, that Mr. Lewis on a number of occasions asked the Minister of Finance if this was merely a budget to be presented to us and if there was a second budget prepared and he was told again and again that there is no second budget, Mr. Speaker.

Members of the committee, Mr. Speaker, hoped that the territorial Minister would adopt an approach similar to that taken by his Yukon counterpart and present a more modest and realistic budget. In taking this approach, the Yukon government was able to consider various options for restraining growth and make appropriate decisions based on planning and logic. In contract, Mr. Speaker, the NWT Minister of Finance made cuts to a budget prepared over a lengthy planning cycle only after the final funding agreement was announced. These cuts, Mr. Speaker, were made solely to satisfy a need to cut a particular dollar amount and did not appear to be the result of long-term planning or an in-depth consideration of programs and services. In fact, some Members, Mr. Speaker, felt that the committee was wasting its time in reviewing a budget which did not reflect the impending changes to the federal funding agreement. In future, Mr. Speaker, the committee expects the budget presented to be realistic.

Deficit Financing

With regard to deficit financing, Mr. Speaker, the Government of the Northwest Territories is proposing a deficit budget for 1990-91. Members believe the government should learn from the experiences of other provincial and national governments and avoid deficit financing. With the volatile nature of the NWT economy, Mr. Speaker, the committee does not support deficit financing which would result in drawing the accumulated surplus down to a zero balance. The government must retain an adequate surplus as a safety measure against difficult times. The committee recognizes that the government is presenting a deficit budget for 1990-91, but the committee expects the government to complete a base review during 1990-91 to ensure that no future deficit budgets are proposed, Mr. Speaker.

That would lead us to recommendation number one: The standing committee on finance will not approve a deficit budget after fiscal year 1990-91.

Capital Process And Consultation

The government does not have funding available, Mr. Speaker, to meet all the infrastructure needs of all communities across the Northwest Territories. Therefore, priorities must be set to allow the development of a capital plan. The committee supports the concept of communities participating in the capital decision-making process. Members also feel Members of the Legislative Assembly are elected to represent the needs and concerns of the constituencies and should be involved in the capital process. The committee believes the departments should make a greater effort to set capital priorities through consultation with communities and

MLAs.

Recommendation number two, Mr. Speaker: The committee recommends that Members of the Legislative Assembly, as representatives of the needs and concerns in their constituencies, should be involved in the capital process of all departments.

Activity Size

With regard to activity size, Mr. Speaker, part of the role of the standing committee on finance is to ensure that the spending of the government is carried out in a way which is acceptable and in keeping with the directions of the Legislative Assembly. It is for this reason, Mr. Speaker, that the committee reviews the budget at department, activity and task levels. However, departments have the freedom to reallocate funds within activities. Therefore, large activities can increase flexibility of departments' use of funds and decrease accountability to the Legislative Assembly. While the committee accepts that there must be a degree of flexibility to allow departments to react and provide appropriate services and programs, there is also a concern that some activities have become too large, Mr. Speaker. A list of the 25 largest activities in the GNWT is located in appendix D. The government should review large activities and consider options such as splitting one activity into two.

Recommendation number three, Mr. Speaker: The committee recommends that appropriate changes be made to the following activities to reduce their size: Education, schools; Social Services, community and family support; Public Works, buildings and works; Renewable Resources, fire operations; Education, advanced education; Personnel, regional operations; Transportation, highways operations; Social Services, corrections services; Social Services, family and children's services; Economic Development and Tourism, business development.

Capital Estimates Books

Mr. Speaker, an issue of concern to the Members is consistency in the capital estimates books from year to year. The committee is disturbed to find major projects listed in one year but not listed the next year. Once a project is listed in the capital estimates book, the expectations of the community and MLAs are raised and people make decisions according to these expectations. The committee recognizes that the capital estimates, particularly for future years, are only estimates. However, Members believe that the listing of a project establishes a commitment from the government to the community.

Recommendation number four, Mr. Speaker: The committee recommends that once a multi-year project has been listed in the capital estimates book, it should only be deferred or removed from the next year's book at the request of the community.

Follow-up On 1988-89 And 1989-90 SCOF Recommendations

Each year, Mr. Speaker, the standing committee on finance has referred back to previous years and looked at the responses to recommendations that it had made previously in order to maintain consistency. The standing committee on finance continues to have concerns regarding the following recommendations, which were made in the committee's reports on the 1988-89 and 1989-90 budget reviews. Responses to all the recommendations made in the 1988-89 report are located in appendix B, Mr. Speaker.

In prior years the committee recommended that a

comprehensive base review of spending be conducted. The government has not yet begun a base review. Recommendation number 27 this year, Mr. Speaker, would be: The committee recommends that a base review of spending be conducted in 1990 and that the results of that review be reflected in the 1991-92 main estimates.

Perhaps if the government had taken notice of our recommendations previously, Mr. Speaker, they would not have had to just go in and lop off things in the budget when they faced a cutback from the federal government.

Prior year recommendation -- the standing committee on finance recommended that the final report of the capital needs committee be presented to the standing committee on finance as an information item. The committee believes that the recommendation is being addressed. However, the capital needs committee has not completed its final report. Therefore, a complete response to the recommendations is still outstanding.

This year's recommendation number 28, Mr. Speaker, would be: The standing committee on finance recommends that the final report of the capital needs committee be presented to the standing committee on finance as an information item.

In previous years the committee recommended that the Department of Economic Development and Tourism ensure ongoing support is provided to new businesses. The committee supports the work done by the department on this issue, Mr. Speaker. However, the measures implemented do not completely address the problems of new small businesses. There is no indication in the response that there has been a review of the role of the area economic development officers although these are the staff which must provide the ongoing support. So this year under recommendation number 29, Mr. Speaker: The committee recommends that the Department of Economic Development and Tourism ensure ongoing support is provided to new businesses.

The committee recommended earlier that addressing the problem of consistency in the level and quality of education should be a major priority of the Department of Education until the situation improves as reflected in measuring devices such as the grade six and nine standardized testing. Although there has been some progress in this area, Mr. Speaker, recent standardization test results indicate that the problem still exists. The committee will continue to monitor the efforts of the Department of Education regarding this issue.

Recommendation number 30 this year, Mr. Speaker: The committee recommends that addressing the problem of consistency in the level and quality of education should be a major priority of the Department of Education until the situation improves as reflected in measuring devices such as the grade six and nine standardized testing.

Prior year recommendation – the committee recommends that the NWT Housing Corporation undertake a complete review of the public housing unit allocation process. The committee does not believe the response by the Corporation addresses the major concerns of the committee. The process continues to be based on the needs studies. In previous years, and again during the 1990-91 review, Members questioned the validity of the needs studies. A recommendation on this issue is under the topic of NWT Housing Corporation, Mr. Speaker.

Mr. Speaker, this document, and items and appendices in this document, refer to earlier years' SCOF documents, and I would like to point that out to Members of the House. Under appendix C there are documents there that were discussed

last year, and some people said they existed and some people said they did not. This year we put them in the book, Mr. Speaker, and I must tell people who are going to read these documents that they are based on the numbers placed before us in the November/December review. They are not based on actuals' they are based on what comes before the standing committee on finance.

Mr. Speaker, that would conclude my report. I would like to say that while we are critical at times of the Minister of Finance, the Minister of Finance gave us total co-operation, as did Lew Voytilla of the Minister's staff, who liaises with us; and we received complete co-operation from other members of the Executive and their staff as well. I would like to thank the committee for their three weeks of work and Lynn Elkin-Hall, our researcher, Doug Schauerte our committee clerk, Goo Arlooktoo, our Members' assistant; and Richard Bargery, a researcher. Of course, the interpreters had a major role to play translating difficult wording at times and very technical documents, Mr. Speaker, and I would like you to thank them for us.

Motion To Move Report Of Standing Committee On Finance To Committee Of The Whole, Carried

Mr. Speaker, I would now move, seconded by the honourable Member for Yellowknife Centre, that the report of the standing committee on finance of the review of the Government of the Northwest Territories 1990-91 main estimates be moved into committee of the whole for discussion and deliberation. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: The motion is in order. All those in favour? Those opposed? The motion is carried.

----Carried

The committee report shall be referred to committee of the whole. If I could recommend that we take a 15 minute break.

---SHORT RECESS

MR. SPEAKER: I would like to call the House back to order. Item 12, reports of standing and special committees. The honourable Member for Yellowknife South.

MR. WHITFORD: Mr. Speaker, we do not have a quorum.

MR. SPEAKER: Are you rising on a point of order?

----Laughter

MR. WHITFORD: Point of order.

MR. SPEAKER: The honourable Member for Yellowknife South recognizes that there is no quorum. Just to remind Members that if you do not call the attention of a quorum to the Chair we do not have to recognize it. The issue has been called to my attention and, therefore, I must ring the bells.

Item 13, tabling of documents. Tabling of documents.

Item 14, notices of motion. Notices of motion.

Item 15, notices of motions for first reading of bills. Notices of motions for first reading of bills.

Item 16, motions. Motions. Item 17, first reading of bills. The honourable Member for Yellowknife North.

ITEM 17: FIRST READING OF BILLS

First Reading Of Bill 9-90(1): Appropriation Act, 1990-91

HON. MICHAEL BALLANTYNE: Mr. Speaker, I move, seconded by the honourable Member for Iqaluit, that Bill 9-90(1), Appropriation Act, 1990-91, be read for the first time.

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

----Carried

Bill 9-90(1) has had first reading. First reading of bills. First reading of bills. Item 18, second reading of bills. The honourable Member for Yellowknife North.

ITEM 18: SECOND READING OF BILLS

HON. MICHAEL BALLANTYNE: Mr. Speaker, I seek approval of the House to proceed to second reading of Bill 9-90(1), Appropriation Act, 1990-91.

MR. SPEAKER: The honourable Member is requesting consent to give second reading to Bill 9-90(1), today. Are there any nays? Proceed, Mr. Minister. You have unanimous consent.

Second Reading Of Bill 9-90(1): Appropriation Act, 1990-91

HON. MICHAEL BALLANTYNE: Mr. Speaker, I move, seconded by the honourable Member for Iqaluit, that Bill 9-90(1), Appropriation Act, 1990-91, be read for the second time. The purpose of this bill, Mr. Speaker, is to authorize the Government of the Northwest Territories to make expenditures for the fiscal year ending March 31, 1991.

MR. SPEAKER: To the principle of the bill. Question has been called. All those in favour? All those opposed? The motion is carried.

---Carried

Bill 9-90(1) has had second reading. Mr. Clerk, Bill 9-90(1) has had second reading and is ordered into committee of the whole for today. Second reading of bills. Item 19, consideration in committee of the whole of bills and other matters: Report of Standing Committee on Finance on the 1990-91 main estimates; Bill 9-90(1), with Mr. Pudluk in the chair.

ITEM 19: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

Bill 9-90(1): Appropriation Act, 1990-91

CHAIRMAN (Mr. Pudluk): The committee will come to order. How would the House Leader wish to proceed?

HON. MICHAEL BALLANTYNE: With the permission of the committee we would like to start with the Executive, with Mr. Patterson and his witnesses.

CHAIRMAN (Mr. Pudluk): The books are just arriving to this House. We will have to wait a few minutes to get them all around. Page 2.03, Executive. Mr. Ballantyne.

Department Of Executive

HON. MICHAEL BALLANTYNE: Thank you. For the information of the committee, the Government Leader is prepared to deal with the Commissioner's Office, Ministers'

Offices, Intergovernmental Affairs, Executive Council Secretariat, Statistics Bureau, Audit Bureau, Regional Operations, Priorities and Planning Secretariat, Office of Devolution, and Public Affairs. For the other activities that are in the Department of the Executive budget, the Ministers responsible will deal with them later on in the process, and that includes Aboriginal Rights and Constitutional Development Secretariat, Women's Directorate, Highway Transport Board and Public Utilities Board. The Government Leader will deal with the first grouping and the other ones will follow with the Ministers as we proceed into the budget. Thank you.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Ballantyne. Mr. Government Leader, do you want to make opening remarks?

Minister's Opening Remarks

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. Mr. Chairman, the activities encompassed within the Department of the Executive, as my friend on my right has just said, include the Commissioner's Office, Ministers' Offices, Intergovernmental Affairs, Executive Council Secretariat, Statistics Bureau, Audit Bureau, Regional Operations, Priorities and Planning Secretariat, Office of Devolution, and Public Affairs.

There are other activities which are part of the Department of the Executive budget, but which report to other Ministers. These are the Aboriginal Rights and Constitutional Development Secretariat, Women's Directorate, Highway Transport Board and Public Utilities Board. As in the past, the responsible Ministers will deal separately with those particular areas. Mr. Chairman, the information items for the Workers' Compensation Board and the Science Institute are also included as part of the Department of the Executive.

The major change reflected in the document before you is the transfer proposed of responsibility for funding regional and tribal councils from the Department of Municipal and Community Affairs to the Department of the Executive. This transfer recognizes that the interests of regional councils far exceed the programs of the Department of Municipal and Community Affairs and range across the entire Government of the Northwest Territories. It makes sense to us to propose that the budget be transferred to the Department of the Executive Department to assume that portfolio responsibility.

Mr. Chairman, we propose to continue the direction of the 1987 reorganization of the Fort Smith Region. I am proposing the addition of an area director for the North Slave area, as well as the upgrading of a Fort Simpson area position to a similar level. The purpose of this change is to provide executive management and program co-ordination in the Fort Simpson area and the North Slave area independent of the regional executive in Fort Smith. These areas are small enough, however, that in the case of some specialist functions there is insufficient business to support dedicated officers. Specialists currently located in Fort Smith will be available to work at the direction of Fort Simpson and North Slave area managers.

Mr. Chairman, the net impact of the changes I have mentioned and reallocations within the department are reflected in a base increase of \$268,000 and an increase in the 1990-91 capital estimates of \$48,000. This budget increase includes a base adjustment for negotiated salary increases.

I am proposing other changes which have a lesser impact on the budget. These items include additional funding for the Aboriginal Rights and Constitutional Development Secretariat due to increased travel related to claims negotiations; additional funding for the Public Utilities Board to cover the increased costs associated with assuming responsibility for rate hearings for the NWT Power Corporation; additional funding for the security function to re-tender our security contract in Yellowknife and to upgrade safety programs; an additional person year and funding for the secretary to the political and constitutional development committee of cabinet; additional contribution funding for the restructuring of the Women's Directorate and the Status of Women Council; and additional funding for the Bureau of Statistics for ongoing work on labour force statistics.

There have also been minor reallocations within the department. These have included such things as a decrease of \$25,000 in the Commissioner's budget as a result of spending patterns which have been historically lower than budgeted. This decreased requirement is due to the increased responsibilities assumed by myself, the Deputy Government Leader and Ministers. In addition, funding reallocated from elsewhere within the department in the 1988-89 fiscal year for the Office of Devolution has been transferred to other activities which have assumed devolution responsibilities.

Mr. Chairman, that concludes my opening remarks. I would be pleased to address any questions that the Members may have. I would ask, however, that Ms Louise Vertes, deputy minister of the Executive Council, and Ms Janet-Marie Fizer, director of finance and administration for the Executive, be invited in as witnesses during the discussion of my department's budget. Thank you.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Patterson. I wonder if the chairman of the finance committee would like to make any opening remarks. Mr. Pollard.

MR. POLLARD: Thank you, Mr. Chairman. Mr. Chairman, we have no specific things regarding the Executive, sir, but as we go through the book there may be some comments that I would like to make. Thank you, Mr. Chairman.

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

MR. ERNERK: (Translation) Thank you, Mr. Chairman. I will be making brief comments and once in a while I will be asking questions of the Government Leader. This is how I would like to proceed with the meeting. (Translation ends)

People in my region, the constituency that I represent, look to this department as one of the most important departments within the government. Before I go on to one of the items that I want to talk about, the issue of regions, this activity seems to be missing from the Department of the Executive. Maybe I just did not see it. Has that been transferred to somewhere else? I am sorry, I see it.

What I want to talk about, Mr. Chairman, is the issue of accountability to the people in the regions. It has always been my belief that the Government of the Northwest Territories at the regional director's office and senior managers' point of view is to deliver programs and be accountable to the people in the communities. To me, that means government at the regional level, at the senior staff level, superintendents and the regional director, going out to the communities, selling yourself, selling your programs, ideas and services to the people at the community level. Yet in the Keewatin Region, the idea of promoting yourself as a government responsible to the people in the communities, has not existed.

In the last two months, dating back to the beginning of December, I had a chance to visit the communities in my constituency. I had a chance to meet with the hamlet council in the communities of Coral Harbour, Repulse Bay, Igloolik, Chesterfield Inlet. Each one of the communities has indicated to me that the presence of government at the executive level is non-existent. This indicates to me, Mr. Chairperson, that the Government of the NWT at the regional level is not meeting its objective, to deliver and to be visible at the community level. I think that is wrong. I think the priority has to be accountable to the people you are serving in the region. That would be called a good government. I will just wait for a reaction at this point, Mr. Chairperson.

CHAIRMAN (Mr. Pudluk): Thank you. I wonder if the Government Leader would like to bring any witnesses in or are you going to talk yourself? Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I would ask that Ms Fizer and Ms Vertes be permitted in. Perhaps while they are coming in I could just respond to the Member's comment and then I will join them at the witness table.

Mr. Chairman, the Executive department, of course, represents the cabinet and reports to me. I would like to suggest to the honourable Member that as far as representation at the highest level of the Executive department of our government is concerned, I think his region has done pretty well. By my quick calculation there have been at least three other Ministers, the Ministers of Health, Renewable Resources, and Housing, as well as myself, who have toured the Member's constituency or most of his communities. Cabinet itself just last fall met for several days in the regional centre, including meetings with regional superintendents and representatives of other organizations. So I find it surprising that the honourable Member would suggest that the Executive presence has been non-existent. I believe that the cabinet itself has paid a fair amount of attention to that honourable Member's constituency and region and of course Mr. Wray, as well, spends time in the region. So I find his remarks a little difficult to understand, for those reasons, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Mr. Ernerk.

MR. ERNERK: Thank you, Mr. Chairman. I am very much aware of the Ministers' coming into my constituency back in September. I am very much aware of the fact that the Government Leader himself, including the Minister of Health as well as the Minister of Renewable Resources and Culture and Communications, came to my constituency. I can assure you that that was very well accepted, a very good move on the part of the Ministers and the Government Leader himself.

I am not sure whether I am totally understood by the Government Leader, when I talked about the regional executive. I can also tell you that fairly recently, about two to three months ago, a new assistant regional director by the name of Marius Tungilik was hired. He is an Inuk, which is something that I have always totally believed in -- that more Inuit should take on the responsibility of being placed in really responsible positions. I think that is a very good move. I do give credit to the GNWT for taking on this individual as their regional director. He has made a visit to one or two communities.

When I was talking about the regional executive, I tried to emphasize a regional executive being non-existent at the community level that I represent. I have just indicated to the House and to the Government Leader just a few minutes ago that when I had the opportunity to visit the three communities of Repulse, Chesterfield Inlet and Coral Harbour, each mayor and the members of the hamlet councils, during my meetings with them, indicated to me that the presence of the senior staff at the superintendent level, as well as the regional director level, is non-existent. I said that is not being accountable. It means it is a poor performance by the regional senior staff in Rankin Inlet. In other words, a good representative government, when they are representing the Executive in Yellowknife, should be able to go out to the communities on a yearly basis and visit the communities, meet with people, express the programs of government to the people at the community level and be visible and be accountable.

I have absolutely no problem with the government -- maybe I should rephrase that -- I am very much aware that the Government Leader and his Ministers come into my constituency. I think that is very good. I have no arguments about that.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Ernerk. General comments. Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. Under this department I have a few comments and I suppose it will take the form of a question which maybe the Government Leader could answer. I would like to dwell a bit on Regional Operations. In my own region I find that overall government policy does not get carried out all as well as I would like to see it happen. I would like to ask the Government Leader to describe for me what is the current status of the relationship from the Executive Council through his office into the region to ensure that this happens. This will relate directly, I am sure, to the role of the regional director in relationship to deputy ministers and their regional superintendents. What is the current reporting relationship, working relationship, and are there any plans for the future in revising this?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. As the Member knows, I am sure, the regional directors report to me. I have an associate deputy minister whose principal responsibility is to maintain good communication with the regional directors and to act as a conduit for them, should they require information from my office.

Mr. Chairman, the regional directors also attend senior management committee meetings, quarterly, and as far as the relationship is concerned between regional directors, superintendents and deputy ministers, if I understand the Member's question, we have worked out guidelines involving the roles and relationships of deputy ministers and regional directors. Those guidelines were worked out co-operatively between committees of deputy ministers and regional directors who worked under the auspices of the senior management committee to fine tune those guidelines on matters such as signing authorities and communication and hiring and the overall relations between headquarters and the field.

So I think there is a fairly good clarification being achieved through that exercise on how the people in the field and our headquarters are to work co-operatively together in such a large jurisdiction as ours.

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

MR. PEDERSEN: Thank you, Mr. Chairman. If there is any conflict between a regional director's concept of what government policy is on a certain thing and a departmental superintendent's concept of it, who eventually will decide on which route to take in any given situation? Who has the authority in the region?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, in that situation the appropriate course of action would be for the regional director to try to work out the problem with the appropriate deputy minister. Failing that, then the deputy minister of the Executive Council or her associate would be involved and failing that then I, myself, would get involved.

CHAIRMAN (Mr. Gargan): Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. Within the Executive Council itself this House has given the Government Leader some powers and responsibilities. One of those is to co-ordinate overall government policy. I wonder if there is a guideline within the Executive Council – is there anything for instance that limits individual Minister's spending authority up to a certain amount that they can do on their own without bringing it to Executive Council for approval?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Yes, Mr. Chairman, there are very clear limits on individual Minister's spending authority. They are set out in the Financial Administration Act and the financial administration manual.

CHAIRMAN (Mr. Gargan): Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. I take it then that they vary depending on the subject you are dealing with. One Minister on one subject might have a higher spending authority than others -- I am talking about those things that a Minister may do without getting Executive Council approval. It varies from case to case and from Minister to Minister, is that correct?

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

HON. DENNIS PATTERSON: Mr. Chairman, I would say generally that the level of authority for each Minister would be the same, with the exception that where there is a specific program involved, then levels of authority would be defined by that particular program.

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

MR. PEDERSEN: Thank you, Mr. Chairman. And in those cases where they are the same and not defined specifically by a program, what would that level be?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, I am informed that the actual spending authority of a Minister, with the exceptions that I have outlined, would be unlimited. There is no limit on the spending authority, apart from the specific programs as I described. So there are no limits on the amount that can be approved once the main estimates have been voted.

CHAIRMAN (Mr. Gargan): Mr. Pedersen.

MR. PEDERSEN: I suppose that ought to get a reaction, something at least like -- Wow! In this climate we are in now with financial restraint -- the Government Leader himself has made public statements to that effect, they were contained in the Commissioner's Opening Address to the House and the Finance Minister has referred to tightening belts -- so in this climate of financial restraint, in view of our budgetary reductions from the federal government, has the Government Leader suggested or told the Executive Council that for any decisions impacting fairly heavily, and when you have an unlimited spending authority, I do not know where that would be, whether there should, in fact, be a knowledge of other Ministers of unplanned expenditures and that knowledge should be through an Executive Council decision. Has there been any discussion in the Executive Council to that effect?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, if a Minister wishes to spend money that is not planned, that would be money for which an operational plan and budgetary approval has not been received; then there are very strict controls already in place on that, in that the Minister would be required to obtain approval for supplementary estimate or special warrant. Of course, this House is part of the controls on that sort of spending. So Mr. Chairman, it is not possible to easily get approval for those kinds of unplanned initiatives. Thank you.

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

MR. PEDERSEN: Thank you, Mr. Chairman. I chose the word "unplanned" rather than "not voted in the budget" because there can be authorities that may be voted but the expenditure would be unplanned. Mr. Chairman, I think I am going to leave my comments off at this stage and come back later. Thank you.

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

MR. ERNERK: Thank you, Mr. Chairperson. Before I ask this question I should also like to mention that the Minister responsible for the Housing Corporation made a visit to my constituency. I forgot all about that, Tom, I thought I would mention it.

One of the things that I would really like to know is this question of the regional director position. It would really be nice one day if an Inuk from the Keewatin Region, originally from the Keewatin Region, would take on the responsibility of becoming a regional director. I have only been saying that for the last two years. I will probably say it some more, for another 18 months. It is an important question.

I have always believed that, as I said during my opening remarks, Inuit have always managed pretty well with regard to things that they did, and that they do today such as the environment and all these other important things that the world has suddenly woken up to; clean environment, clean air and all those other things. I will tell you, the Inuit have been doing those for thousands and thousands of years. The point that I am trying to make here, Mr. Chairperson, is that I would like to ask the Government Leader, with regard to the regional director position, what sort of a plan he has and if he could give me sort of an idea -- we are always losing a regional director once every two years. In other words, these regional directors are normally placed in their positions for anywhere from 18 months to two years and I am wondering, now that the government has placed a very good assistant regional director, if and when the present regional director vacates his position if, in fact, the Government Leader would seriously consider placing Marius Tungilik in the position of regional director? I would like to get some idea.

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, I really am very uncomfortable about discussing a particular employee's career within this government in public, as the Member is asking me to do. I do not think it is in the interest of the employee himself. In fact, I am not sure whether he would be happy to have his career discussed publicly. Usually these matters of career planning are discussed privately with the employee and his supervisor. So I have to say with the greatest respect to the Member that I do not think this is the time or place to talk about the advancement possibilities of any public servant, Inuk or not. For reasons of respect for the officeholder, Mr. Chairman, I would not feel comfortable answering that question here. I do not know whether this committee has written or unwritten rules about matters of confidentiality with respect to employees or not, Mr. Chairman, but I do feel hesitant to answer that question.

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

MR. ERNERK: Mr. Chairperson, I want to tell the Government Leader that I am not at all uncomfortable about it. What I do want to say to the Government Leader, though, that the people, especially the Inuit, have been feeling uncomfortable for many years, many, many years. I would have thought that Mr. Patterson would be the first one to recognize those discomforts that the Inuit have felt for many, many years. If he does not wish to answer the question then that is fine but I am not feeling uncomfortable about it and I ask why should you be?

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

HON. DENNIS PATTERSON: Mr. Chairman, I am feeling uncomfortable because the Member is asking me to say what I would do with respect to a particular employee, should a particular job opening come up in a foreseeable period of time. I do not think any employee would like me to speculate on that. I also think that if we hold the competition for the regional director's position in the foreseeable future, which is usually our practice should a vacancy occur, I do not think it is going to give any applicants any great comfort if I have stated publicly in this Legislature if I am already in favour of some particular person getting that job.

So those are my objections, Mr. Chairman. It has nothing to do with whether I agree or not that we need permanent northern residents and aboriginal people in those jobs. I happen to agree wholeheartedly with the principle that the Member is expressing. However, I do not think it is my place in public to give the blessing to any particular person on any particular career opportunity when it is all hypothetical to begin with. Thank you.

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

MR. ERNERK: Thank you, Mr. Chairperson. I will not make it a hypothetical question. I will ask a very down-to-earth question. Mr. Chairperson, through you I would like to ask the Government Leader, do you believe that we should have an Inuk regional director in the Keewatin Region? Give me your own ideas without being whispered to by somebody else.

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Yes, Mr. Chairman.

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

MR. ERNERK: Thank you.

CHAIRMAN (Mr. Gargan): General comments. Mr. Ningark.

MR. NINGARK: Thank you, Mr. Chairperson. Just for the record, in Pelly Bay, in my region, the Kitikmeot Region that Mr. Pedersen and I serve as Members of the Assembly, I am quite satisfied with the hiring practices and procedures of this government. We have a lady by the name of Helen Adamache and she is the regional director for the region, and she is a native from Coppermine. I believe in a government that has an open competition for people if they want to apply for a job. I think this is the practice and procedure that should be used by the public government. I do not think I would go behind this House and ask the government to hire someone from my own community because he happens to be one of my people. I believe that hiring practices and

procedures that are being used by this government are acceptable to me and acceptable to this government. Thank you.

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

MR. PEDERSEN: Thank you, Mr. Chairman. On this vein, but not specifically, seeing that we are on the Department of the Executive and they are about the only ones that have a general responsibility as opposed to a departmental specific responsibility, could the Minister provide us with -- and it is fine if he does not have it now but at some later stage -- a list of native people who occupy positions at the headquarters level, who occupy Hay Plan positions, and specifically, of the total number, could he also point out which ones of these are lnuit, please?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, I would be glad to provide that information. I think it will show that there are very few Inuit in senior management positions at headquarters -- maybe none.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Patterson. Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. I agree with the Government Leader because I think that is the case. I think there are zero, and I notice in the Department of the Executive that that even applies to such things as the secretariat that supports the land claims operations. I do not even believe that for the TFN claim that we have an Inuk supporting the government in that respect. I just want to make this point and perhaps on that, ask the Government Leader if he thinks that that might have some bearing on the increasing desire in what we call the Nunavut area of the NWT for a separate territory. Could there be some relationship to this?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I am certainly aware of the Member's observations and it seems to me, having talked with some lnuit who I would have hoped to encourage to move up in their career toward senior positions in headquarters, that one of the very simple problems, in my mind, is not that they are not welcome or wanted by our government, but simply that there is quite a number of people for whom a move to Yellowknife would be quite a disruption. It means leaving relatives and family and moving generally some considerable distance — although I realize that from the Kitikmeot it is not as far as from the Keewatin or Baffin — but that seems to be a fundamental problem, the capital is just not as close to the lnuit regions as we might like.

Mr. Chairman, I do tend to agree with the Member that our failure to attract Inuit to senior management positions in headquarters may be a factor in the call for the creation of another territorial government in the East. Having said that, Mr. Chairman, I would suggest that probably -- and I have not analysed this -- the record of our employment of Inuit in superintendent and other senior management positions in the regions is quite different. I think by and large we are doing better with Inuit at the regional levels than we may be doing with Dene/Metis people in our western regions. I am not exactly sure on that, but it is at headquarters in Yellowknife where we are obviously falling back and not doing as well as we are with other aboriginal people in those jobs. Thank you.

MR. PEDERSEN: Thank you, Mr. Chairman, for that answer and I certainly am not aware of the precise reason myself either, but I do not think it is the reason of Inuit people not wishing to live in Yellowknife because if I am to believe the various Members of this Assembly representing Yellowknife, they have often told us -- and I know for a fact that it is true -- that Yellowknife has become one of the larger Inuit communities in the NWT. There are an awful lot of Inuit people living here already. That particular argument may not be the one. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Pedersen. General comments. Mr. Ningark.

MR. NINGARK: Thank you, Mr. Chairman. My philosophy is different from the Government Leader's. When I was the manager of the hamlet of Pelly Bay I hired people on the basis of merit and qualification. I have always been a supporter of better educational facilities at the community level, either secondary education or adult education centres. I believe that if we could get more graduates in the communities, then we could have more lnuit people hired at the regional or headquarters level. At this stage, I am not turning my back on my people. I said I was satisfied with the hiring process because I understand that the Executive Council is being fair in hiring people on the basis of qualification. If that is not the case, then I would sway over to Mr. Ernerk's earlier comments. If that is the case, I am satisfied. Thank you.

CHAIRMAN (Mr. Gargan): Thank you. General comments. Are there any further general comments? Does the committee agree that we go clause by clause?

SOME HON. MEMBERS: Agreed.

----Agreed.

Commissioner's Office, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): We will then go to page 2.09, Commissioner's Office, total O and M, \$220,000. Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

Ministers' Offices, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): 'Ministers' Offices, total O and M, \$3,019,000. Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

Executive Council Secretariat, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Page 2.11, Executive Council Secretariat, total O and M, \$3,808,000. Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

Aboriginal Rights And Constitutional Development Secretariat, Deferred

CHAIRMAN (Mr. Gargan): Page 2.12, Aboriginal Rights and Constitutional Development Secretariat, total O and M, \$794,000. Agreed?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, although Mr. Kakiwi would be happy if this budget was passed quickly, I should inform the committee that the practice has been to allow the Minister responsible to speak to that activity.

CHAIRMAN (Mr. Gargan): Okay, we will defer the approval of this Aboriginal Rights and Constitutional Development Secretariat until the appropriate time. How about the Audit Bureau?

Audit Bureau, Total O And M, Agreed

Audit Bureau, total O and M, \$1,504,000. Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

Regional Operations, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Regional Operations, total O and M, \$4,973,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Priorities And Planning Secretariat, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Priorities and Planning Secretariat, total O and M, \$617,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Office Of Devolution, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Office of Devolution, total O and M, \$153,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Public Affairs, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Public Affairs, total O and M, \$451,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): The details of grants and contributions. We are going to have to defer that too, until we get into the Women's Directorate. The last few pages are just information items. Mr. Government Leader, what is your next department?

HON. DENNIS PATTERSON: Mr. Chairman, with your permission, what I would like to suggest is that we do grants and contributions that I am responsible for with the exception of Women's Directorate which the Hon. Jeannie Marie-Jewell would speak to. So I would like to have the approval on the other aspects of that budget on page 2.20

CHAIRMAN (Mr. Gargan): Okay, we will go through the activities then and the thing is that we cannot approve the total grants and contributions until the Women's Directorate is approved.

Details Of Grants And Contributions

Executive Council Secretariat, Grants

We are on page 2.20 and the Executive Council Secretariat. The Executive grants program, \$324,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): The northern native cultural and historical development grants, \$75,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Science Institute grants, \$50,000. Agreed?

SOME HON. MEMBERS: Agreed.

-Agreed

Executive Council Secretariat, Contributions

CHAIRMAN (Mr. Gargan): Now we go to the next page. The Executive Council, Secretariat, contributions. The Science Institute of the Northwest Territories, \$1,451,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Regional Operations

CHAIRMAN (Mr. Gargan): Regional and tribal councils, \$1,184,000. Agreed?

SOME HON. MEMBERS: Agreed.

-Agreed

CHAIRMAN (Mr. Gargan): The Status of Women Council we will defer, right? Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, if you are willing to conclude the Department of the Executive then I believe the O and M is finished but there is capital.

CHAIRMAN (Mr. Gargan): There are also the information items; the Workers' Compensation Board and the Science Institute. We will go to the capital.

Do you have anything to say with regard to the Workers' Compensation Board or the Science Institute, Mr. Pollard?

Comments From Standing Committee On Finance

MR. POLLARD: Thank you, Mr. Chairman. Mr. Chairman, with regard to the Science Institute, recommendation 21 would be that the committee recommend that the Minister responsible for the Science Institute ensure that all persons working for the Science Institute are eligible for equitable wages and benefits. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you. Does the committee agree that we go to the capital estimates? Mr. McLaughlin.

MR. McLAUGHLIN: Just on the Workers' Compensation, will there be an opportunity to ask questions to the Minister responsible for Workers' Compensation? Are we deferring that page? Is that what we are doing?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, the custom has been that Ministers like Mr. Kakfwi will do their Workers' Compensation Board and Aboriginal Rights Secretariat responsibilities in conjunction with the main departments that they are responsible for. So, Mr. Kakfwi would speak to that information item when his department comes up. That particular page 2.22 should be deferred.

CHAIRMAN (Mr. Gargan): Thank you. Mr. McLaughlin, are you satisfied with that? Does the committee agree that we go to the capital estimates? Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

Detail Of Capital

Executive Council Secretariat

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): On page 2.07, Executive Council Secretariat. We are on page 2.08, buildings and works, headquarters, \$80,000. Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Equipment acquisition, headquarters, total headquarters, \$18,000. Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

Executive Council Secretariat, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total Executive Council Secretariat, \$98,000. Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Program summary, total capital expenditures, \$98,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. That concludes capital. Can we turn now to the main estimates book, page 2.24, detail of work performed on behalf of third parties.

Science Institute Of The Northwest Territories

Science Institute of the NWT, total \$925,000. Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

Official Languages Agreement

CHAIRMAN (Mr. Gargan): Official languages agreement, total \$100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$1,025,000. Agreed?

SOME HON. MEMBERS: Agreed.

----Agreed

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

MR. POLLARD: Mr. Chairman, if we are coming to the end of the Executive, I would merely ask the Government Leader that if in the event that the Legislative Assembly found it difficult to pass a budget that was, in fact, a deficit, sir, could the Government Leader suggest to this committee areas in which he could further cut his budget? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Well, Mr. Chairman, this represents a pretty lean budget already. I am not prepared to answer that question today, but obviously if required then I am willing to look at areas within the Executive budget where cuts might be made. I find it difficult to respond here and now on that though, Mr. Chairman. I would rather have some time to consider it. Thank you.

CHAIRMAN (Mr. Gargan): All right. Mr. Pollard, are you satisfied? Okay. This concludes the office of the Executive, with the exception of some of the deferred items such as the Women's Secretariat, Status of Women Council and the Aboriginal Rights and Constitutional Development Secretariat. I would like to thank the Government Leader and the witnesses. Mahsi cho. Mr. Ballantyne, what is your wish?

HON. MICHAEL BALLANTYNE: With the committee's permission, we would like to have the Department of Health next, with the Hon. Nellie Cournoyea and her witnesses.

CHAIRMAN (Mr. Gargan): The government has requested that we do the Department of Health. What is the wish of the committee? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Health

CHAIRMAN (Mr. Gargan): We will return to the main estimates book, page 14.03. Madam Minister, you could go ahead with your opening statement and then we will invite in your witnesses.

Minister's Opening Remarks

HON. NELLIE COURNOYEA: Mr. Chairman and honourable Members, I am pleased to present to you the Health department's budget for the 1990-91 fiscal year. In the coming year the department will concentrate on improving the quality and accessibility of its various programs and services; on forging stronger links between the health system and the communities; and on evaluating the current mix and deployment of its resources to achieve health system objectives. Particular emphasis will be placed on developing community health committees and providing information to residents to help them make wise health decisions. Before outlining the 1990-91 budget highlights, I would like to share with you some of the achievements and problems we have experienced during the past fiscal year.

Legislation

The purpose of health legislation is threefold: it guides the implementation of programs and services; it helps to establish the activities of health professionals; and it provides safeguards for the consumer. In the last Legislative Assembly the department introduced the Dental Profession Act and made amendments to both the Mental Health Act and the Nursing Profession Act. Further changes proposed for the Mental Health Act will receive consideration during the current session.

Contracted Medical And Non-Insured Services

Health boards are now fully responsible for overseeing the delivery of programs in their area. As a result, each board is now completely involved in the administration of medical, dental and university contracts. The Department of Health and the various health boards have, in addition, collaborated in the overall administration of other non-insured health services and medical travel.

Health Research

Last June the department and the Science Institute of the Northwest Territories hosted a workshop to share ideas and set priorities for health research in the NWT.

Medical Patient Search Project

Research is currently being conducted to find out information about Northerners' relatives who were sent south for medical treatment between 1940 and 1975 and did not return. Requests for information have been received from 65 families; 47 replies have been prepared.

Staffing

A number of the Department of Health's objectives for 1989-90 have not been realized because of staff turnover and recruitment difficulties throughout the fiscal year. Nevertheless, there is a core of very enthusiastic people who are dedicated to ensuring that NWT residents receive quality health services. Recruitment and orientation of new staff will continue to be a high priority.

The nurse staffing situation has improved somewhat through the intensive effort of recruitment personnel. Part of this effort involved overseas recruitment. The department expects to improve its ability to retain new and existing staff with the introduction of the advanced nursing skills in-service program. However, recruitment of qualified nurses will continue to be an area of ongoing concern because of the acute nursing shortage throughout Canada and other countries. It will be necessary to ensure that the GNWT's wage and benefits package and supporting infrastructure remain competitive with other jurisdictions.

Training

The community health representative, CHR, program, in conjunction with Arctic College, is well under way. As a result of collaborative efforts among the Canada Employment and

Immigration Commission, the Department of Education and the Department of Health, a new team of CHRs will be put in place over the next two years. These CHRs will play a strong role in shaping people's attitudes toward health and in encouraging residents to become actively involved in maintaining their own personal health and that of their families.

Environmental Contaminants

The issue of environmental contaminants in the Arctic has been a major concern for all residents during the past year, particularly since much of the contamination originates outside territorial jurisdiction. Concerns about contaminants have been raised in widely separated parts of the Territories. The Departments of the Executive, Health and Renewable Resources have actively participated in policy and technical committees at the federal and territorial levels. They have developed a communication strategy to better inform communities about various contaminants and their potential impact on human and animal health. An environmental scientist will be recruited this year to co-ordinate these activities and assist with communication.

Initiatives To Combat Infectious And Lifestyle Diseases

The control of infectious disease is a matter of ongoing concern in the North. Tuberculosis has been a recurring problem for some time. Last year, a tuberculosis outbreak was contained in Repulse Bay. Aggressive investigation and control has been required to successfully reduce the number of cases and, at the same time, heighten public understanding of the disease. In addition, a number of territorial physicians have received in-service training with respect to diagnostic and treatment protocols for TB, and the Stanton Yellowknife Hospital now has the capability to treat NWT TB patients who require hospital admission.

HIV infection has been, and continues to be, a focus of concern in the North. As of today, eight persons have been confirmed as having HIV infection. Unfortunately, the number of AIDS cases is expected to grow. The department is monitoring the AIDS situation in the North and is actively promoting prevention and awareness of the disease. The manual for health professionals has been updated.

Lung cancer, which is directly related to smoking, is also increasing at an alarming rate. Educational initiatives to inform residents of the hazards of smoking and the risk of AIDS will be delivered during this coming fiscal year through a door-to-door campaign.

Nutrition

Because of the rapid changes which are occurring in lifestyle and dietary patterns, the department has completed an NWT nutrition manual for use by health professionals. In an effort to increase awareness of the value of country foods, particularly among children, the department has developed coloured photographic reproductions depicting these foods.

Seniors Program

The seniors program, now fully introduced, is providing Metis and non-native residents who are 60 years of age and over, and not covered by employer plans, with additional noninsured services such as glasses, dentistry, travel copayments, hearing aids and extended medical benefits. As you know, native residents covered by the federal Indian health policy already receive these benefits.

Keeping Health Facilities Current

During the present year various capital projects have been initiated to provide for new or improved health facilities, particularly in smaller communities. With respect to regional facilities, the Inuvik Regional Hospital has been renovated and an appropriate referral hospital in Iqaluit is being planned with preliminary design expected to begin later this year. The Dene/Metis boarding home in Yellowknife will be fully operational by the end of this current fiscal year, and options are under consideration for the much needed replacement of the Ublivik Boarding Home in Winnipeg.

1990-91 Budget Highlights

To guide the department in the preparation of the 1990-91 budgetary plan, three key result areas have been identified. The first is increased emphasis on health promotion and disease prevention; secondly, improved access for residents to affordable, appropriate health services; thirdly, collaboration with other departments and other levels of government, firstly to ensure a safe high quality physical environment and, secondly, to inform residents of health risks associated with environmental contaminants.

In recognition of the current climate of fiscal restraint, the key result areas have been pursued through allocating and refocusing of existing resources; requests for new funding have been made only when strictly necessary.

Increased Emphasis On Health Promotion And Disease Prevention

Initiatives to increase the emphasis on health promotion and disease prevention will include measures such as: maintaining the fight against AIDS; renewed efforts to discourage the use of tobacco products; and educational activities to reduce accidental deaths and injuries and to improve the dental health of residents, particularly children.

Headquarters and regional health promotion officers, local nursing staff and community health representatives will cooperate in a campaign to take selected information to people throughout the NWT. Support materials are being developed for this venture which include improved culturally adapted audio-visual materials and a video dealing with the tooth decay caused by nursing bottle habits.

The medical directorate will be strengthened through internal reallocation. A second medical officer of health is being assigned to provide guidance and support to public health programming in the Mackenzie, Kitikmeot and Keewatin Regions. In addition, departmental staff will be conducting an epidemiological review to determine disease patterns in the NWT. Information obtained from such reviews will allow for more efficient forward planning and will be shared with health boards so that the populations served can become better informed about the health status of their communities and, therefore, more responsive to education and prevention initiatives.

Improving Access To Affordable, Appropriate Health Services

Although coverage for most physician and hospital services is universal in Canada, the degree of coverage for other programs such as drugs, medical transportation, outpatient boarding, dental services and special appliances associated with specific diseases is left to individual provinces or territories to establish. Metis and non-natives form a sizeable segment of the NWT population; many of these residents have either no additional coverage or are only sparsely covered by employer programs.

The 1990-91 budget proposes a controlled approach to addressing certain areas of expense which create a heavy burden for individual residents who are presently without coverage. Two measures, if approved, will further the government's commitment to providing accessible, affordable and appropriate health services. They are: coverage for specific diseases which have the potential to cause financial hardship; and the provision of boarding home assistance for residents receiving hospital or outpatient services in the NWT or Churchill.

Mr. Chairman, given the present difficult financial circumstances, I want you to know that it is only after careful consideration that I am proposing these modest initiatives to improve accessibility to services for residents with specific diseases, and for those who require boarding home assistance while receiving treatment away from home.

These program improvements, as you know, have been in demand for some time now by MLAs, affected citizens and various health professions. I have asked my departmental officials to carefully monitor expenditure trends for these new initiatives. Should expenditures exceed budgetary projections, design changes will have to be examined which would either limit coverage or increase patient financial participation.

The eligibility criteria will be quite restrictive for the alcohol and drug treatment programs included in the extended medical benefits program to ensure that the existing NWT treatment resources, which are funded through the Department of Social Services, are fully utilized. Because of the limited resources available, alcohol treatment outside the NWT will only be paid for by the government when a resident's treatment needs cannot be addressed by available NWT programs, and he or she is not covered by an employer program.

The entry point to the NWT health system for many Northerners is the local health centre where the primary care nurse is the key health care professional. The nurse is supported locally by other health para-professionals and support staff and by physicians and other health care specialists located in regional hospitals or administrative centres. To assist in attracting dedicated professional nurses to small northern communities, and to ensure the provision of appropriate quality treatment and public health programs, the department is proposing full year funding of its advanced clinical skill in-service training program for nurses.

Mr. Chairman, you and other Members of the committee may be aware of the tremendous cost escalation occurring in health services in all jurisdictions, due primarily to hospital and physician expenditures. Ontario, for example, spends one third of its budget on health care. To avoid runaway costs in the NWT, it is important that the NWT government vigorously support the current service mix of health care professionals and para-professionals; this mix is the most practical and cost effective health care delivery model for our scattered rural population.

The department's proposed capital budget for 1990-91 provides for a variety of improvements to health facilities, particularly those serving smaller communities. The improved capital infrastructure will help ensure a basic level of quality health service for the communities affected. It will also ensure adequate working and living environments, which will attract qualified health care staff; and it will provide comfortable boarding home arrangements for patients who have to leave

their home communities to receive medical or hospital treatment.

Addressing Environmental Health Concerns

In order to address the issue of environmental contaminants, the Department of Health wishes to establish a contaminants unit. The key function of this unit will be to collaborate with related federal and territorial departments and ensure that the GNWT has a significant influence on: the co-ordination of all research on the toxicity of environmental contaminants in the NWT; the assessment of health risk to humans in the NWT; and the co-ordination and dissemination of information on contaminants and their related health risk to the general public.

Mr. Chairman, the Department of Health's operations and maintenance budget request for 1990-91 is \$150.55 million which represents an increase from the 1989-90 main estimates of \$1.586 million or 1.1 per cent. Approximately \$2.5 million of the 1990-91 budget is related to recent collective agreement increases for 1990-91. In 1989-90 the PYs at headquarters were 133.8; for 1990-91, 127.8 PYs are proposed, an overall reduction of six person years.

Issues Not Addressed

Obviously, within a climate of restraint it has not been possible to fully address all of the identified health program needs, or the special problem areas which the department is currently reviewing. First and foremost, expenditures for insured hospital services, inpatient and outpatient, outside the Northwest Territories and related increases in payments for physician services and medical travel are occurring at a much higher level than expected.

A supplementary funding request to address these problems for 1989-90 would be presented at this session for your consideration. A substantial amount of the increased requirements are the result of price increases beyond the control of the department. Indeed, the cost escalation faced by the GNWT and other provincial governments in the provision of health services presents our government with a sobering challenge if the health system is to be kept afloat without cutting other important GNWT programs.

First, it is essential that as a government we increase our efforts to emphasize individual and community responsibility by stepping up health promotion/education efforts to prevent the occurrence of injuries, illnesses, chronic conditions, and their resulting disabilities.

Secondly, as I mentioned earlier, we need to vigorously support primary care and public health service delivery at the community level by nurses, CHRs, dental therapists and associated health centre staff. The kind of practical support to which I am referring includes not only the provision by government of competitive pay and benefits, training, good working conditions and appropriate housing infrastructure but also the co-operation, support, patience and recognition from communities for the very difficult work carried out by our local health practitioners. We also have to establish, in the public's mind, reasonable expectations for the level and timeliness of the provision of services.

Thirdly, the various actors in the NWT health system must collaborate to ensure that when clients have to leave their home communities to receive needed medical or hospital services, they are provided with the treatment they require in the nearest available NWT referral centre or hospital setting.

Last, but not least, Mr. Chairman, we must all clearly recognize that the health status of our residents is dependent

on many factors beyond the control of the health system. Social factors such as a lack of income to meet basic needs, poor housing conditions, and low educational levels, all have a negative impact. Hence the GNWT programs and initiatives which strengthen the economy, improve literacy, and provide adequate housing can have an important, positive impact on health.

I have requested that a working group be established to carefully review present practices with respect to medical transportation, use of our Northwest Territorial hospital facilities, and provision of general practice and/or specialist physician services. This will ensure that the NWT health system is making the best possible use of territorial hospital and physician resources prior to referring south.

There are additional issues not addressed in the 1990-91 budget: Requests from health boards for additional staff will need to be addressed by the THIS board through existing resources. As a result of the recent federal funding reductions, health boards will need to carefully review their budgetary requirements including staffing. They must determine how to meet their critical service demands using fewer human and financial resources, in real terms, than they have in the current year.

Midwifery and its potential role in the NWT health system continues to be an issue. It will be a subject of ongoing discussions among the department and concerned groups. At this time a concrete action plan has not yet been developed.

The perceived need for improved multilevel care and occupational and physical therapy services for underserviced areas has not been addressed, although the department and affected health boards are continuing to assess and document the need.

Mr. Chairman, it is now almost two years since transfer. The GNWT Department of Health has demonstrated that it is capable of providing good quality health programs, services and care. There are still a number of issues to resolve, which is not uncommon in an operation of this type and size. Over the year, the department will emphasize the development of standards, program review and evaluation. This will ensure that in spite of the resource restrictions placed upon it, the services and care provided by the health system will be of top quality, cost effective and, most importantly, appropriate to the residents' needs. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Thank you, Madam Minister. Mr. Pollard, chairman of the standing committee on finance.

Comments From Standing Committee On Finance

MR. POLLARD: Thank you, Mr. Chairman. Mr. Chairman, with regard to health and NWT residents in southern hospitals, when NWT residents are sent to southern hospitals for treatment which is unavailable in the Northwest Territories, the committee believes that these people should be fully informed of what treatment they should expect to receive and why it is being done.

Growth in capital, Mr. Chairman: While Members acknowledge that every community would like to have extensive medical facilities, the committee urges the department to carefully consider the usefulness in constructing a number of large facilities. Given that the Minister informed the committee that there are problems in adequately staffing the Stanton Yellowknife Hospital, Members questioned the wisdom of constructing an additional large health care facility in the Northwest Territories in Iqaluit. Building first class facilities, Mr. Chairman, does not guarantee first class health care if the department is unable to staff the facilities. As well, building large facilities which are not used to their full potential results in a duplication of costs as patients continue to be sent south for treatment.

Members suggested that the department look into the purchase of a CAT scanner for the use of Northerners. The committee requests that a report of the options available be provided. I would point out, Mr. Chairman, while we have no specific recommendations related to health, I would point out that under the Department of Health, THIS activity is the second largest activity. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Thank you. Does the Minister wish to invite in the witnesses? Does this committee agree? Madam Minister, could you introduce your witnesses for the record?

HON. NELLIE COURNOYEA: Mr. Chairman, the deputy minister of Health, Bob Cowcill; and the assistant deputy minister of community health and standards, Elaine Berthelet.

CHAIRMAN (Mr. Pudluk): Thank you. General comments on Health. Mr. Ernerk.

MR. ERNERK: Thank you, Mr. Chairperson. I move that you recognize the clock.

CHAIRMAN (Mr. Pudluk): The motion is not debatable. We do not have a quorum at the moment. I now recognize a quorum. There is a motion on the floor to report progress. The motion is not debatable. All those in favour? Three, four, six. Opposed, if any? The motion is carried.

---Carried

Thank you. I will now rise and report progress. I would like to thank the witnesses at this time.

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

MR. SPEAKER: I would like to call the House back to order. Item 20, report of committee of the whole. The honourable Member for High Arctic.

MR. PUDLUK: Mr. Speaker, your committee has been considering CR 1-90(1) and Bill 9-90(1) and wishes to report progress.

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

SOME HON. MEMBERS: Agreed.

----Agreed

Item 21, third reading of bills. Item 22, Mr. Clerk, orders of the day.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. There will be a meeting tomorrow morning at 9:00 a.m. of ajauqtit and at 10:00 a.m. a meeting of caucus.

ITEM 22: ORDERS OF THE DAY

Orders of the day for Tuesday, February 13th.

- 1. Prayer
- 2. Ministers' Statements
- 3. Members' Statements

- 4. Returns to Oral Questions
- 5. Oral Questions
- 6. Written Questions
- 7. Returns to Written Questions
- 8. Replies to Opening Address
- 9. Replies to Budget Address
- 10. Petitions
- 11. Reports of Standing and Special Committees
- 12. Tabling of Documents
- 13. Notices of Motion
- 14. Notices of Motion for First Reading of Bills
- 15. Motions
- First Reading of Bills: Bills 2-90(1), 3-90(1), 4-90(1), 5-90(1), 6-90(1), and 7-90(1)
- 17. Second Reading of Bills: Bill 1-90(1)
- Consideration in Committee of the Whole of Bills and Other Matters: CR 1-90(1); Bill 9-90(1)
- 19. Report of Committee of the Whole
- 20. Third Reading of Bills
- 21. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Tuesday, February 13, 1990, at 1:00 p.m.

---ADJOURNMENT

Available from the

Publications Clerk, Department of Culture and Communications Government of the Northwest Territories, Yellowknife, N.W.T. \$1.00 per day; \$40.00 for 1st session, \$20.00 for 2nd and 3rd session; or \$60.00 per year Published under the Authority of the Speaker of the Legislative Assembly of the Northwest Territories