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YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, FEBRUARY 21, 1990

MEMBERS PRESENT

Mr. Arlooktoo, Hon. Michael Ballantyne, Hon. Tom Butters, Hon. Nellie Cournoyea, Mr. Crow, Mr. Gargan, Hon. Stephen Kakfwi, Mr. Kilabuk, Mr. Lewis, Hon. Jeannie Marie-Jewell, Mr. McLaughlin, 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 Wednesday, February 21, 1990. Item 2, Ministers' statements. Ministers' statements. The honourable Member for Yellowknife North.

ITEM 2: MINISTERS' STATEMENTS

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. It is arriving as we speak.

--Laughter

Timing is all-important in politics, Mr. Speaker.

Ministers' Statement 14-90(1): 1990-91 Federal Budget

Mr. Speaker, this is in the nature of an emergency statement on yesterday's federal budget. My staff have been analysing, last night and this morning, the impact of the budget and this is just a preliminary response of our government to Mr. Wilson's budget yesterday.

The federal budget introduced by Mr. Wilson yesterday projects a federal deficit of \$28.5 billion in 1990-91, down from approximately \$30.5 billion in 1989-90. For the first time in many years there are no tax increases announced in the budget. However, it must be noted that the seven per cent goods and services tax will be introduced on January 1, 1991. The federal government has relied exclusively in this budget on reductions in expenditure growth to reduce its budgetary deficit. Total program expenditures will grow only three per cent in 1990-91, which is a decline in real terms.

Overall, federal expenditures are forecast to grow 3.4 per cent in 1990-91. In comparison, the budget I introduced last week to this House included growths in expenditures of only 2.7 per cent. So I think we are probably showing the federal government a little bit about expenditure restraint.

One of the principal thrusts of the federal budget strategy is to reduce transfers to the provinces. The established program financing, Canada Assistance Plan and public utilities tax rebate will be reduced by \$960 million in 1990-91 and by over \$1.6 billion in 1991-92.

Although the GNWT will receive fewer dollars as a result of reductions in the established programs financing and Canada Assistance Plan transfer payments, these payments will be fully offset by increases in the grant because of our formula financing arrangement. These reductions have been "fail-safed".

However, provinces will have to adjust to reduced federal transfer payments either through reductions in their expenditure growth, increases in taxes or increases in already heavy debts experienced by most provinces. Under the new formula financing arrangement, decreases in expenditure

growth result in a lower provincial-local escalator and increases in provincial taxes result in increases in the "keep-up" factor of the RTS, the representative tax system, in the new formula. Both these provincial adjustments to cuts in federal transfers will reduce the grant from Canada. Therefore, if provinces either reduce expenditures or impose tax increases, our grant will go down.

Therefore, Mr. Speaker, though it seems that we are not affected by the federal cutbacks in provincial transfers directly, the indirect effects of these reductions will be felt by the Northwest Territories over the next few years. We were hit once already when the federal government imposed a new formula arrangement and now we will get a second blow when the provinces react to federal cuts in the growth in provincial transfer payments.

One of the principal strategies of the federal government appears to be to modify the system of transfers to allow for growth in transfers to the "have-not" provinces and to reduce transfers to those provinces which are considered to be "have" provinces. Canada Assistance Plan payments to BC, Ontario and Alberta, for example, will be capped at five per cent per annum for the next two years. I hope that this recognition that provinces and territories cannot equally bear the burden of federal expenditure restraint will continue.

The federal budget restricted growth in transfers by applying ceilings of zero or five per cent to the rate of growth in federal transfers to the provinces. By comparison, the Government of the Northwest Territories also has a ceiling placed on the growth of the expenditure base of the formula grant. The ceiling is equal to a three year average of nominal Canadian GDP, gross domestic product, growth plus an adjustment for population growth differentials between the Northwest Territories and Canada. For 1990-91 the ceiling is anticipated to be around eight per cent. Furthermore, there is no ceiling imposed on our grant from Canada. In comparison, then, the Northwest Territories appears to have fared somewhat better than the provinces.

Specific expenditure restraint measures announced in the budget which will affect the NWT are: a two year freeze on the public utilities income tax rebate; a five per cent ceiling on grants and contributions to certain Indian and Inuit programs; the ending of the Canadian exploration incentives program, which replaced the flow-through program which was previously in place; a freeze on legal aid contributions; cutbacks in CMHC funding for social housing; and reductions in Secretary of State planned expenditures over the next two years. The budget document did not contain sufficient information to allow me to determine the specific effects of the measures on the Northwest Territories economy.

As the detailed documents are made available to us over the next two weeks, I will bring the House up to date as to what we anticipate the long-term impact will be on our government. Thank you.

MR. SPEAKER: Thank you. Ministers' statements. Ministers' statements. Item 3, Members' statements. The honourable

Member for Yellowknife South.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Welcome To Participants In Ontario Legislature Internship Program

MR. WHITFORD: Thank you, Mr. Speaker. Mr. Speaker, today I am pleased to welcome to our Legislature visitors from one of the many provinces that border our vast territory, that being the small province of Ontario. We have in the Speaker's gallery today nine participants in the Ontario Legislature Internship Program with their director, Professor Graham White and Ellen Schoenberger, the director of human resources. The program, Mr. Speaker, is a joint venture of the Ontario Legislature and the Canadian Political Science Association. The program is now in its 14th year and brings eight or nine university graduates to Queen's Park every year to work for back bench members. The principal purpose of the program, Mr. Speaker, is to provide MPPs with extra staff assistance. The interns work for two individual Members during the course of their 10 months at Queen's Park, one being a government member, the other an opposition member. As part of their program, the interns make several visits to other legislatures to broaden their understanding of parliamentary institutions.

Mr. Speaker, I understand they will also be visiting the nearby communities of Rae-Edzo and Snowdrift while in the NWT to better understand their way of life. Mr. Speaker, I am sure that all Members will join me in welcoming these young women and men to the Legislature and hope that they will learn something from our system, and perhaps we can learn something from them. I am sure that we, the ordinary Members, would like this type of assistance and then I am sure that question period would provide the cabinet with more interesting questions.

---Laughter

Mr. Speaker, once again I welcome our visitors to our Legislature.

---Applause

MR. SPEAKER: Thank you. Members' statements. The honourable Member for Baffin South.

Member's Statement On Meeting Conducted In Inuktitut Only

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. During our meetings on our aboriginal languages we expressed our concerns, and I rise today, even though aboriginal languages are not officially recognized, to advise that there is a teachers' and classroom assistants' meeting in Iqaluit which is being conducted all in Inuktitut. I am proud, and this will help the aboriginal people.

The reason that they are conducting the meeting all in Inuktitut is that that is how strongly they want the aboriginal languages recognized. The people who were involved in the meeting had to pay for some of the expenses but it shows the determination of these people even though they are not getting too much support from government. The people who have concerns in different languages are not against the English or French language, but it is different and nice to hear that there is a meeting conducted in Inuktitut only. Thank you.

MR. SPEAKER: Thank you. Members' statement. The honourable Member for Rae-Lac la Martre.

Member's Statement On Reviewing Social Assistance Rates

MR. ZOE: Mahsi cho, Mr. Speaker. Mr. Speaker, I was cut off yesterday because of the time limit but today I will do it in English instead of my native tongue.

Mr. Speaker, this government has been promising to review the social assistance rates, in particular the food rate scale, for some time now. To date there has been no action on this very important matter which affects people in every constituency across the Northwest Territories.

As you are aware, Mr. Speaker, the food rates paid to social assistance recipients are all the same across the NWT. This means that people living in Resolute Bay, for example, are given the same amount each month to buy food as people living in Yellowknife. We all know that food costs a lot more in most of the communities outside of Yellowknife. Those people are getting less because their money buys less. The Department of Social Services reviewed its programs in 1985 and promised results of a further review in 1988.

Mr. Speaker, in October of 1988 I asked the Minister of Social Services when the department's internal review of the regulations and guidelines for social assistance would be complete. I was told that the report would be in the Minister's office somewhere in the near future, but nothing happened. In February of 1989 the Minister said, and I quote: "The results of the analysis have recently been approved pending minor changes and the recommendations will be submitted to cabinet in the very near future. A revised food scale reflecting price changes should be implemented in June 1989."

June came and went, Mr. Speaker, and again nothing happened. We are now being told to look toward the latter part of 1991. I am tired of waiting; my constituents are tired of waiting. Promises of the near future do not feed hungry people. I call on all Members to join me in making sure that this government does not continue its delaying tactics any longer. I am worried now, Mr. Speaker, that her stalling tactics may have seriously jeopardized the government's ability to increase the funding to the level that is needed. I believe, Mr. Speaker, that if the Minister had acted sooner, before we entered this time of fiscal restraint, it would have been easier for the government to come up with the money. Mahsi cho.

---Applause

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

Member's Statement On Paper Recycling Program In GNWT

MR. LEWIS: Mr. Speaker, in keeping with our consensus style of government, today I have something nice to say about our Executive Council.

---Laughter

---Applause

Mr. Speaker, a blue box paper recycling program was started here in Yellowknife last year by the Department of Government Services and the Ecology North recycling depot. The target date for having all government departments and agencies participating in the program was to be January 1, 1990. Some departments still have not received their boxes and this includes the Legislative Assembly. In checking with the Department of Government Services they have assured me that this program will be fully implemented by March 31st of

this year.

We here, in the Legislative Assembly, can expect to see the blue boxes within the next two weeks. I would like to congratulate the Department of Government Services and Ecology North on this initiative and encourage all government employees and managers to support this important and responsible move to implementing a sustainable development lifestyle.

MR. WHITFORD: Hear, hear!

--Applause

MR. SPEAKER: Members' statements. The honourable Member for High Arctic.

Member's Statement On Withdrawal Of Iqaluit Town Council From Baffin Regional Council

MR. PUDLUK: (Translation) Thank you, Mr. Speaker. Ever since there have been regional councils in different regions, in the Baffin Region I have supported the creation of the Baffin Regional Council and I am proud of such an organization. The town council in Iqaluit made a motion that they did not want to pay their membership to the BRC for this year and next year. The community of Iqaluit does not want membership in the BRC. All the other communities have supported centres that are going up in Iqaluit. When we get a capital building like the juvenile delinquent centre, the Baffin Correctional Centre, and the regional hospital which is being proposed -- the BRC has always tried to support those kinds of projects. Now I hear that the town council of Iqaluit does not want membership and I will be asking for an explanation from them. Maybe if I get this clarified, perhaps I will not mind so much. Thank you.

MR. SPEAKER: Members' statements. Members' statements. Item 4, returns to oral questions. The honourable Member for Nunakput.

ITEM 4: RETURNS TO ORAL QUESTIONS

Further Return To Question O79-90(1): Future Use Of Old Stanton Yellowknife Hospital

HON. NELLIE COURNOYEA: I have a return to an oral question asked by Mr. Whitford on February 14, 1990 concerning the future use and maintenance costs of the old Stanton Yellowknife Hospital. Mr. Speaker, the nurses residence, which is adjacent to the old Stanton Yellowknife Hospital, is still in use. The heating, electrical and fire alarm systems for the nurses residence originate in the old hospital. For this reason, it has been necessary to continue to operate the old hospital, although at a much reduced level.

All systems in the old hospital not related to the operation of the nurses residence, such as the air ventilation, have been shut down or reduced to minimum levels. Minimum maintenance must still be performed on the mechanical and fire alarm systems, and basic safety and security checks must still be conducted. Heating, power and water utilities are kept at minimum levels. The cost to operate the old hospital since April 1, 1989 is as follows: for maintenance \$24,580; for utilities \$77,502; for a total of \$101,782. Mr. Speaker, this compares to an estimated \$45,000 per year which would be required if the nurses residence were operated independently from the hospital.

We do anticipate that the government will continue to incur operating and maintenance costs for the hospital until the late summer of 1990. At that time, the renovations to the adjacent nurses residence are scheduled to be complete. These

renovations include disconnection of the electrical and heating systems from the old Stanton Yellowknife Hospital. Following disconnection of these services, the government will be able to subdivide the property and offer it for sale.

Informal interest in the buildings has been expressed by both the City of Yellowknife and an ad hoc committee for seniors' housing. We anticipate that by the time the government is in a position to sell the building, these groups will have clarified their intentions and formal proposals will be available for the government to consider. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Returns to oral questions. Returns to oral questions. Item 5, oral questions. Oral questions. The honourable Member for Hay River.

ITEM 5: ORAL QUESTIONS

Question O153-90(1): Ministers' Spending

MR. POLLARD: Thank you, Mr. Speaker. My question is to the Government Leader. It concerns Ministers' spending. My question is, yesterday, Mr. Speaker, we heard that the Minister of Renewable Resources knew he was going to expend some funds but he did not know where it was going to come from. That would lead me to believe that he does not know how much money he has, Mr. Speaker. So I would ask the Government Leader, is that a normal practice among the Executive Council, to spend or commit to spending money that they really do not know that they have?

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

Return To Question O153-90(1): Ministers' Spending

HON. DENNIS PATTERSON: Mr. Speaker, I would like to assure the honourable Member that Executive Council Members have budgets for their offices and it is my responsibility to ensure that those moneys are managed properly. I can assure the honourable Member that I take that responsibility seriously and that Executive Council Members are well aware, on a monthly basis, of the expenses that their offices are incurring. Those expenses are monitored as well. Thank you, Mr. Speaker.

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

Question O154-90(1): Restraint On Executive Council Spending

MR. POLLARD: Mr. Speaker, I would be tempted to ask each of the Ministers if they know exactly how much they have to spend this month, but I do not think that would be fair. Mr. Speaker, again with Ministers' spending, we know that there has been a letter sent out to the regions, sent out to the different parts of these Territories, telling government people to refrain from spending toward the end of this fiscal year. Is that letter and its message being applied to the Executive Council as well, Mr. Speaker?

MR. SPEAKER: Just prior to answering, I will indicate that question would have been more properly put as a new question. The honourable Member for Iqaluit.

Return To Question O154-90(1): Restraint On Executive Council Spending

HON. DENNIS PATTERSON: Mr. Speaker, unfortunately, the demands made on Ministers to travel and represent this government and the demands made by MLAs and communities, do not ever stop. Mr. Speaker, it would be

extremely difficult, for example to freeze Executive Council Members' travel. I am sure that Members would not want that to happen. Mr. Speaker, I would say, however, that the budget of the Department of the Executive is a very lean, tight budget; it is very carefully managed, and there is no room for excesses or waste in that budget. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Oral questions. The honourable Member for Hay River, supplementary.

Question O155-90(1): Minister Of Renewable Resources' Travel Expenses

MR. POLLARD: Still dealing with Ministers' spending, and more to the point, the Minister of Renewable Resources' response to me yesterday, I would ask the Government Leader, if we are in a time of restraint, how can this Minister afford to invite three MLAs to accompany him out of these Territories on ministerial funds? Thank you, Mr. Speaker.

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

Return To Question O155-90(1): Minister Of Renewable Resources' Travel Expenses

HON. DENNIS PATTERSON: Mr. Speaker, the Member may know that there were two MLAs involved, not three. Mr. Speaker, I do not know if we can put a price on issues as important to the people of the Northwest Territories as fighting the anti-fur movement.

AN HON. MEMBER: Hear, hear!

HON. DENNIS PATTERSON: Mr. Speaker, the investment of money in that trip is in aid of defending the interests of the renewable resource economy in the Northwest Territories. At the heart of the problem are members of the European Parliament who have accepted an invitation to visit Canada and I think it is a very sound investment, Mr. Speaker, that would be supported by the people of the Northwest Territories. I think as well, Mr. Speaker, that the Minister indicated that the expenses for those MLAs would be covered by his department. Thank you, Mr. Speaker.

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

Question O156-90(1): Funding For Building Of Road To Beach, Pangnirtung

MR. KILABUK: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Municipal and Community Affairs regarding the hamlet roads being looked after and funded through this department. I am just wondering if the beach area is included when they are making roads, or is there any kind of special funding? I have seen a road being built down to the beach. We have a very rough beach and when the skidoos have a heavy load they have to get it to the land. Is there any fund for the purpose of making a road down to the beach area? If not, perhaps you can identify some funding so that it could be directed to making a road to the beach. Thank you, Mr. Speaker.

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

HON. TOM BUTTERS: Mr. Speaker, I do not have a response to that question from my own personal knowledge. I will have to obtain a reply and report tomorrow. I think I can get the information in that space of time.

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

Question O157-90(1): Land-Use Permit For Equipment Into Moraine Bay

MR. GARGAN: Thank you, Mr. Speaker. I would like to direct my question to the Minister of Public Works. Mr. Speaker, yesterday I had an opportunity to attend a meeting in Fort Providence. A concern came up with regard to a dock that is being built at Moraine Bay. This dock is supposed to be constructed this summer. Unfortunately the land-use permit, I believe, required for the contractor to bring in equipment to Moraine Bay takes about 30 days. Mr. Speaker, as you are aware, in 30 days the weather is going to change and some of the heavy equipment that is required by the contractor will weigh too much for the muskeg and the ice. I would like to ask the Minister whether or not there is any way that they might be able to process this permit so that the contractor could bring in his equipment as soon as possible?

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

HON. NELLIE COURNOYEA: Mr. Speaker, I am not aware of that particular situation. I will take the question under advisement and try, with the department, to see if we can be of any assistance. Thank you.

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

Question O158-90(1): Iqaluit's Withdrawal From Baffin Regional Council

MR. LEWIS: Mr. Speaker, there has been an announcement that the community of Iqaluit has withdrawn from the Baffin Regional Council. This may have a great impact, Mr. Speaker, on the way in which government is going to be delivered in the Baffin Region, especially as it relates to the desires of that region to have some input into how Iqaluit receives its infrastructures, capital and so on. In light of this fact, and in light of the support that the Baffin Region has given to providing infrastructure in Iqaluit, will this now have an impact on this budget which provides quite a bit of capital for the community of Iqaluit?

MR. SPEAKER: The honourable Member for Iqaluit.

Return To Question O158-90(1): Iqaluit's Withdrawal From Baffin Regional Council

HON. DENNIS PATTERSON: Mr. Speaker, I am sure the honourable Member would not hold this government responsible for decisions of another level of government; but having said that, Mr. Speaker, this news of the apparent uncertainty in Iqaluit about membership in the Baffin Regional Council comes as a surprise to me since I was present at a session of the Baffin Regional Council just before this session where the mayor of Iqaluit was present every day of the Baffin Regional Council session and, in fact, made a speech to the Baffin Regional Council indicating his support of the BRC. Mr. Speaker, I am not in possession of the full facts about a decision that may or may not have been taken by the Iqaluit town council, and I find the Member's question to be mischievous if not speculative, if not seeking an opinion. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Oral questions. Honourable

Member for Baffin Central.

Question O159-90(1): Assistance For Baffin Regional Council Meetings

MR. KILABUK: (Translation) Thank you, Mr. Speaker. This question is directed to the Government Leader regarding the Town of Iqaluit withdrawing from the Baffin Regional Council. Perhaps this is going to be a big issue for Baffin, perhaps they will be discussing where they are going to have regional meetings after Iqaluit pull out of BRC. It is going to be more expensive in many ways to attend meetings in communities other than Iqaluit. They usually have their conference in Iqaluit and they usually save a lot of money. Perhaps you could consider this when BRC hold their meetings in communities other than Iqaluit. Thank you, Mr. Speaker.

MR. SPEAKER: The honourable Member for Iqaluit has probably noted that there was not much of a question in the statement that the honourable Member made, so maybe if he could be clear about the question. Do you want to try again? The honourable Member for Baffin Central.

MR. KILABUK: (Translation) Mr. Speaker, I did not have my head phones on and I did not hear what you said.

MR. SPEAKER: What I said was that the comments you made did not really indicate a question, but rather more of a statement. Do you want to pose a question now so that it would be clearer for the honourable Member opposite to answer appropriately? The honourable Member for Baffin Central.

MR. KILABUK: (Translation) Thank you, Mr. Speaker. I am sorry that I did not make myself clear. My question is regarding BRC. If they are going to be having annual meetings in a community other than Iqaluit, which I know will cost a lot more money, are you going to be able to provide funding for those kind of meetings in the future? Thank you, Mr. Speaker.

MR. SPEAKER: Honourable Member for Iqaluit.

HON. DENNIS PATTERSON: Mr. Speaker, since I am not aware of whether a decision, if any, has been taken by the Town of Iqaluit to withdraw from BRC -- and as I indicated, if they have it is a big surprise to me since the mayor of Iqaluit attended the last BRC session, he was there every day, he was a full and active participant and he made a speech to the BRC indicating his support for BRC -- so I am not aware of any decision that may have been taken to change that attitude of support and co-operation, which has existed between Iqaluit and the BRC since it was founded. Mr. Speaker, in light of the fact that we are not clear exactly what the Town of Iqaluit has decided or has not decided about its membership in BRC, I would like to take the question as notice. Thank you.

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

Question O160-90(1): Decentralization Of GNWT Departments In Baffin

MR. PUDLUK: (Translation) Thank you, Mr. Speaker. This question is directed to the Government Leader. In different regions they are decentralizing government offices to other communities. I would like to ask the Government Leader if some government departments will be decentralized to other communities in Baffin. Thank you, Mr. Speaker.

MR. SPEAKER: The honourable Member for Iqaluit.

Return To Question O160-90(1): Decentralization Of GNWT Departments In Baffin

HON. DENNIS PATTERSON: Mr. Speaker, this government has a policy respecting decentralization which I believe has been tabled in this House. It very clearly lays out the government's desire, wherever possible, to decentralize operations of its departments and agencies from headquarters in either a region or the territorial capital. However, Mr. Speaker, the policy requires that the movement of government departments also take into account the cost increments that might have to be paid for such a move, and it also requires us to take into account the efficient operation of government. Mr. Speaker, the Baffin Region is already decentralized somewhat in that certain activities of the government are being carried out from Pond Inlet.

The Member asks if there is other decentralization contemplated. I have to say that I am not aware of any immediate plans for further decentralization in the Baffin Region. However, Mr. Speaker, if the Member has suggestions as to what might be appropriate and if the Members of the Legislature from Baffin have suggestions as to what functions of the government might be usefully delivered from another community, then the government would be open to such suggestions. And, as I said Mr. Speaker, if an idea is presented through the decentralization policy, we have a fairly effective means of evaluating the request and deciding whether it is cost effective and efficient. Thank you.

MR. SPEAKER: Thank you. Just prior to proceeding, I would draw the attention to Members of the Assembly to our public gallery in which we have grade five students from St. Patrick's Elementary School and their teacher, Fanny Castillo.

--Applause

And grade seven students from William McDonald Junior High School and their teacher, Denis L'Heureux.

--Applause

Oral questions. Honourable Member for Deh Cho.

Question O161-90(1): Egg Quota For NWT

MR. GARGAN: Mr. Speaker, I would like to direct my question to the Minister of Economic Development. During the 10th Assembly when Mr. Curley was the Minister of Economic Development...

HON. GORDON WRAY: You do not have any notes from me.

---Laughter

MR. GARGAN: ...at that time there were negotiations going on with the Egg Marketing Board with regard to an egg quota. The government even went as far as to say that they might go for a court challenge on the unfair practice of this board with regard to the distribution of eggs. This was in 1984. This is now five years later. Could the Minister tell me what the status is with regard to the negotiations for having an egg quota for the NWT?

MR. SPEAKER: Thank you. Honourable Member for Kivallivik.

Return To Question O161-90(1): Egg Quota For NWT

There have been ongoing negotiations. A court ruling in 1987 allowed producers in the NWT to produce and sell NWT

production on a domestic basis only. We have had discussions with CEMA, Canadian Egg Marketing Agency, and they have offered us a quota of 50,000 birds. We are not accepting that and we have requested CEMA to reopen negotiations with a view to a quota of 100,000 birds. Our position is that we are willing to participate in the egg plan with all the responsibilities and privileges, but there has to be some movement on CEMA's part. We have asked the National Farm Products Marketing Board if it would be possible to make a presentation to the signatories, in conjunction with the chicken marketing proposal. So far I have received five or six letters back from provincial Ministers indicating that they would not oppose our presentation.

So that is where it is at the present. If we can get the signatories to agree, we will make a presentation and our goal is to achieve 100,000 bird quota. But we have not, at this point in time, taken the whole thing to court, other than that one court ruling in 1987. We think it would be better to negotiate than try through the courts. I will keep the Member up to date on our negotiations. But that is where they stand at present. Thank you.

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

Question O162-90(1): Changes In Social Assistance Food Scale

MR. ZOE: Mahsi cho. My question is directed to the Government Leader. Our government has been promising to bring forward to the House changes to the social assistance, in particular the food scale. I would like to ask the Minister why this government is always stalling or delaying in dealing with this important issue?

MR. SPEAKER: Just prior to allowing the honourable Member to answer, I must remind Members that questions must fall within the administrative responsibility of the government or the specific Minister to whom a question is addressed. Honourable Member for Slave River.

Return To Question O162-90(1): Changes In Social Assistance Food Scale

HON. JEANNIE MARIE-JEWELL: Thank you, Mr. Speaker, for applying the rules. Mr. Speaker, it is not the intention of the government and particularly my department, to deliberately stall or use delaying tactics on the need to increase the food scales. We recognize that the need is there, like the need is there to increase every other social program as we would like to. I have indicated to the Member that in order to do an increase to the food scales it would cost this government in addition, an extra three million dollars. Our social assistance for 1989-90 has already escalated in the amount of three million dollars, more than we initially anticipated it would.

So with that information I hope the Member will take the time to understand that there is only so much funding available and that we certainly do wish to deal with this issue because it is an important issue, but currently with the financial restraints and the fiscal arrangement that we are in right now, it makes it very difficult to deal with it in the immediate future.

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

Supplementary To Question O162-90(1): Changes In Social Assistance Food Scale

MR. ZOE: Supplementary, Mr. Speaker. I understand that the Minister is saying that they just cannot afford it. But during the 10th Assembly it was brought to the attention of

that particular government, that there was a need to revise the food scale. I brought it forward again during the last Assembly, indicating the same thing and the government is well aware that it is needed, but it seems that they are not moving on it. When are they going to get to the bottom of it and deal with that problem?

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

Further Return To Question O162-90(1): Changes In Social Assistance Food Scale

HON. JEANNIE MARIE-JEWELL: Mr. Speaker, as I stated I had hoped last year that we would be able to deal with the increase in food scales. But at the time that I made my statement I did not anticipate an additional three million dollar cost in social assistance -- an overall increase in my budget, which we dealt with in supplementary estimates. However, recognizing that it is going to cost an additional three million dollars, we have been advised to ensure that we are very conscientious in the supplementary estimates that we are proposing to bring forth. It makes it very difficult to determine exactly when we can address the additional costs and allow the additional food scales to be implemented. So it is difficult to indicate an exact time frame for the Member.

MR. SPEAKER: Thank you. Oral questions. Honourable Member for Deh Cho.

MR. GARGAN: Thank you, Mr. Speaker. Chickens.

---Laughter

Question O163-90(1): Chicken Quota For Hay River Reserve

Mr. Speaker, my question is on chickens, broiler chickens. Mr. Speaker, the Minister of Economic Development is aware that the Hay River Reserve has a capital facility that was built for \$1.5 million, I believe, that is still sitting idle waiting for a quota to be granted to the Territories so that they could raise chickens to sell at market. I would like to ask the Minister what the status is on that portion of the negotiations.

MR. SPEAKER: The honourable Member for Kivallivik.

Return To Question O163-90(1): Chicken Quota For Hay River Reserve

HON. GORDON WRAY: I am going to resist, Mr. Speaker. We requested a quota allocation of 3.3 million kilograms of eviscerated broilers for the Northwest Territories. We have been advised that the National Farm Products Council has recommended a 1.1 million kilogram quota. We have also been requested by National Farm Products to prepare a submission to be presented to the signatories on March 29th of this year. If that process goes through then I have to set up a chicken allocation board for the Northwest Territories and I have to bring forward legislation. So it will probably be the fall session, if everything goes smoothly, before we can get it underway. That is all I am going to say, Mr. Speaker. Thank you.

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

Question O164-90(1): Decision Of Iqaluit Town Council To Withdraw From Baffin Regional Council

MR. LEWIS: Mr. Speaker, I just talked to Mr. Ron Mongeau of the Baffin Regional Council. He told me that this morning he received from the village office a notice that last night, at

the village council meeting, a resolution was passed that Iqaluit will withdraw from the Baffin Regional Council. He is waiting for the documents this afternoon. In light of that, Mr. Speaker, in light of the fact that our standing committee on finance documents show so much capital construction in Iqaluit, including a courthouse and several other things, does this mean that we have to revise all this stuff because it seems as if, at least the people of Baffin no longer see Iqaluit as a regional centre?

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

Return To Question O164-90(1): Decision Of Iqaluit Town Council To Withdraw From Baffin Regional Council

HON. TOM BUTTERS: I am not sure, Mr. Speaker, to whom the question was addressed but it seemed to deal with municipal infrastructure. I believe that as a service community for the Baffin that the community of Iqaluit requires the infrastructure that it currently has in place to provide such services to the communities. So I do not see any change on the basis of need.

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

Question O165-90(1): Additional Economic Development Officer For Baffin

MR. KILABUK: (Translation) Thank you, Mr. Speaker. I am directing this question to the Minister of Economic Development. I am just a fisherman and we only have one officer in Baffin and that officer comes into our community. We definitely need more economic development officers in the communities because there are not enough officers for all the communities. I wonder if we can have another assistant provided to us? It would be a lot better for the development of the different programs because we do not have enough officers.

I am aware that we do not have enough funding but it would be a lot better for the progress and development of different programs. I wonder if you can provide another economic development officer?

MR. SPEAKER: The honourable Member for Kivallivik.

Return To Question O165-90(1): Additional Economic Development Officer For Baffin

HON. GORDON WRAY: Ask and you shall receive. We have recognized the problem that Mr. Kilabuk is talking about and we acknowledge that what he is saying is correct. In the department's budget, which will be coming before the House shortly, I have an additional \$75,000 allocated this summer for Baffin fisheries to hire seasonal fisheries personnel to work in the Baffin fishery on a seasonal basis. As well, the fisheries development officer will spend four months of the year in Pangnirtung this year. So we recognize that there is a problem and I have money in my budget to hire seasonal fisheries officers. Thank you.

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

Question O166-90(1): Negotiating Quota On Broiler Chickens

MR. POLLARD: Mr. Speaker, following up on Mr. Gargan's question to the Minister for chickens...

---Laughter

...am I to understand, Mr. Speaker, that if the Minister is successful in negotiating a quota on broiler chickens and he gets it this spring some time, that the facility would have to wait until the legislation is passed in this House in the fall before they can go ahead and utilize that capital facility? Thank you, Mr. Speaker.

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

Return To Question O166-90(1): Negotiating Quota On Broiler Chickens

HON. GORDON WRAY: Legally, yes, Mr. Speaker.

MR. SPEAKER: Oral questions. Oral questions. Item 6, written questions. Written questions. The honourable Member for Deh Cho.

ITEM 6: WRITTEN QUESTIONS

Question W13-90(1): Regional Director Position In The Inuvik Region

MR. GARGAN: Thank you, Mr. Speaker. Mr. Speaker, my written question is to the Government Leader: 1) How does the present regional director of the Inuvik Region fit into the affirmative action program? 2) Did the Government Leader conduct discussions with other individuals for the position of regional director? 3) Did the Government Leader discuss with other MLAs the position of regional director and were there other candidates recommended for the position of regional director? 4) Were any of these candidates of aboriginal descent? 5) Did these aboriginal candidates meet or exceed the education requirements for the position of regional director? 6) Did these aboriginal candidates meet the education requirements and government experience used in recruiting other aboriginal persons who are regional directors? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Written questions. Written questions. Item 7, returns to written questions. Returns to written questions. The honourable Member for Yellowknife Centre.

Just prior to proceeding. I did call returns to written questions so I will seek unanimous consent to return to written questions. Thank you. Item 6, written questions. The honourable Member for Yellowknife Centre.

Question W14-90(1): Direct Appointments, Senior Regional Bureaucrats

MR. LEWIS: This written question is to the Government Leader. How many competitions, at the regional level, have been held for director, assistant director and superintendent since you became Government Leader in October 1987? How many of these positions have been filled by direct appointment at each level? How many of the direct appointments were filled by aboriginal persons?

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

Item 7, returns to written questions. Returns to written questions.

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

Item 9, petitions. Petitions. The honourable Member for Baffin Central, petitions.

ITEM 9: PETITIONS

MR. KILABUK: (Translation) Thank you, Mr. Speaker. I have a petition, Petition 2-90(1), that I wish to table. They closed the co-op in 1977 because they did not have any money. Up to now they have paid off their debts and they wish to open up another co-op store. They have arranged to have a board and there are 156 people who signed the petition to get a co-op store. They do not have a building themselves but they have indicated that they want support financially from the government so that they can start a co-op store. The only store that they have is a Northern Store and it is very expensive. When there is no competition, the prices are very high; so they wish to open another store. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Petitions.

Item 10, reports of standing and special committees. Reports of standing and special committees. Item 11, tabling of documents. Tabling of documents. The honourable Member for High Arctic.

ITEM 11: TABLING OF DOCUMENTS

MR. PUDLUK: Mr. Speaker, I wish to table Tabled Document 25-90(1) which I just received this morning from Bill Hughes, Arctic Bay, concerning the application for a grant under the EDA small business subagreement, which was not approved. Thank you.

MR. SPEAKER: Thank you. Tabling of documents. Tabling of documents.

Item 12, notices of motion. Notices of motion.

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

Item 14, motions. Motions.

Item 15, first reading of bills. First reading of bills.

Item 16, second reading of bills. Second reading of bills.

Item 17, consideration in committee of the whole of bills and other matters: Committee Report 1-90(1), Report of the Standing Committee on Finance on the 1990-91 Main Estimates; Bill 9-90(1), Appropriation Act, 1990-91; Committee Report 2-90(1), Special Committee on the Northern Economy Report: Building our Economic Future, with Mr. Gargan in the chair.

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

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

Department Of Transportation

CHAIRMAN (Mr. Gargan): When the committee ruled to conclude yesterday, we were on Bill 9-90(1), the Department of Transportation, with the Minister, the Hon. Gordon Wray. Does the Minister wish to bring in any witnesses?

HON. GORDON WRAY: Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): For the record, would you please introduce your witnesses?

HON. GORDON WRAY: Thank you, Mr. Chairman. I have with me Mr. Gordon Barber, assistant deputy minister, Department of Transportation, and Mr. Jim Windsor, director of finance and administration, Department of Transportation.

CHAIRMAN (Mr. Gargan): Thank you. We are still on general comments for the Department of Transportation. Is the committee ready to go into detail? Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Directorate, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): We will turn to page 11.10, directorate, total O and M, \$2,559,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Transportation Engineering, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Transportation engineering, total O and M, \$1,719,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Marine Operations, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Marine operations, total O and M, \$4,285,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Highways Operations

CHAIRMAN (Mr. Gargan): Highways operations, total O and M. Mr. Sibbeston.

MR. SIBBESTON: Thank you, Mr. Chairman. Just a matter regarding winter roads, not a world-shattering kind of issue, but it is a matter that is very important to the small community of Trout Lake. For the past 10 years the government has been providing a winter road from the Mackenzie highway to Trout Lake of approximately 18 miles. It has become an important connection to the community where they could get a lot of their supplies in on the winter road; otherwise the community is only accessible by plane through the summer months and spring and fall seasons. Generally, people really appreciate the fact that the government has provided them with a winter road.

I was in Trout Lake a couple of weeks ago and people from all over the area came by plane and vehicle to celebrate the opening of what is becoming known as the Trout Lake mall. It is a small store, but it is the "West Trout Lake Mall", and for the people there it is a very big deal. Once the festivities were over and people started heading home on the winter road, there was an accident. Two vehicles met head-on and there was an accident that caused major damage to the vehicles, but fortunately only minor injuries to the occupants. The winter road is a narrow road, and it has approximately 20 really bad corners. Apparently there were also two accidents last year.

I was going to ask the Minister if he could get his officials to

see if they could straighten out some of the bends and really bad corners to make the road safer than it is now. As things happen, people get a road and it is initially just a rough road, but at least it gets them in and out. Then as time goes on, the desire is to have the road a little smoother and a little straighter, so maybe we are at the point on the winter road to Trout Lake where some of the bends could be straightened out. I just wondered if the Minister could look into that possibility and maybe comment on that.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Yes, we will certainly take a look at that and see what we can do. I trust that the occupants were wearing seat belts and that is why they did not receive serious injuries. Thank you.

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

Appropriate Name For Park On Highway Sign

MR. SIBBESTON: On another little matter, not raising significant things today, but this other matter has to do with signage along the highway. I notice in the objectives of the department, "To complete the introduction of new tourist facility signage on NWT highways." I have raised this matter before. It has to do with the sign at Trout River where the sign says "Whittaker Falls". It is to notify the public that there is a little territorial park at the Trout River.

When I was the Minister of Economic Development I saw that sign and was frankly surprised that the sign was up, because nobody really knows who Whittaker is. It is a big puzzle in the minds of the people in the Simpson and Trout Lake area as to who Mr. Whittaker is or what Whittaker means. I had asked my staff at the time to replace the sign with a more appropriate sign and they apparently did, but when I was no longer Minister, and someone else, like Mr. Wray, became Minister, the sign came up again. I know I have asked the Minister about this once before, and I would like to ask him again, whether he would check into this matter to see the appropriateness of having that sign there, and if he could check with the local people to see if there is a more appropriate name for the small park there.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Thank you. I will check on it. I remember the issue vaguely because the Member wrote me a letter on it a couple of years ago. I think the answer from the department at the time was, yes, Mr. Sibbeston has a good point and, yes, we want to do what he wants. If I remember correctly, the problem is the official designation on the actual maps. To change the name would be fine, but people coming along with maps, on the map itself would be a different name. I think that not only do we have to change the sign, but we have to go through the whole process of actually changing the official designation of the name. I think that is the problem, but I will check into it and get back to the Member.

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

MR. SIBBESTON: I will just take it from that, that come this spring when people start travelling and visiting the park we could possibly have a more appropriate sign. If Mr. Wray could assure me of that, then I would be very happy.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: We will see what we can do.

CHAIRMAN (Mr. Gargan): Thank you. General comments, highways operations. Mr. Whitford.

Savings In Ferry Operation

MR. WHITFORD: Mr. Chairman, I just wanted to go back briefly to marine operations, if I may. I want to ask the Minister if, in the short period of time that the new technology has been applied to building roads across the Mackenzie River at Fort Providence, whether or not that had any effect on the length of time that the ferry was in the water.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, it did. We were able to pull the ferry this year about three to four weeks earlier than normal. So the savings that we anticipated actually are accruing.

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

MR. WHITFORD: Would he have any preliminary figures of what it would have saved -- three weeks of ferry operation, 24 hours a day?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Somewhere in the neighbourhood of \$100,000 to \$125,000, roughly. I can get the actual figures for the Member, but that is our guesstimate.

CHAIRMAN (Mr. Gargan): Mr. Whitford.

HON. GORDON WRAY: Thank you, Mr. Chairman. So it appears that the technology applied to building roads, at least in that circumstance, is paying off, by the sound of things.

Highways Operations, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): General comments. Highways operations, total O and M, \$18,267,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Arctic Airports

CHAIRMAN (Mr. Gargan): Page 11.14. Arctic airports. Total O and M, \$837,000. Agreed? Mr. Whitford.

MR. WHITFORD: Mr. Chairman, I guess the question has come up before, but in the plans for developing airport infrastructure it says "Arctic", but I am sure it means around here as well. The community of Fort Rae has been asking for quite some time now for an airport. Is this included in the plans?

CHAIRMAN (Mr. Gargan): Mr. Wray.

HON. GORDON WRAY: No. There were 10 communities left unfinished under the Arctic B and C policy. We had resisted taking over responsibility for airports until the federal government made a commitment that they would finish the 10 airports. As I responded to the Member for Rae-Lac la Martre in the House, the federal government has responded, but they have quite clearly indicated -- from the Minister himself, so there is no longer any doubt -- that they will not fund airport

development in Rae-Edzo.

Arctic Airports, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Arctic airports, total O and M, \$837,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Motor Vehicles

CHAIRMAN (Mr. Gargan): Motor Vehicles, total O and M, \$780,000. Mr. Whitford.

MR. WHITFORD: In this section on motor vehicles, I see there is the sale of drivers' licences included, and I will raise the question again and if nothing is done I will raise it again next year, God willing. For a long time I have maintained we have had a very cheap licence. It is just a piece of paper that falls apart. It appears that every time I ask the question, the answer is, "Because of the transient nature of people." I keep raising the issue. I am not transient. I was born and raised here and I have lived here almost all my life. It seems that everything we do here -- every time I get an answer to a question like this it refers to the transient nature of people. There are a lot of permanent people here and I am getting back to the point of asking the question to the Minister for the umpteenth time: When are they going to get a more permanent driver's licence? Something with a picture on it, something that you can carry around with you that is not going to rip and tear and look like an ordinary piece of paper in your wallet, for the more permanent residents of the Northwest Territories, Mr. Chairman?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Well, I will give him a different answer this time. We are working on it but the problem is a matter of consistency. We have to make sure that everybody across the Territories has the same kind of licence. It would be simple enough in a large centre like Yellowknife or Hay River, Inuvik, Fort Smith, or even some of the regional centres, to laminate and put pictures on. That equipment is very expensive. We just could not do it all across the Territories. The problem we have is that if we did it in some and not in other communities, we would have different types of licences and that causes us a problem with respect to our southern counterparts. But we are looking at it to see if there is a way to overcome those problems. It is a tricky problem simply because of the vastness of the NWT and the fact that we would not be able to do it in every community. So we would end up with two, and possibly three, different kinds of licences, which causes some problems.

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

MR. WHITFORD: When I get to be the Minister responsible for Transportation, I am sure I will take a different point of view of that. We have equipment that is very portable, very easy to operate. Almost every school has it, where you can take and laminate identification cards very easily. We did that at what is now Arctic College in Fort Smith 15 years ago, with very portable equipment that we used for student identification. It had a nice picture on it, all the information, and it was so simple to operate that even I could operate it. I do not think there is any reason why we should have to delay something like that for long periods of time. If it is a matter of cost, we are already paying \$10 a shot for these pieces of paper, and another two dollars to offset the cost of equipment I am sure would be more than enough. I think in this day and age, when you are travelling, when you are

cashing a cheque or doing any kind of business, they want to see your driver's licence; it is a fact of life. It is like the Social Insurance Number. They ask you for your driver's licence, and I think it is something that we can take a certain amount of pride in. I just encourage the Minister's officials to take a good hard look at this and not hold it up because every spot in the NWT is not going to be covered by it. There is a large portion of the NWT that uses this one thing more than others. So let us move in these areas where there is a big demand for it already.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: As I said, we are looking at it and the problem we have right now is a logistical problem. But I am not willing to have different types of licences in different parts of the Territories. I mean, if we have a territorial driver's licence, it has to be the same for everybody. I respect the fact that it is easier for people in Yellowknife to get services here, but I have to worry about people in Grise Fiord and Pond Inlet and Trout Lake as well. In terms of our responsibilities to southern jurisdictions, we have to be consistent in the types of licences and other things that we give out. It would certainly cause problems with the provinces if some people from some communities had one type of licence and some people from another community had another type of licence. It would be a problem for us.

All I am saying is I recognize what the Member is saying and we are looking at it but what we are dealing with is a logistical problem. Not that we do not want to do it. It is a logistical problem on how we can achieve it. So bear with us and we will see what we can come up with.

CHAIRMAN (Mr. Gargan): Thank you. Motor vehicles. Total O and M. Mr. Pudluk.

MR. PUDLUK: Thank you, Mr. Chairman. The drivers' licences expire now on your birthday. Before mine expired I received a letter that told me that it would be expired. Do you do that to all the driver's licence holders or only for the individuals?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: I am informed that we now are providing notices to all driver's licence holders.

Motor Vehicles, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Motor vehicles, total O and M, \$780,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Pages 11.16, 11.17 and 11.18, detail of work performed on behalf of third parties, total Arctic B and C airports, \$6,261,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total National Safety Code, \$463,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Page 11.19, total Transport

Canada memorandum of agreement, \$550,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Page 11.20, total engineering services agreement, \$9,400,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$16,674,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): We will go back to page 11.09, Department of Transportation, total O and M, \$28,447,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): This concludes the O and M for the Department of Transportation.

Transportation Engineering

Buildings And Works, Headquarters, Total Capital, Agreed

We will go to capital now. Page 11.10, detail of capital, transportation engineering, buildings and works, headquarters, total headquarters, \$1,440,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Fort Smith, total Fort Smith, \$4,035,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total buildings and works, \$5,475,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Transportation Engineering, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total transportation engineering, \$5,475,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Marine Operations

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Pages 11.11 and 11.12, detail of capital, marine operations, total buildings and works, \$320,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Acquisition of equipment, headquarters, total headquarters, \$220,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Marine Operations, Total Capital

CHAIRMAN (Mr. Gargan): Total marine operations, \$540,000. Agreed? Mr. Whitford.

MR. WHITFORD: Mr. Chairman, could I go back to the mobile equipment on page 11.12, mobile equipment, various? Can I get some indication of what kind of vehicles we are talking about under the mobile equipment here?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. For the Liard and Camsell Bend ferry crossings, we are purchasing a rebuilt crawler tractor for \$120,000, and we are purchasing a rebuilt tractor low-boy for \$60,000; on the Dempster highway ferry crossing we are replacing the welding truck at \$30,000. The \$10,000 in machinery and equipment is a drill press for the workshop at Peel River.

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

MR. WHITFORD: I have raised this question before and I am going to do this in most of these departments that come up with capital for replacement of mobile equipment. I want to know if there is any kind of a policy on mobile equipment, pickup trucks and such, as to how long they should be lasting. I took a look today at a pretty basic pickup three-quarter ton with really nothing on it, and you are looking at anywhere from \$15,000 to \$20,000 for a new vehicle. When you add a few things, it will go up to \$20,000, \$25,000 or \$30,000 if you really get extravagant. Then of course there is the cost of transportation into some of the communities. I just wondered if there is any length of time that these government vehicles should be able to last for; do we keep them for one year, two years, five years or 10 years? Is there any policy that dictates that? Because it seems like an awful lot of money, and I just wonder why we are replacing a welding truck. Is it damaged beyond repair, is it too small, or something like that? Maybe the Minister could answer that question.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. The Department of Public Works, which is responsible for the purchasing of equipment on behalf of the government, has

very detailed standards, criteria, and a policy as to when vehicles get replaced and at what stage. By general rule of thumb -- and I am sure if the Member asks for the policy it will be provided to him -- it is about five years or 150,000 to 200,000 kilometres on the odometer. The welding truck, for example, is now 10 years old. It just gets to a certain point in the life of the equipment where you end up spending more on maintenance than it is worth and you are better off replacing it. It is very detailed; it is not a hit and miss situation. There are very strict guidelines.

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

MR. WHITFORD: I would be interested in learning some of the details. I can see the welding truck, a 10 year old vehicle -- that is fine. You certainly got your dollar out of it. Anything less than that -- I am not sure whether 100,000 miles for a vehicle is an awful lot these days. I have a vehicle whose odometer has rolled over once and a half, at least that, and it is some 23 years old, and I beg to differ as to how much it costs to repair a vehicle. I know that if you replace a motor -- and Public Works have their own shops in most places and there are a lot of times when they are not really busy -- they can change engines for \$1500 or \$2000. That is only one-tenth of what it takes to replace that vehicle. I just wondered if we could make the vehicles last a little longer and probably save several millions of dollars in the long run and put to work the good mechanics that we do have. I would be interested in seeing that policy, but I still maintain that we should be looking at stretching out the life of these vehicles instead of buying new ones every so often, simply because they are of age.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Thank you. I will make sure that the Member is provided with the policy. As I say, it is about 150,000 to 200,000, not 100,000. The Member can take my word that I know most departments that have vehicles really do try to stretch out their life simply because it is so hard to get the funds to replace them. There is never enough funding available, and of course when you go to write off a vehicle you have to make sure you can get the funds to replace it. My experience with government in general has been that they really try to stretch the life of vehicles out.

Marine Operations, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Detail of capital, marine operations, total marine operations, \$540,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways Operations

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Page 11.14, detail of capital, highways operations, buildings and works, headquarters, total headquarters, \$25,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Fort Smith, total Fort Smith, \$203,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Inuvik, total Inuvik, \$420,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total buildings and works, \$648,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Headquarters

CHAIRMAN (Mr. Gargan): Equipment acquisition, headquarters, total headquarters, \$1,434,000. Agreed?

CHAIRMAN (Mr. Gargan): Mr. Whitford.

MR. WHITFORD: The radio communication system, can the Minister indicate where this system was purchased from?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: The radios are from Midland and we are just using the NorthwestTel communications network in conjunction with the radios.

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

MR. WHITFORD: Midland, is this a northern-based company that we are dealing with here?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: No. That is the manufacturer of the radios. It was tendered out and Mr. Barber advises me that he thinks it is a northern supplier who supplied them. This is about five years ago.

CHAIRMAN (Mr. Gargan): Mr. Whitford.

MR. WHITFORD: Yes, just by way of information. Certainly there are several very reputable radio communication firms located in the Northwest Territories that we can use. We can purchase equipment and they are here all the time to service what they sell. I would certainly like to encourage the Minister to have his officials buy in the North, as much as possible, especially for equipment such as this because it does take a lot to set up a base. It takes a lot to maintain these things and if we continue to go South or to some of the monopolies,

it may not always be the best use of our dollar in the long run.

Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Equipment acquisition, headquarters, total headquarters, \$1,434,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total equipment acquisition, \$1,434,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways Operations, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total highways operations, \$2,082,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Arctic Airports

CHAIRMAN (Mr. Gargan): Page 11.17, detail of capital, arctic airports, buildings and works. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. My question is with regard to runways. I heard information yesterday that when we are talking about the airports that the runways were not listed so far. There were three regions that were listed, and I will be asking for written information, because I found out yesterday that Baffin Island was not included in the information. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Wray.

HON. GORDON WRAY: Thank you. In terms of the Arctic airports, the \$484,000; one project in the Keewatin, one in Inuvik, one in Fort Smith and that is all we are doing. That is our money. There is other work being done by Transport Canada in other regions and we are trying to get the information on that now. We have got some preliminary information but we are trying to get some better information from Transport Canada.

The problem, as I explained yesterday, is that we have to go to Montreal, Winnipeg and Edmonton to try and get the information and it is sometimes very difficult. But as soon as I can get information I will provide it to the Member.

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

MR. KILABUK: (Translation) Thank you, Mr. Chairman. I just wanted to add on to Mr. Arlooktoo's question. What about the airport terminals in the communities? Are they also under federal programs? In the smaller communities we are having problems with the terminal buildings; they have to be upgraded or they are simply too small. I am wondering if that

is under a federal program or a territorial program. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: It is a federal program.

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

Listing Of Airports Re Territorial Or Federal Responsibility

MR. POLLARD: Thank you, Mr. Chairman. I wonder if the Minister could provide us with a list of all the airports in the Northwest Territories, whether they are territorial responsibility or whether they are federal responsibility, and if they are federal responsibility, which of the three regions the responsibility for those particular federal airports falls under? I understand the Minister to say that he is going to inform us at some later date of the federal dollars that are being spent on the airports that are the responsibility of the federal government. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Thank you. Yes, I can provide those lists, but just for your information, the only airports that are ours are Colville Lake, Jean Marie River, Trout Lake and Nahanni Butte. I think we have got four or five, what we call, Arctic D airports but, for example, all of the airports in the Baffin, Keewatin and Kitikmeot are Transport Canada airports. But I will provide the list.

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

MR. POLLARD: Thank you, Mr. Chairman. Mr. Chairman, does the Minister have any input into how much money or what the money is spent on when the federal government decides to spend money on those airports that are a federal responsibility? Does the Minister have any influence there?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: None whatsoever. In fact, they do not even tell us half the time what they are going to do. We find out through newspapers.

CHAIRMAN (Mr. Gargan): Mr. Pollard.

MR. POLLARD: Mr. Chairman, why is it different? The Government of the Northwest Territories has influence over federal money spent on highways; why is it different with airports? Why would the same not be true? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Wray.

HON. GORDON WRAY: Because on one hand we are dealing with Indian and Northern Affairs who depend, to a great extent, on our expertise to do their work in terms of the highways. With regard to airports we are dealing with Transport Canada which is probably the most arrogant, insular federal government department that I have ever had the misfortune to deal with. We also have to deal with three offices, not one. With highways we only have to deal with Ottawa and with Transport Canada we have to deal with Montreal, Winnipeg and Edmonton. We have a good working relationship with Edmonton, we have almost no working relationship with Winnipeg and from time to time Montreal will

let us know that they are still alive.

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Wray. Arctic airports, buildings and works, Fort Smith, total Fort Smith, \$182,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Inuvik, total Inuvik, \$202,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Keewatin, total Keewatin, \$100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total buildings and works, \$484,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Arctic Airports, Total Capital

CHAIRMAN (Mr. Gargan): Total Arctic airports, \$484,000. Agreed? Mr. Pollard.

Possibility Of Meeting With Transport Canada Regional Representatives

MR. POLLARD: Thank you, Mr. Chairman. I wonder if it would be possible for the Minister to invite representatives from each of those three Transport Canada regional offices, to come to Yellowknife at some time and sit down with Members who are interested in that particular aspect and just discuss it with them directly. It may not do any good, Mr. Chairman, but I think some ordinary Members would feel that if they could have some input with those people and actually see them face to face that they would have at least tried. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Wray.

HON. GORDON WRAY: Mr. Pollard makes it sound so simple and it is not that simple. We have invited them from time to time. They do come here, not as a group. The only time that I saw three representatives in the one room was when their Minister, Mr. Bouchard, came to meet with some MLAs.

I will give you an example of what we are dealing with. In that meeting I made the argument that, "Look, each one of your regional offices develops their own priorities, but we have northern priorities. You are spending one million dollars in one region in fencing and two million in another region. We would like to have some input into that capital spending." At

that meeting Mr. Bouchard instructed, in my presence and in the presence of other MLAs, the three regions to get together with us to discuss that. The three regions, since that meeting, have refused to do so. They will not even take instructions from their own Minister.

We have a very great deal of trouble with this department. You say one representative -- when you invite Transport Canada, if they show up with any less than eight or nine people then you are very lucky. Usually they show up with 14 or 15 people. It is an incredible bureaucracy to deal with, because there is no one person responsible. They have so many divisions that they jealously protect within their own bureaucracy, that you cannot deal with one person because there is not one person in charge. It took me a year just to get them to come to Yellowknife before and that was only because I convinced the Minister to come.

So I will try, but I quite frankly think that we will control the airports long before I would ever get a meeting like that together. I do not know if it would be very beneficial anyway.

Clyde River Project

I do have some information with regard to the questions that were asked by the MLA for Baffin Central with regard to Clyde River yesterday. The project apparently was tendered in the summer of 1989, with the prime contract being awarded to Jely Construction, which is not surprising because very few northern contractors ever get contracts that are let by Transport Canada, particularly out of the Quebec region, it always seems to be Quebec companies that get the contracts. The project management was awarded to Hamel-Beaulieu and Associates. The value of the project is approximately \$2.9 million. The runway lights will also be replaced at a cost of about \$90,000. The regional manager of airport operations in Baffin, our guy, has provided Clyde River's senior administrative officer with information about the project. From what we understand, the contractor will make limited use of the local hotel for sleeping accommodation, but they plan to have all their project staff take all their meals at the hotel, which is a plus for them. The contractor will use his own equipment fleet. He has no intention of utilizing construction equipment that may be available locally. That is about all I can say. So from this information it appears that the project is going ahead and work will take place this summer in Clyde River.

CHAIRMAN (Mr. Gargan): Thank you. Total Arctic airports. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. We do not get enough information ahead of time. I wonder if that is the only place you have information on. I have heard that the federal government will not provide any information to you. You are aware of Clyde River in the Eastern Arctic. I wonder how it is that you do not know of the other Eastern Arctic communities at all. I would like to find out more. Why do we not get enough information when we should?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: We eventually do get the information, sometimes after the project has started, but eventually it does come to us. The reason I know about Clyde River is because the Member asked me yesterday. So we went to Transport Canada and made a case for them to provide us with all the information that they can. We are aware, generally, of what they are doing, but it is usually pretty late in the year before they tell us what their plans are.

I know that they are planning on doing some work in Cape Dorset, electrical installation of some kind. I guess they are

fixing the lights or something like that. I think there is some minor work in Sanikiluaq, but that is about all we can find out. We eventually will have all the information and I will forward it to the Members when we get it all. But I am hoping that this is the last year in which we have to deal with Transport Canada. Quite frankly, the less I have to deal with them, the better it is for my mental health. If the airport transfer goes ahead, then all of these projects will become our responsibility so that if we are really, really lucky, in next year's budget you will see these projects listed in our books. And that is where I am concentrating my efforts right now.

CHAIRMAN (Mr. Gargan): Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I understand the response, but people never requested airstrips and they are under the federal government. But it does not seem to be like that the way we hear it. Maybe we are just sleeping. I do not know what we are doing. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: I am as baffled as the Member sometimes. I do not know what goes into Transport Canada's thinking when they are planning projects. All I do know, for example, is several years ago they built a terminal building for several million dollars in Iqaluit, that the town did not want. The town wanted a dock, they did not want a terminal building. Transport Canada have their own way of doing things and we have had no influence on orchestrating their capital plan. I do not know what goes into their capital planning process. I do not know how they arrive at their decisions and it seems to be different from region to region. There is no consistency. Edmonton seems to operate one way and Winnipeg seems to have a different way of operating and Montreal seems to have a different way of operating. It is probably the most frustrating thing I have had to deal with in the six years I have been a Minister. That is why I cannot wait for the day we take those airports over and I do not have to deal with them anymore. But I can assure the Member, as frustrated as he is, I am just as equally frustrated.

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

Direct Approach To Federal Minister By MLA

MR. KILABUK: (Translation) Mr. Chairman, I would like to ask now, since you are not responsible for airport terminals and air strips, maybe we should go to the federal Minister who is responsible for the northern airports. They would probably agree if we request information from them, if we bypass you and go to the federal Minister. I wonder if that would be alright. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Wray.

HON. GORDON WRAY: You could try that, that is what I do. I just go to the Minister and that is where I end up getting most of my information. I go straight to the Minister in Ottawa. But I can tell you -- more power to you if you can get information out of them. As I say, the airports transfer is coming along and we may be able to do it, and we may not have to worry about this in the future. This may be the last year we have to worry about this.

Arctic Airports, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Total Arctic airports, \$484,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Page 11.08, Department of Transportation, total capital expenditures, \$8,581,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): This concludes the Department of Transportation. I would like to thank the Minister and his witnesses. We will take a 15 minute coffee break and hopefully the Government House Leader will be back by then.

---SHORT RECESS

Department Of Economic Development And Tourism

CHAIRMAN (Mr. Pudluk): We will go to the Department of Economic Development and Tourism. The Minister has already given his opening address. Mr. Wray, do you wish to bring in your witnesses at this time?

HON. GORDON WRAY: Yes, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Is this House agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Pudluk): Mr. Minister, could you please introduce your witnesses for the record?

HON. GORDON WRAY: Thank you, Mr. Chairman. I have with me, Mr. Dwight Noseworthy, deputy minister of the Department of Economic Development and Tourism and Mr. Jim Kennedy, director of finance and administration.

CHAIRMAN (Mr. Pudluk): Chairman of the finance committee, do you wish to make any opening remarks?

Comments From The Standing Committee On Finance

MR. POLLARD: Thank you, Mr. Chairman. Mr. Chairman, with regard to this department the committee believes there is an underuse of certain sectors. Members feel that the economic potential of areas such as renewable resources and arts and crafts is not fully utilized.

Limited activities in arts and crafts and renewable resource development exist and should be encouraged and expanded with the support of the department. Significant underuse of renewable resources, and the example is musk-ox, Mr. Chairman, should be addressed jointly with the Department of Renewable Resources.

Recommendation five: "It is recommended that the Department of Economic Development and Tourism examine and act upon strategies to increase the economic viability of the arts and crafts and renewable resource sectors."

With regard to the loan system, Mr. Chairman, Members believe that the current loan system, including the boards, does not encourage new businesses. The Minister agreed that the process is cumbersome and will be reviewing the system.

With regard to the NWT Development Corporation, Mr. Chairman, the committee supports, in principle, the creation of

the NWT Development Corporation. However, Members are not confident that the strategy for the actual creation and implementation of the corporation has been established in detail. There is concern that the corporation could have a less than arm's length relationship with the government, essentially supporting specific projects of interest of the government at the expense of other projects. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Thank you. General comments. Does the committee wish to go to details now?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Pudluk): Mr. Arlooktoo.

Assistance For Soapstone Quarrying, Cape Dorset

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I want to bring up something from my constituency with regard to Economic Development and Tourism. I am wondering if Economic Development and Tourism can assist and I was told to bring this up.

Where I am from there is a soapstone quarry. Even the people from Iqaluit go to that area to get soapstone. My constituents have asked me to ask these questions. When they get soapstone they have to transport it on a freighter canoe to their community and it is very difficult work quarrying for soapstone. I do not think that they have sent a letter yet but they have asked me to request assistance in obtaining equipment for the soapstone quarry. They want to know if they can be provided with equipment, such as front-end loaders. They wonder if they can be assisted. There is also a barge that is in Cape Dorset and it is not very badly damaged; it can be worked on. If they were willing to do that, would the Department of Economic Development be able to assist in obtaining equipment such as front-end loaders? Would the money be available to assist the community of Cape Dorset if they wanted to do that? I am just asking this question and, following your reply, they would probably put a proposal to you. Thank you.

CHAIRMAN (Mr. Pudluk): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman, the question put by the Member for Baffin South is very relevant, given the budget that I have in front of me. The provision of raw materials, particularly soapstone, has been a major source of problems for both the department and the carvers, the producers, over the last few years.

In last year's budget I had \$10,000 allocated for the entire Northwest Territories for assistance. Recognizing that this is a major problem but also recognizing that we are going to have to do it in a major way, when we go into the capital budget there is an allocation planned for this year of over \$415,000 for things like provision of raw materials such as soapstone. So we are increasing the budget from \$10,000 to \$415,000.

The community should go ahead and put a proposal together and when we get it we will evaluate it and I am quite sure that we will be in a position to assist. Thank you.

CHAIRMAN (Mr. Pudluk): Thank you. General comments. Does this committee wish to go to details now? Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. Mr. Chairman, you do not have a quorum.

CHAIRMAN (Mr. Pudluk): Mr. Clerk, would you please ring the bells? The Chair recognizes a quorum now. General comments. Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. I want to start out the general comments by saying to the House, to the committee here, that I listened with great interest to the Minister's economic development strategy on Monday, the document he read to us, and followed that by studying in detail the two packages that were also presented to us later -- the building on the strength of a community-based one and the government's one as well.

I want to say that I welcome the Minister's economic development plan greatly. I think it contains some excellent suggestions. There are a few details that I would like to add perhaps, but in general it is very much in agreement with my own concept of what economic development should be.

I think, Mr. Chairman, that this is probably the first time in the six years I have spent in this House -- somewhat over six years now -- that I have felt any degree of optimism and enthusiasm for the future of economic development. Mr. Chairman, to prove that, I will just read a few things. It says in the paper I have in front of me that just over four per cent of our total budget is allocated for the Department of Economic Development. This obviously does not reflect the wishes and priorities of the territorial electorate.

Percentage Of Budget Allocated To Department Should Increase

For a longer term solution to job creation, I would like to work toward increasing the budget for Economic Development and Tourism every year until it reaches a percentage of the total budget which reflects the importance that the electorate has placed on job development. I would suggest this percentage should be about equal to another very important department, Education. In other words, it should be 17 to 18 per cent of our budget.

Also, I think we must change the criteria by which we judge economic development programs away from looking solely at financial viability and the bottom line, and toward looking primarily at the local employment capability of the project. As long as the public funding is substantially lower than the wages paid to those new jobs created by the project, then I think that we have a project that we should consider assisting.

Mr. Chairman, these are just a few of the comments that I made on economic development six years ago in my maiden speech to this House. During those six years, we have in fact not seen what I had hoped we would see then, an increase in the department's budget. I do not remember the precise figure, but I do remember that the Minister said his budget this year is three point something per cent of the budget. It was just over four per cent six years ago. So in that respect we really have not done very well.

Productive Employment Must Increase

I think that Minister is completely right when he says that in the smaller communities, the second tier and third tier communities he referred to, the main priority has to be job creation. In my opinion, any project that we consider undertaking, whether it be through the development corporation or through loans or grant programs, should be measured in relationship to the number of jobs that it will create; particularly we have to emphasize the number of productive jobs. When I stress "productive", Mr. Chairman, I do so because I am convinced that we will solve no problems if we continue with what I refer to as "a business development

approach" and I define that as being the approach where we concern ourselves about dividing up the existing economic pie and fighting over who can get the biggest slice of that pie. Economic development is the process of making the pie larger so there will be more for everyone.

In basic terms there are not that many different ways one can enlarge the pie. You can either produce things in the NWT and send them to a southern market, and sell them there to a different financial market than we have, and bring their dollars from their market into ours, thereby increasing the pie in our jurisdiction; or you can bring people in from another economic area, people that bring with them their money and enjoy things that we provide for them. The ideal way, of course, is if you mesh the two together, produce things in the NWT and bring people in that will buy them at retail from us. Then we have the ultimate success, I think. There are obviously many details in such a plan, but the fundamental principle is very much along those fairly simple lines of increasing it.

That we must increase employment, and that we must do it through a productive way, becomes clearer when we analyze the employment or occupation situation in the less developed regions. The Minister quite clearly and quite correctly stated that the unemployment rates are extremely high; in fact I think if we divide the number of people of working age into the number of available jobs, then they would be even higher than what we are stating. We also have an inequality in the level of jobs within the regions. The Minister quoted some figures from my region and they are quite correct. Although we had achieved a good level of native employment in our public service in the Kitikmeot Region -- I believe some 52 per cent -- the fact of the matter is that the majority of quality jobs are held by other than the aboriginal people. Whereas native people in my constituency -- in fact my region -- hold 100 per cent of janitorial positions, they only hold about eight per cent of the teaching positions. There is a great deal of work to be done on that.

I think we also have to look very carefully at the enrolments we have in our schools. If we project that enrolment into 10 or 15 years down the road we can pretty well predict how many people there are going to be in the potential labour force. When we do that and then think of doing nothing to provide meaningful occupations for these youngsters as they grow up, I think it becomes very clear to all of us that although the social problems that we have to deal with today are many and are very difficult to solve, the problems we will have then -- if we do not provide meaningful occupations -- are going to be so horrendous that what we have today will look simply like the good old days.

Mr. Chairman, I agree that we may have different communities where the needs are different, but in the communities that I represent I think that all future economic development must have as its guiding principle the development of jobs for local people; and wherever possible also the ownership and control of this development by these same local people.

I think we have to be very careful, Mr. Chairman, because if we do not do this then it is my feeling that we will surely end up, as so many third world countries have ended up, where the local populations have become spectators to the development in their own countries, rather than participants and owners of that development.

I think therefore to make that statement even shorter, I think what we have to do is ensure our development is for the purpose of creating jobs and participation for the many and not primarily for the purpose of enriching the few. When I say this, Mr. Chairman, I do not say so because I feel there is anything morally wrong in a few people becoming enriched.

But I say it because if we do create a society where the economy benefits the many through occupation and employment, then the few entrepreneurs in that society would automatically benefit and gain their wealth without us even trying. That will happen by itself. But if we continue as we have been in the last decade, then surely we will never pass any of these benefits on to the many people of the future generations. So I do very much welcome the Minister's statements and the initiative.

Subsidization Of Industry Acceptable

I do not think there is enough money in the department to do what I would like to see happen. This is not a new thought that I have got into, I said this six years ago. The mention by the Minister in his paper to us that we can provide operating subsidies to business, I agree 100 per cent with. I think we have to realize in this country that, compared to southern Canada and other parts of the world, we are not a competitive society for producing things in. Canada generally is not considered to be so in the world market. Go to any of the stores and you will see we are not. In fact I spent one day in Vancouver last fall, deliberately trying to find mens clothing that was made in Canada and I found nothing. The Speaker of our House was with me that day and between the two of us we could not find anything that had a "Made in Canada" label on it. So as a country we are not, but as a territory we are even less. This is something that we recognize in many other ways. We pay our employees a northern allowance, for instance, to make up for these higher costs. But we also must realize that that exists when we are looking at economic development.

I think in our Canadian society we have accepted as basic rights of the population of this country, certain things. I think we all accept that as Canadians we have the right to an adequate health service when we are sick and we need it. I think we also accept that it is the right of a Canadian to have access to an adequate education. In the NWT, at least in the more remote parts, we have also accepted that there is a right to some degree of adequate shelter and because of that we have a Housing Corporation that provides social housing. These things are all subsidized.

I do not think it should be difficult for us to go one step further and also consider that it ought to be a basic right for anybody in Canada to have some form of meaningful occupation or employment. And if this right has to be achieved through the applications of subsidies, then there is nothing wrong with that at all. Many, many industries in Canada are subsidized for employment. Many regions and areas are subsidized for employment. I think we should remember that we already, through welfare systems, through unemployment insurance payments, we already subsidize unemployment. I think the time has come for us to realize that everybody has a right to be meaningfully occupied and if we can subsidize unemployment, for goodness sakes, we should also be able to subsidize employment.

Mr. Chairman, as I said, in general I am very encouraged and I agree with the Minister's statement. For the first time in six years I feel optimistic about the economic development future of our territory. At a later stage I hope others will jump in and do some speaking so I can review my notes and see what I might have forgotten, and I may jump in again later, but for now, Mr. Chairman, I will stop.

CHAIRMAN (Mr. Pudluk): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Obviously I am pleased with the Member's comments and I am not going to disagree with him. I would like to perhaps disagree with one little statement he made and that was that

if we are not careful we may become spectators. I would put forward the point of view that in some areas we already are the spectators.

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

MR. LEWIS: Thank you, Mr. Chairman. When I listened to Mr. Wray give his strategy to us in this House, I began making notes, but I thought no, I will just wait until I read all the documents. So that very night I took all his stuff home and read through all the documents produced by his department. I also went through his budget, including the capital. After I went through it I felt a mixture of disappointment because on the one hand, I was not going to be able to fight with him very much in this session; I was not really going to have some kind of battle with him about different visions about where we were going. On the other hand, I was very pleased because it is very clear that from the very first day that we began our work on the special committee on the northern economy, he was reading the same kind of stuff that we were reading. He kept abreast of all our meetings and made notes of different things, and even before we were halfway through, the department was already beginning to respond to things that were happening in the communities. In a sense, by the time this was all over he was already halfway through trying to mount his own program, and, like Mr. Pedersen, I feel a sense of optimism about his analysis of where we are. Because, let us face it, there have been so many attempts to grapple with this problem that we have.

SCONE Report Focus On Basic Issues, Not Recommendations

We had no illusions when we started doing our work that we were going to come up with anything that was magic, just the instant pill. But what we wanted to do was to see why is it that after so many years, so much discussion, that nothing much really was happening. We began to realize that perhaps one of the reasons is that suddenly the will goes. The inertia builds up; you know what the problems are, but you do not seem to be able to get around to solving them. So I suppose when we wrote our report we decided that what we would do was not just simply come up with a thousand recommendations at the end. Because I noticed that even when we tabled our report in Norman Wells, the first thing everybody did was to go to the back and see what all the recommendations were. We decided that there are all kinds of recommendations that you can make, once you have agreed on which way you are going to go and once you have agreed that there are some basic principles that we should be following. Then there are dozens and dozens and dozens. We could generate literally hundreds of recommendations, once you agree on your approach, what your principles are, what your themes are.

We decided to keep it simple and to concentrate on this idea that we cannot really resolve many of our problems unless we agree to work together, unless we find some way of zeroing in on what the real barriers have been to solve the problem, and we came to the conclusion that two basic issues had to be resolved. First of all, a need to differentiate between growth and development, and to try to tackle what we mean by the word "development", and "developed" and "undeveloped", and perhaps also to come to terms with the overall problems that we have been dealing with for such a long time.

The last document that we received as a committee, which just came in last week from the Catholic bishops, Mr. Chairman -- and I am going to table it over the next day or two -- was a document that is very, very well done, very

thoughtful, and it deals with those fundamental problems: What do you mean by development? Where does it start? How is it done? The very first thing that the Catholic bishops do is to say, "We do not agree with the SCONE report." The two basic issues about developed and underdeveloped, that is something that you see from a point of view that may be not the same point of view that people at the communities will view development. It is an ethnocentric idea. If you were to ask people whether they were developed or not, they would say, "Yes, we are developed, and who are you to tell us what is developed and undeveloped?" The other thing they said was that our basic assumption that organization, discipline and education were the problem is really not the problem because again that is our version of what education, discipline and organization are. They agree with us that that is the problem, but what kind of discipline, what kind of organization and what kind of discipline are we talking about?

However, having said that, they said, "Yes, but the rest we agree with. We agree with your assumptions about developing these principles on which you should develop your economy." Although they start off with a couple of negative statements, what they have to say is very thoughtful and very worthwhile.

Guiding Principles For Economic Development

Mr. Chairman, when we go through the budget, we are seeing immediately that what the department has done -- if in fact we accept that the arts and crafts, tourism and renewable resources should be the basis or at least the foundation of our economy, then what we must recognize is that that is the strength that already exists. If we were to go through these guiding principles, you will find that we have said that time and time again. Of these principles that we have outlined here, principle number one is that we need an economic strategy which is tailor-made for the NWT and our underdeveloped communities. By that, we mean that it is not something that you just build as you would somewhere in Toronto. You look at what you can do and what you can develop because it makes sense and because people have certain skills. That is what we mean by principle number one. You begin where people are at, using the skills that make sense to them.

The other issue is the second one: Development must be sustainable. Clearly this again is something which the government has responded to, not with this particular department but by statements made by the Government Leader, that we have to look at the long-term impact of whatever we do in terms of development so that we do not make a few jobs for a short period of time, make a little bit of wealth, but end up destroying everything else. That second principle has already been upheld by the government with the announcement of the round table and also sustainable development process.

The third principle is that we must create a development ethic. Too often this is a problem, that whenever you have government, what you have to do is to deliver the program. It is very clear. You deliver it. That is your mandate. It says that at the top of your budget. Yet, in our part of the world, each department has a role to play. Every department really should be looking at this part of the world as a part of the world where every single department of government must recognize that it has a developmental role to play.

The next principle that we looked at, Mr. Chairman, principle four, was that the economic development strategy must be based upon integrated strategic planning at all levels of the economy. What I had hoped we could have got if we had spent enough time, perhaps, going through the SCONE report, was that, as Mr. Pedersen pointed out, Mr. Wray has a very

small budget. You cannot say that this gentleman is going to have the burden of economic development on his shoulders if that is the only kind of money he has to work with. So there is a requirement that we work on many different planes and in an integrated fashion if we are to come to grips with our economic problems.

Principle five was that economic development be community-based and reflect community values. It was pretty clear from Mr. Wray's documents, that they recognize that although they have not accepted the idea that we could take a regional approach to things, that the prime body concept, the fact that local government is where we started in the late 1960s -- that should be the basic economic unit. That particular community where the people have chosen to make home and perhaps some other communities that have similar kinds of economic problems could form some kind of regional basis.

Regionally Based Economical Development

In principle six, we have put in the idea of regionally based economical development, Mr. Chairman, because it has been such a hot issue for so long that we wondered how we could ever retain that regional structure, perhaps, but to give it life through some kind of...

CHAIRMAN (Mr. Pudluk): Mr. Lewis, your time has expired. Does this House agree that he continue?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Pudluk): Mr. Lewis.

MR. LEWIS: Mr. Chairman, what I was trying to do was to get through SCONE without taking too much time doing it. Thank you.

We thought that if we could have established this as a role for regional bodies that there could be some continuation of that form of development in the system, because there has been so much controversy about the role that regional bodies play now in the delivery of government programs.

Principle seven was that the economic development must reflect an entrepreneurial spirit and the use of appropriate technologies. The Minister, I think, has responded to this by his idea of centres of excellence, that there is some possibility of looking at new ways of doing things; perhaps something that is unique and northern and the need throughout our system in getting people, not simply to become businessmen but to get people to take a more business-like approach to things. That is what we mean by entrepreneurial spirit. We would try to get people to operate in a businesslike fashion in their everyday lives and their organizations, schools and so on.

Principle eight was that community awareness and personal development are essential to all economic development. We learned this very much in Pond Inlet when we were there. The community became very, very aroused and interested because they had an economic development person there who had taken the time to really give a picture to the community of what their economy was really like. It was a fascinating experience to get a picture of who did what, what money was coming in, what was going out, what was being produced, and so on. So we felt that communities should have some kind of picture of where they are economically. That is why, when we made our recommendations, we suggested that we should provide some kind of encouragement to the Minister to look at communities and

provide them with an individual who would provide them with some kind of ongoing picture of where they were going, and give them some ideas about where they could go.

I will not continue at any further length, Mr. Chairman, with SCONE except to say that, like Mr. Pedersen, I agree that we simply cannot take the position that economic development is simply doing the same old thing but in a new way. The biggest challenge for us is to find some ways in which we can do value-added things, in which we can attract new money from somewhere else. We do not want to just have the same money rolling around in a different fashion. That is why I believe that the approach that the Minister is taking in renewable resources, in arts and crafts and in tourism, is the right one to take, simply because it does look at economic development in terms of developing people in ways that make sense to them, at the local level, and in such a fashion that in the long run you can create new wealth.

Over the next few days, Mr. Chairman, I hope that we will deal with this department and there may be lots of other recommendations that we could have put in our report, but did not, could come out as recommendations of things that could be done in a practical nature that would help us to stimulate our economy. Thank you, Mr. Chairman.

---Applause

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

Shortage Of Economic Development Officers

MR. KILABUK: (Translation) Mr. Chairman, thank you. I did not have too many comments before, looking at the Minister's statement, and I supported them in a way. In the smaller communities or anywhere in the regions it is going to be a very slow process, I think, because there is a shortage of economic development planners or economic development officers in the regions. I just wanted this to be considered by the Minister. There are government employees in different regions and there are some communities that do not have any economic development officers. How are those communities going to get assistance from the department? In some of the communities that have an economic development officer, sometimes he works hard but sometimes he does not work too hard to assist the community or the communities around him.

Perhaps there is a better way to approach this, or maybe we could approach the hamlet council to see if they are willing to assist the government. I am pretty sure that there would be a cheaper way to approach this but the government and the hamlet council have to work together. Sometimes there are part-time employees; we do not know how much the government is paying for those part-time employees. Perhaps we could get back to some of those things. Especially for those communities that do not have an economic development officer and they are the ones that need the most information and assistance from the department.

Perhaps if we had an economic development officer in the communities the public would be more aware of what the department is trying to do to develop employment in the communities. Again the department could get more assistance from the communities themselves, communicating with them and trying to find out what kind of a development the community would like to get. These are some of the recommendations that I would bring up to speed up the process. Perhaps this has never come to your mind, but I have been thinking about it for a long period of time. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Mr. Minister.

HON. GORDON WRAY: I certainly value the Member's advice. I do not think it is any secret that the lack of economic development officers is one of our major problems. We only have 34 positions to cover 61 communities. It is very difficult to deliver programs when you do not have anyone at the community level delivering those programs. But after saying that, I think we have to realize too that we are caught in a financial bind and PYs are just not that easy to come by. I certainly will consider the Member's advice because any way I can alleviate this situation is obviously of benefit to the department.

We did have a little bit of luxury inasmuch as one of the EDA subagreements provided money for economic planners which we used to offset our lack of economic development officers. However this has now run out of money so this instrument is no longer available to us. For the time being, what we have been attempting to do is cover as many communities as possible, sometimes using one officer for two or three communities. It works to a certain extent but not as good as it should and for example in the Deh Cho region, Mr. Sibbeston's region, we had one economic development officer trying to look after seven communities. Obviously there just is not the time for one man to try and do the kind of work that is necessary in all those communities.

We are trying to cover off some of our communities by using regional staff. We are planning on doing more workshops and seminars, using radio and video more, to try and get some information out. But I would be less than honest if I was to say that it is not a major problem for us and will continue to be a problem for some while.

CHAIRMAN (Mr. Zoe): Mr. Pudluk.

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I would like to thank the Minister for his statements. If the statements are true I think we are going to have a lot less problems in our future. Ever since I started visiting the communities I represent, there have been so many communities asking information on who they should approach so they can find ways to make money for themselves. Who should I talk to? Where do I get a loan to start a business? Every time I visit the communities, people approach me with the same questions. Now after I read the statement, what I expect in the future is maybe there will be less questions asked when I visit the communities.

Some people are trying to get a loan to start a business and there are some businesses already started. Everything is very expensive in the communities I represent. If you buy a vehicle it does not last too long because the temperature is so cold. The business could operate well but do not make enough money to cover expenses. You have to get a new vehicle so often and you do not have any capital funds to purchase it. Can anyone in the community apply for assistance through EDA? These are the questions they usually ask. The people who operate the small businesses in my communities worry everyday whether or not they will make money or not. That question is always there for those people in the smaller communities.

After listening to the Minister's remarks, I think we are going to be better off than we are today. But the problems we are facing today in economic development and in the Arctic co-ops we have, I think we can solve those problems. The Arctic co-ops in the communities I represent, they are very useful in High Arctic. One co-op had to be closed down. They want to open it again and it will be difficult to go through that. People are aware of this but it is obvious that it is a lot better

to have co-ops in the communities. When there is just the Hudson's Bay Company in the community it is not too good because they are just there to make money. The co-op can assist the people more because it is owned by the people. For that reason I think we must push forward in our future, Mr. Chairman. I would like to thank the Minister and his witnesses for what they are planning and also that the plans will be employed in High Arctic. Thank you, Mr. Chairman.

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

Arts And Crafts Projects Not Economically Viable

MR. SIBBESTON: Thank you, Mr. Chairman. While we are on the subject of economic development, I must admit that I have not had a chance to read all the documentation that Mr. Wray and his officials have produced and the things they have said in the last few days, but I have some thoughts with respect to the matter of getting small communities and particularly native people into business. In one respect, I have some concerns that the government's ideas with regard to getting all communities into business, providing jobs and so forth, are on the basis of arts and crafts and things of that sort -- the resources that exist in some of the small communities. Perhaps the situation is not quite the same throughout the North. I appreciate that in some communities in the Arctic, arts and crafts, fishing and so forth, are the only resources that people have that can be turned into economic benefits.

In our part of the North, amongst the Dene down the Deh Cho, Mackenzie River, I know in comparison to other parts of the North we have lots of resources. We have timber, we have land, we have tourism and other resources. I really have to wonder, in our part of the North, whether the arts and crafts projects are really the way that you can get native people on their economic feet. I have always thought, even in my idealistic days back in the 1970s when I came back from university and so forth -- I knew at the time that the government of the day had their idea of getting native people involved in business and getting them economically involved through the arts and crafts -- that although as it was a noble idea, I just knew that in reality it would never work. I always thought that if it would work, the white man would have been there and done it. It just seems that white people are good business people and they can sense what works and what does not work, and if there was a way to make a living and succeed they would have been there. But the fact that they did not have people like that in there indicates to me that the project or business idea was not economically viable. It was not a profit-making venture. But the government seemed to think that that is where native people should be, and I have always thought that that is doomed to fail because there is not enough money in arts and crafts in our part of the North and it cannot be the basis on which native people are going to get on their economic feet.

Look at the success of native people in the West, along the Mackenzie River and places like Fort Liard. Fort Liard is a unique story, in part because of one or two people that have been the driving force who have a good entrepreneurial spirit, who know what it takes in order to succeed and they have been able to see the opportunities, such as heavy equipment operating work for the oil and gas industry and so forth. They have been able to capture and get involved in the types of businesses that are viable in the area and they have succeeded. The biggest project they are involved in now is a highway service station-motel tourism centre that is located on the Liard River. In terms of economic projects and things that are viable, these are the most viable things, and the native people in those areas are latching on to that and see that, and this is where they are concentrating their efforts. I

do believe that they will be successful.

It is very hard to catch that entrepreneurial spirit. It is a very unique type of spirit and it does not exist everywhere -- even amongst the native people it exists only in some. It is a spirit that lies dormant, I think, in a lot of people and sometimes that can be lit. The spirit to be independent, to work hard and to succeed, that is a spirit that is there and it has to be spurred on; it is very difficult.

Just recently in the last few weeks we had the good fortune in Simpson to invite a number of non-native and Inuit people from the Keewatin to talk to the native people about that. There was a good meeting of 20 to 30 native people in Simpson. I was not at that meeting, but when I got there later the next day, I could see that people were truly and sincerely inspired and excited about the possibility of their getting into business. The process essentially involves a commitment of putting down your \$500 or \$1000 on the table and through a grouping of a number of people doing this, investing this money in a project. That is the way that native people in other parts of the North, particularly the Inuit people up in the Kitikmeot and Keewatin, and it seems it is spreading into the Baffin, that is the way that native people there have gone into business.

Assistance To Native Entrepreneurs Through Leasing

I see that it is not enough for just half a dozen people to put their \$1000 down and invest it in that project by itself. It is a lot tougher than that, and the government has a role. In parts of the North, the Kitikmeot and the Keewatin, the government has come along, and very wisely -- where there are certain projects to be built, perhaps an office building or some staff accommodation or apartments -- they have given these native people and native corporations 20 or 25 year leases. They have negotiated the terms of contracts with the native people and this is the way that they have gone into business, and this is the way that they have started their success, as it were, in the business world. I applaud the government for doing that.

I just wonder, in terms of an economic development strategy, whether they are considering this as a way of helping native people get into business, as they have done it successfully a number of years ago in certain parts of the North. As I see the people, the native people, in Simpson that are excited and sincerely interested in getting into business, will the government be able to give them -- not give them in the sense of handing out -- but whether there will be a project, either an office building or an apartment block, staff housing, that the government requires -- where the government negotiates a 20 year lease or so, then that could be the start of those people getting into business.

In terms of this approach, I do not see it in the literature and I am not aware of the government dealing with this, and I am wondering whether that is an aspect that is missing. I would ask the Minister whether, as the Minister of Economic Development, and I see the Minister of Public Works here, whether the government will be committed in the next few years -- since they are trying to get businesses going in the remoter parts of the North -- whether the government will be prepared to negotiate with native people where there is a government requirement for staff housing and other buildings, to get them started into business. In this way native people get into business and the government also gets their needs met, as it were, in accommodation and office space. I am just wondering whether the Minister could comment on this aspect and whether he believes, as I do, that this is a very interesting and very necessary component and a way that native people can also get into business.

CHAIRMAN (Mr. Pudluk): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Mr. Sibbeston covered many points here but I guess I will address two main ones. First of all I would, to a certain extent, disagree with the Member's statement with regards to arts and crafts. I tend to think that many people consider arts and crafts to be, at times, a hobby or something people do as a filler. I do not know if the Member is aware or even if the public is particularly aware but I think in my opening comments I made the statement that arts and crafts in the Northwest Territories bring in more income than fish, fur and lumber combined; twice as much income.

The Member alluded to, "Well, in the East they are important and in the West not so important", but I have to say that is an erroneous impression, because almost seven million dollars in income that goes directly to mostly Dene and Metis people, accrue from arts and crafts every year in the North. To put that in context, total lumber production which all comes from the West is one million dollars; total fish production is two million dollars; and total fur production is about \$4.5 million. So those three items added together in the West account for about \$7.5 million worth of income. Arts and crafts alone accounts for almost that much again. Arts and crafts, I think, has been badly and seriously overlooked as a serious occupation. The thing that is attractive about arts and crafts is that it gets money to those who are most in need. That is, I think, the attractive thing about arts and crafts.

Also I think the Member has to understand that if we are talking about developing tourism in the Liard and in Simpson and around the highway system in the West, one of those things are tourists and, I will be quite blunt, when you get a tourist in, my attitude is that you take him for everything that you can get because you might not get him back a second time, so you make as much money off him as you possibly can. One of the things about tourism is that you have to have something to sell to that individual. There is no point in them just coming here. You have to have products that you can sell and flog. I think that we can double and triple our arts and crafts production in the West for sale quite comfortably, in the tourism area, for sale in the North. Yellowknife has a huge market for arts and crafts, believe it or not.

So I do not want to underestimate or undervalue arts and crafts, even in the West. Yes, it is more important to our cash economy in the East but that is only because we have nothing else in the East. We do not have lumber, we do not have a lot of fish production and the full production in the North is almost all in the West. So arts and crafts are very important to us but that is because it is one of the only industries that we have, but it also is very important in the West and Dene and Metis craftspeople are very important in our strategy.

With regard to the second question I think that the government has demonstrated over the last six years that it is committed to a continuation of its maintenance and leasing strategy. In fact, I know right now that my colleague, the Minister of Public Works with assistance from us, is actively involved with several band councils, for example, in negotiating leases. That is a fact of life that our government has accepted as a very valuable economic tool. Now, do I think that should be the only tool? No, I think it is a good way to get people started and it is a good way to get people's feet wet but I think that after you get into that business for a while then if you are a smart businessman, you will diversify very quickly, because we see the way that finances are going in the government and we see the way government is going generally, that money might not be there three, four or five years from now. The trend is to down-size government, not to increase it. So I think it may be good on a small scale to

get started but I would not build my entire economic future, our business future, on leasing to government.

In our main document, in the government's main document on page 23, I will read that with regard to maximizing the impact of public expenditures, "These and other measures are covered in the local and northern construction, maintenance and leasing strategy." As a department, Economic Development does not negotiate leases. But what we do is we come in behind the work that is done with the group, Public Works and Personnel, and we will support them in the form of loans and grants and the economic programs that we have available but certainly it is an important part of the government strategy.

I am getting some compliments today and I would like to give some back because Mr. Sibbeston was on the Executive Council and he was the Government Leader at the time when we did what we did in the Keewatin and we were subjected to intense and heavy political and public scrutiny, because people felt that we were up to no good. I think four years after the fact we can point to it and say we were right, we were right in what we did. I think the problem was that we were breaking new ground and everybody was just suspicious of the new ground. You were very instrumental in helping push that concept with the government of the day and you should take some credit for it. But now it is a part of our strategy and it will continue to be.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Minister. Mr. Sibbeston.

Encouraging Private Business

MR. SIBBESTON: I guess everybody believes in certain things and it is hard to shake some of these beliefs. One of the beliefs that I have, and it is based on my experience, is that an individual can do something better than a committee or a large group. I have always believed that, from my own experience.

When I came back to the North in the 1970s with a bunch of enthusiasm I really, dearly, wanted to see native people get into business. In Simpson there were zero native people in business. I was involved in starting a little co-op. The first summer we grew potatoes and sent bags of potatoes up to Inuvik and as the winter came we got into the garbage business. We had the contract for one month and then we lost it and then we hauled some wood. Particularly in the wood hauling business I remember that I was quite enthusiastic but after a number of months I found that I was one of the only ones out there with snow up to my ass hauling wood...

---Laughter

...trying to get wood into town and it made me really think that, whereas I was imbued with the spirit of trying to help people and see people get ahead, a lot of people did not care. They were in town having a beer and just at home enjoying life with their families. So it made me realize that private business, entrepreneurial spirit, is very much a personal type of thing.

Over the course of the last few years development corporations have been started, band corporations. As an example, in Simpson we have Nogha Enterprises and, also, co-ops. I think co-ops are fine, too, as a way of getting native people into business, and I always think that these corporations are fine and should be supported but the day that a private individual comes along and says, "I will do it. I will do that as a way of making a living and as a way of business", then I think the development corporation should

back off. I feel that a private individual can put more of his heart and energy and life into it than a large group of people.

It is something that development corporations and band councils and so forth have to deal with. I have that feeling, and I know that there have been instances where private individuals have tried to get into business but the band corporations have blocked government assistance and help going to that individual. I think there have to be some decisions made, I guess locally, and on the government side. Often what happens is that the development corporation will try to control everything once they get into business and make it very difficult for a private person to get into business himself. I think that the government should be very conscious of that situation and be open to helping the private individual also, even though the corporation is not happy and sees it as a bit of a threat to their business interest. I am just wondering, again, what the Minister's thoughts are on this point, and what would the government policy be on this matter?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Different Types Of Corporations

HON. GORDON WRAY: Thank you. We do not have a policy on how we treat corporations but I think what you have to clearly do is to distinguish between what I call "birthright corporations", like the Inuvialuit Regional Corporation or the Nunasi Corporation, which are owned by all the people in a certain segment of society. I call them birthright, through which land claims, money and that, will be instituted, as opposed to private corporations such as what we have in the Keewatin where you have a very small shareholder base. I think in five corporations there are probably about 120 shareholders. These are not corporations that are publicly owned. These are corporations of a group of individuals who are in it for their own self-interest. They are not in it as a social program; they are in it to make money and to create wealth for themselves. That is what they are there to do. So I think that we have to be very careful to distinguish between the different types of corporations.

Quite frankly, do not get me wrong; I have no problem with the self-interest attitude because that is what makes successful business people, is self-interest. I have no problem with these corporations trying to create wealth for themselves because otherwise why would they be in business? That is perfectly legitimate from my point of view. But we do have to distinguish between the two different types, I agree. But I will just say that government has a role to play with both types of corporations and, probably on a case by case basis, we will have to make a decision on which way we go. But there are differences and I think we recognize them.

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

MR. LEWIS: Thanks, Mr. Chairman. There are several Members that are finding it very difficult to adjust to the new Mr. Wray. He is being so nice to people that we are just not quite sure how to handle this, especially his bouquets to Mr. Sibbeston...

---Laughter

...for all his efforts in the early days when you were struggling with some massive problems.

We do not debate in this forum, Mr. Chairman, but it strikes me that when we look at attempting to create wealth, work, jobs and so on, that although it may seem -- and I can understand exactly the problem that some people may have

with what seems on the surface to be a very simple and rather understated approach to developing an economy. Because people, when they talk about things like arts and crafts, think about very simple little trinkets and so on. It seems kind of nothing. When you talk about renewable resources you say, "Well, that sort of sounds backwards; that is not high tech; it is not industry and manufacturing; it seems so simple, such a simple way of life." When you talk about tourism you say, "Well, that is a renewable resource; people come and people go." But I think that it fits in very well with this idea of the strengths that we have and which we can exploit much more than we ever have done before.

To respond to this kind of concern that people have, that if there was money to be had there, there would be a whole bunch of bankers from New York coming in to take this and that over, I can give you one example. As Members know, I lived in Dorset for four years in the early 1960s and suddenly some guy from New York, in fact, realized there was an awful lot of money involved in this place and they were turning over about a million and a half dollars or something like that; a man by the name of Van Stone tried to privatize, tried to get the single source, the single monopoly to look after all the stuff that was produced in Cape Dorset. The people there resisted him and said, "No, we do not need you, thank you. We do not have any problems selling our product." So it seems to me that once you do have a product and you have developed a product, there are all kinds of people that will really want to take it over. Our problem is to try to get to that stage where we have got something developed.

Visitors Come North For Exotic Experiences

When I talk to people that come from other places, I know that when they come here they are not just coming here just for a visit and for the benefit of their health. The first thing they want to do is find out what is the local food, some place where they can get a different kind of food than what they get in Toronto or New York. So they want to know where the restaurants are that have different kinds of foods to eat. They carry the word back to their yuppie friends in their southern cities. And they also want to take something back for their wife and they will even give you the price range and you can direct them to a place where they can buy things within that price range. So even though we see hotels and motels and airlines as being the kind of big heavy stuff that we should be getting into, you have got to have passengers; you have got to have stuff for those airplanes to carry; people for them to carry. It is no good building a hotel and a motel unless you have got people to stay in them. How would you get people to come to this part of the world? You do it because you emphasize what is unique about it; what is different; what have we got that you cannot get in some other more exotic place. In many ways, to people from other parts of the world, this is exotic.

This morning, for example, Mr. Weber on the radio said that he is now on a joint venture with a man from the Soviet Union to take parties of people to the North Pole. It will cost them \$20,000 apiece and he says they are not going to have any problems in finding people that want to ski to the North Pole. They have done it; they are experts; there is all kinds of people between the ages of 40 and 55 who are in reasonably good shape and want to have something to take back to New York so that when they go out to supper they can talk about the wonderful experience they had; something different; something that they have dreamed about all of their lives and very few people have ever done.

The same thing applies to the vast territory that we have

where very few people have ever trod, have ever visited. People all over Europe that I have talked to when I travel tell me that one of the things that they found attractive about the NWT is that in crowded Europe, where you cannot walk more than two blocks without bumping into somebody, or even through the forest without seeing a neighbour -- would it not be a wonderful thing to be able to go to that part of the world where you have a wonderful environment, a wonderful wilderness, where we can go back to our places in Hamburg or Dusseldorf and tell people about a unique experience? And that results in more people coming. You just get the word passed out. If you have experiences like gourmet dining, something different, something you will not be able to eat in Germany, some kind of mementos, souvenirs of where you have been, that seems to me to be a good small base to begin with.

The other things that we talked about, like manufacturing, maybe some minor industries, can come later but we have to start with something. So let us start with our strengths and for that reason it seems to me that the Minister is on the right track and I think that most Members, by the time we have gone through this exercise, will probably agree that what the Minister has done is a very, very good beginning to overcome the inertia, the arguments over a long period of time that we cannot seem to get over this initial hurdle of getting an agreement as to which way we should go. He is creating a vision and that is what we do not have when we are continually chopping and changing; a vision that we can all share is what I think he is trying to create and in my opinion he has succeeded.

CHAIRMAN (Mr. Gargan): General comments on Economic Development.

HON. GORDON WRAY: Can we stop there? That was a great one.

---Laughter

CHAIRMAN (Mr. Gargan): General compliments.

---Laughter

MR. LEWIS: Very good, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Does the committee agree we go to details on the department?

MR. LEWIS: I would like to recognize the clock, Mr. Chairman.

CHAIRMAN (Mr. Gargan): It is 5:00 o'clock. Mr. Lewis, are you making a motion to report progress? The motion is not debatable. All those in favour? Opposed, if any? The motion is carried.

---Carried

I would like to thank Mr. Wray and Mr. Noseworthy and their witness. I will now rise and report progress.

ITEM 18: REPORT OF COMMITTEE OF THE WHOLE

MR. SPEAKER: I would like to call the House back to order. Report of committee of the whole. The honourable Member for Deh Cho.

MR. GARGAN: Thank you. Mr. Speaker, your committee has been considering Bill 9-90(1) and Committee Report 1-90(1),

and wishes to report progress.

MR. SPEAKER: Thank you. You have heard the report of the chairman of committee of the whole. Are you agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Thank you.

Item 19, third reading of bills. Item 20, Mr. Clerk, orders of the day.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, meetings for tomorrow at 9:00 a.m. a meeting of ajauqtit.

ITEM 20: ORDERS OF THE DAY

Orders of the day for Thursday, February 22nd.

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

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Thursday, February 22, 1990, at 1:00 p.m.

---ADJOURNMENT

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