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Speaker: The Honourable Donald M. Stewart, M.L.A.

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TABLE OF CONTENTS

WEDNESDAY, FEBRUARY 13, 1985

	<u>PAGE</u>
Prayer	158
Oral Questions	158
Returns	164
Tabling of Documents	165
Notices of Motion	165
Consideration in Committee of the Whole of:	
- Bill 7-85(1) Appropriation Act, 1985-86	
- Department of Public Works and Highways	166
Report of Committee of the Whole of:	
- Bill 7-85(1) Appropriation Act, 1985-86	203
Orders of the Day	205

YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, FEBRUARY 13, 1984

MEMBERS PRESENT

Mr. Angottitauruq, Mr. Appaqaq, Mr. Arlooktoo, Mr. Ballantyne, Hon. Tom Butters, Hon. Nellie Cournoyea, Hon. Tagak Curley, Mr. Erkloo, Mr. Gargan, Mrs. Lawrence, Mr. MacQuarrie, Mr. McCallum, Hon. Bruce McLaughlin, Mr. Paniloo, Hon. Dennis Patterson, Mr. Pedersen, Mr. Pudluk, Mr. Richard, Hon. Nick Sibbeston, Hon. Don Stewart, Mr. T'Seleie, Mr. Wah-Shee, Hon. Gordon Wray

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Wednesday, February 13. Item 2, Members' replies. There do not appear to be any replies for today.

Item 3, Ministers' statements. Item 4, oral questions. Mr. Ballantyne.

ITEM 4: ORAL QUESTIONS

Question 66-85(1): Nuclear Reactors On DEWline

MR. BALLANTYNE: Thank you, Mr. Speaker. I have a question for the Minister responsible for Economic Development and Energy, Mines and Resources Secretariat. The Minister is probably aware there was an article in the Globe and Mail yesterday and it was alleged by James Fulton, the NDP northern development critic, that Atomic Energy of Canada is negotiating with the US Energy Department to build tiny nuclear reactors to power revamped northern defence radar systems. Apparently it has been stated by the Minister of External Affairs that he would review the documents. I wonder, in light of the fact that we will be discussing that subject here in the House, if the Minister could get in touch with Mr. Clark's department and find out the exact situation.

MR. SPEAKER: Mr. Minister.

Return To Question 66-85(1): Nuclear Reactors On DEWline

HON. TAGAK CURLEY: Thank you, Mr. Speaker. I think by way of an introduction I would like to thank the Member for taking interest in that article. I made it a point that the Members of the Assembly should be provided with a copy, which my staff will be circulating to other Members so that they do have that information.

On the broader side, there is the ongoing review, I believe, by the federal government of the United States to update the DEWline sites. I have communicated directly to our Leader, Richard Nerysoo, because I would think it would be his office that really should be co-ordinating that aspect of the DEWline issue so I have recently just signed a letter to him giving him some of the background information which I believe, as a government, we should be concerned with. So, on that point I am taking your question as a point and I will advise the Leader that he should include that concern and communicate with the Minister of External Affairs. Thank you.

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

Question 67-85(1): Day Care Centre, Cape Dorset

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. Yesterday I tabled a letter, Tabled Document 10-85(1), on a day care centre, from Cape Dorset written to me. I would like this looked at and I did not know who to give it to so I just tabled it. I would like somebody to look into this day care centre in Cape Dorset because they have asked for assistance in starting up a day care centre. Thank you.

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

Return To Question 67-85(1): Day Care Centre, Cape Dorset

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. My department is aware of the tabled document from yesterday and my department will be consulting with me on the document from Mr. Arlooktoo. Thank you, Mr. Speaker.

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

Question 68-85(1): User-Pay Policy And NCPC Rate Increase

MR. McCALLUM: Mr. Speaker, I have a question to the Minister of Housing. Yesterday in reply to a question asked by Mr. Gargan on the user-pay policy, the Minister indicated that the policy still exists but it is held in abeyance. I wonder if I could get a response to a question that I ask of the Minister. Has he or his department looked at what is going to happen with the proposed increase of rates by NCPC as regards the user-pay policy? It is reputed to be that certain communities in the NWT will experience great increases in cost for utilities, specifically electricity. I wonder if the Minister has any comment to make about what will occur with the user-pay policy and the NCPC increase in rates.

MR. SPEAKER: Mr. Wray.

Return To Question 68-85(1): User-Pay Policy And NCPC Rate Increase

HON. GORDON WRAY: Thank you, Mr. Speaker. I guess there were two questions in that one question. One is what am I going to do with the user-pay policy? When I present the Housing Corporation budget, I will be making a statement on the user-pay policy. The reason I am unable to clarify it right now is because I still have to clear some things through the Executive but I will be making that statement when I present the Housing Corporation budget which should be in the very near future.

The other question, what are the effects? Obviously, there are two major effects which I see could occur if in fact the NCPC proposed rate increases go ahead. One is, of course, a major addition would be needed to the Housing Corporation budget, very simply because the utilities will increase, and it will have a major, severe impact on our existing budget. But secondly, I think just as importantly, I feel that the rate increases could severely jeopardize our entire home-ownership program...

AN. HON. MEMBER: Hear, hear!

HON. GORDON WRAY: ...in many communities, particularly those above the tree line. It could put electricity rates just out of the range of people who are making even \$40,000, \$50,000 and \$60,000 a year. It would also have the effect of jeopardizing severely our many small business companies, companies that we are trying to promote, companies that we are trying to get involved in the housing field and the construction field. It could put them in jeopardy as well. So, obviously we are very concerned with the proposed rate increases and this is why the Minister of Economic Development, in his statement to the National Energy Board, insisted that before any rate increases go ahead, we must be assured the subsidies will continue to arrive. Because if not, then I would suspect for the bulk of people in the small communities including those that are already paying their own way, we will reverse the entire scenario and very few, if any, people in the small communities will be able to pay their own way. So, we really are very concerned about it and we are monitoring the situation very closely. I know my colleague, Mr. Curley, is also very concerned and hopefully the rate increases will not go ahead until we are assured that those subsidies are in place. But the Member is right, it could have a severe and major and a detrimental impact on many areas that this government is now trying to address. Thank you, Mr. Speaker.

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

Question 69-85(1): Reaction Of NEB To Minister's Evidence

MR. McCALLUM: Mr. Speaker, I appreciate the concern. I guess that is why I asked in the first place; I know of the ripple effect that will occur. Since the government has embarked upon a home-ownership program, it does not look too good for it if these go through. I appreciate as well, Mr. Speaker, that the Minister of Economic Development and Tourism, in his capacity as Member of the Executive responsible for the NWT Public Utilities Board, tabled a document regarding the inquiry into matters relating to NCPC in February. I wonder if I may ask a question of the Minister of Economic Development and Tourism, as the person responsible for the public utilities in the Territories. Could he give us an assessment of the reaction received because of his giving direct evidence to the NEB? Is there anything further coming out of it?

MR. SPEAKER: Mr. Curley.

Return To Question 69-85(1): Reaction Of NEB To Minister's Evidence

HON. TAGAK CURLEY: Mr. Speaker, I am not able to give the honourable Member any indication what the response will be of the NEB since the hearings have not taken place yet. I know that although they have pretty well concluded the National Energy Board hearings with respect to NCPC in Yukon, the hearings will begin around Yellowknife area the week of March 4th and they will be going on for a while. So, all I can say is that we appreciate as a government any support, any lobby that the Members or their constituents can communicate with the federal Minister, because he is eventually the one, the Minister of Indian Affairs will be the ultimate Minister who will either have to accept or reject the recommendations of the National Energy Board. So, any amount of pressure that the communities or the citizens can put on through their MLAs or whatnot, I think will make a difference. We, as a government, have already set the stage for cross-examinations with the National Energy Board but that has yet to be tested. All I can say is, Mr. Speaker, that we will do anything we can. Although we are treating the subsidy issue as a separate issue from the rate proposals, again, on that issue we have not heard from the federal Minister. We have communicated though. Thank you.

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

Question 70-85(1): Care Of Patients At Nursing Station

MR. ANGOTTITAUURUQ: Thank you, Mr. Speaker. My question is going to be directed to the Minister of Health. I heard of this before but I did not check it because I thought it was not that important at that time but since I was informed through the telephone after I got to Yellowknife it seemed quite important for the Minister to do something about it. It is regarding two patients. One was an elderly patient and the other was a teen-ager 18 years of age. It seems quite serious, so I want to ask the Minister. First, the elderly person had a bleeding nose for one whole day, almost the whole day and three days later she had a bleeding nose again. She was not sent to the hospital and the people were quite concerned about it because they have heard of people dying, in the past, not recently but a long time ago I guess, people bleeding through the nose and dying. The younger person had pains in the leg and he has been complaining about his leg all through the year but he was taking medication. It got bad one night and he had to use his hockey stick as a cane to go into his father's room because they were asleep and he was crying. I was told that the father phoned the nursing station and there was no result. The nurse would not see that person. For an 18 year old to be crying there sure must have been something wrong with the leg unless there was some other reason. So, therefore, I would ask the Minister whether his department could check into this.

MR. SPEAKER: Mr. McLaughlin.

Return To Question 70-85(1): Care Of Patients At Nursing Station

HON. BRUCE McLAUGHLIN: Yes, Mr. Speaker, I will consult with the Member at the break to get the names of the two people concerned and I will have officials from my department contact Health and Welfare Canada to find out exactly what happened at the federal nursing station. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. As this matter appears to be somewhat of a personal nature therefore it will be satisfactory that you will just deal with Mr. Angottitauruq rather than taking the question as notice. Oral questions. Mr. Gargan.

Question 71-85(1): Economic Development Planner, Fort Providence

MR. GARGAN: Thank you, Mr. Speaker. I direct my question to the Minister of Economic Development and it is with regard to the letter sent to the regional director requesting assistance for an economic development planner for Fort Providence to look at arts and crafts, bison, tourist parks, fishing, etc. I would like to ask the Minister if he is aware of this letter and if there has been anything done.

MR. SPEAKER: Mr. Curley.

HON. TAGAK CURLEY: Thank you, Mr. Speaker. I am not aware of the context of the letter but I will certainly undertake to check the matter and reply as soon as I can, to the Member. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. You are taking the question as notice. Are there any further oral questions? Mr. Richard.

Question 72-85(1): Evidence To NEB Hearing

MR. RICHARD: Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Economic Development and Tourism. Referring to the document tabled yesterday by the Minister, which is the evidence which he is to give at the NEB hearing next month in Yellowknife and, in particular, the last page, when the Minister is very complimentary about our city of Yellowknife, Mr. Speaker, and I quote, he states Yellowknife to be "a truly hospitable and vibrant community".

MR. MacQUARRIE: Hear, hear!

MR. RICHARD: My question, Mr. Speaker, is, will the Minister undertake to, indeed say this to the National Energy Board?

---Laughter

MR. MacQUARRIE: He said it to us privately, so why not?

AN HON. MEMBER: He feels the same way about Rankin Inlet.

MR. SPEAKER: Are there any further oral questions? Mr. Gargan.

Question 73-85(1): Vehicle For Wildlife Officer, Fort Providence

MR. GARGAN: Thank you, Mr. Speaker. I direct my question to the Minister of Renewable Resources. I just want to make a correction on her answer yesterday toward the bison management -- that there is a committee established as of January 23rd, between the settlement council, the band council and the community at large. My question to the Minister, now, is with regard to the bison herd again. I went to Fort Providence just last week and I saw a yearling. That was going in one direction and when I came back on Monday, all that was left of the yearling was the carcass so I think there is some illegal hunting on the highway. Certainly, if it was someone from my constituency, the whole community would know about it and even if it was a Dene person that did the killing, we would have found out about it so I am quite concerned about it. I would like to ask the Minister, now that they do have a wildlife officer in Fort Providence stationed there -- I believe he just got in on the 21st of January -- would the Minister be providing this individual with a vehicle so that patrols could be done in these sanctuaries? I just want to say that the wildlife officer is also a woman.

MR. MacQUARRIE: Sexist remark.

Return To Question 73-85(1): Vehicle For Wildlife Officer, Fort Providence

HON. NELLIE COURNOYEA: Mr. Speaker, I really do not know what the question is. I am certainly pleased, first of all, to see that the committee has been struck. We have been waiting for that because the Department of Renewable Resources does, certainly, want to make the management

decisions and progress in a very quick fashion to resolve the issue of the whole bison question that has been put forward on a number of occasions, so I am very pleased that the committee has been struck. Certainly, I was not aware that the wildlife officer was a woman but I think we can give a certain credit to Mr. Jim Bourque who probably made the selection.

As for a vehicle, that would have to come under discussion because certainly within our department we are making every effort to support the renewable resources activities and lend support to hunters and trappers associations to be able to carry on and have the support of an officer in their communities. So, we will be looking into that matter and maybe being a woman and more challenging and aggressive, she would be satisfied with a dog team.

--Laughter

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

Question 74-85(1): Teachers For Slow Learners, Cape Dorset

MR. ARLCOKTOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Education. In Lake Harbour there are a lot of slow learner students, and also they are lacking teachers. We were just wondering when they will be able to provide a teacher. We would like to see a teacher hired soon for the slow learners in Cape Dorset.

MR. SPEAKER: Mr. Minister.

Return To Question 74-85(1): Teachers For Slow Learners, Cape Dorset

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. If the problem is that there are certain students who are slow learners and need special assistance in Lake Harbour, then I am not sure if we need another teacher. I think that children with those kinds of special needs can be helped probably using resources that are available in Lake Harbour itself -- persons who might be trained to provide assistance after school and special attention during school as tutors for those slow learners. The Department of Education will be making new efforts and new initiatives in the area of children with special needs using locally based resources in the coming year. The problem in Lake Harbour, I would suggest can be addressed using tutors rather than by adding another professional teacher. Thank you, Mr. Speaker.

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

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I am talking about Cape Dorset not Lake Harbour. Thank you. I am sorry, I made a mistake.

MR. SPEAKER: Oral questions. Mr. McCallum.

Question 75-85(1): Status Of College Legislation

MR. MCCALLUM: Mr. Speaker, I have a question of the Minister of Education. Given that in this session we have received a list of the legislation that is to be brought forward, could the Minister indicate to me and to the House what is the status of the college legislation? Where is it? When can we expect it?

MR. SPEAKER: Mr. Minister.

Return To Question 75-85(1): Status Of College Legislation

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I have been working closely with the board of governors of our college system in the Northwest Territories to develop legislation which will give us a proper legal base for the establishment and growth of our college system and ultimately someday a university in the Northwest Territories. I had quite ambitiously hoped that this new legislation which I support and which I know the college board of governors supports could be prepared early and perhaps even introduced at this current session of the Assembly. However, advice given by the board of governors, which I do respect, has urged that the necessary time be taken to do a proper job, perhaps recognizing that we may not be able to transplant southern models of legislation to the Northwest Territories, that we may have unique needs that should result in innovations in legislation. Taking that advice in mind, I have accepted the fact that the legislation will take some further time to prepare.

I am anxious to introduce it as soon as possible but the last report I got from the joint Department of Education and the committee of the board of governors group that is working on the subject, is that the legislation may not be ready for presentation to this House until the fall of this year. That is the latest report, Mr. Speaker. I wish to assure the Member that I am not trying to delay its introduction but at the same time I respect the need to take the necessary time to do a thorough job. Thank you.

MR. SPEAKER: Thank you, Mr. Patterson. Oral questions. Mr. Gargan.

Question 76-85(1): Land Use Planning Commission

MR. GARGAN: Thank you, Mr. Speaker. I direct my question to the Minister of Renewable Resources. With regard to some concern I have about trappers who are being affected by seismic crews and oil companies, I believe that there was a land use planning commission created by the Department of Indian Affairs and an agreement was signed to facilitate land use planning. I would like to ask the Minister how effective is this commission, if it is now in existence?

MR. SPEAKER: Ms Cournoyea.

Return To Question 76-85(1): Land Use Planning Commission

HON. NELLIE COURNOYEA: Mr. Speaker, in regard to the land use planning commission in the previous government, indeed there was an agreement signed but just before the election. It was not the normal fund transfers and the paper work to transfer funds, to finally get them to the Northwest Territories, was not accomplished. So, therefore, the status of the land use planning commission is still in the stages of trying to get the funds allocated to the Northwest Territories so we can begin work on this area. So, right at this point of time, these negotiations are a high priority with the Department of Indian Affairs but right now the commission is not in place because the funds have not been transferred.

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

Supplementary To Question 76-85(1): Land Use Planning Commission

MR. GARGAN: Thank you, Mr. Speaker. I would like to ask the Minister since it was the previous government that made this agreement, is this present government committed to signing an agreement? Is there an agreement signed now and you are just waiting for funds to be committed?

MR. SPEAKER: Ms Cournoyea.

Further Return To Question 76-85(1): Land Use Planning Commission

HON. NELLIE COURNOYEA: Mr. Speaker, the agreement has been signed and we do have a fairly strong commitment from the new Minister that every possible effort will be made to try to get the funds transferred through the right agencies of the federal government so that we might begin our work as soon as possible.

MR. SPEAKER: Thank you. Mr. Gargan.

Question 77-85(1): Visit By Minister To Deh Cho

MR. GARGAN: Thank you, I direct my question again to the Minister of Renewable Resources. There is quite a bit of potential in the area of wildlife and possibly tourism. I would like to ask the Minister if she has any plans of visiting my constituency to actually look at the potentials first hand.

MR. SPEAKER: Ms Cournoyea.

Return To Question 77-85(1): Visit By Minister To Deh Cho

HON. NELLIE COURNOYEA: In terms of visiting the community after this session the department will be putting through a schedule for the next three months to detail when we will be visiting the northern, central and this southern section of the Mackenzie. So, we will be publishing those dates once this Legislative Assembly has concluded. And, yes, hopefully by the end of June we will have gone to all the communities in the Mackenzie Valley section.

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

Question 78-85(1): Adult Educator For Hall Beach

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Education. I was asked to ask this from my constituents of Hall Beach. They have been requesting an adult educator over at Hall Beach for quite some time and they would like to be given an answer when they could anticipate getting an adult educator in Hall Beach. Thank you.

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

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I would like to take that question as notice and give the Member a reply as soon as possible. Thank you.

MR. SPEAKER: Thank you. The question is being taken as notice. Oral questions.

Item 5, written questions. Do we have any written questions today? It does not appear that we have any written questions. Item 6, returns. Mr. Sibbeston.

ITEM 6: RETURNS

Return To Question 53-85(1): Recreation Centre, Hall Beach

HON. NICK SIBBESTON: Mr. Speaker, this is a reply to oral question, asked by Mr. Erkloo yesterday, concerning the community hall in Hall Beach.

The existing community hall in Hall Beach is old and has been closed for some time because of unsafe conditions which could possibly lead to fires. The building has already been inspected by the Department of Public Works and Highways and the department has recommended that certain improvements are necessary if the building is to be brought up to proper standards. The Baffin Region office of my department also requested inspections by the electrical inspector and the deputy fire marshal. These inspections have been done and we are expecting to receive their reports and recommendations within one month. I will have to examine the recommendations and determine what might be done to make improvements to the existing community hall. A major factor in my decision will be the estimated cost of the improvements that are recommended.

The \$25,000 that Mr. Erkloo indicated had been set aside in 1984-85 was, in fact, designated and used for pre-design works for the proposed multipurpose hall in Hall Beach. And \$96,000 is in the proposed capital plan for 1985-86 and \$1.2 million for 1986-87. Construction will start in 1986 and the hall will be completed in September of 1987.

MR. SPEAKER: Thank you, Mr. Minister. Are there any further returns? Mr. Patterson.

Return To Question 52-85(1): Proclamation Of Education Ordinance

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. This is a return to a question asked by Mr. Gargan yesterday concerning divisional boards of education.

Bill 3-83(2), An Ordinance to Amend the Education Ordinance, was submitted to the Legislative Assembly during the 11th session of the Ninth Assembly. The purpose of that bill was "to allow the establishment of education divisions, divisional boards of education and community education councils". The bill was approved by the Assembly and assented to by the Commissioner on September 10, 1983.

Clause 49 of the bill states "This ordinance shall come into force on a day or days to be fixed by order of the Commissioner". It is this order which proclaims the legislation. It has not yet been issued because there are financial implications in the ordinance, and the funds that may be available for this purpose have not yet been approved by this Assembly. It should be noted that even after the ordinance is proclaimed, the responsibility to start the process to establish a divisional board of education rests with local education authorities. They must petition the Minister and the Minister may or may not grant the petition. The Minister cannot impose a divisional board on a local education authority or a group of local education authorities. Thank you.

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

Further Return To Question 18-85(1): Assistance From Social Services, Albert Bonnetrouge

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I have a return to oral Question 18-85(1), asked by Mr. Gargan on February 8th, funding for an outpost camp at Fort Providence.

The Department of Social Services provided \$25,000 to the Fort Providence band council for replacement construction of facilities at Mills Lake. Under a contract to the Department of Social Services, the band operates a wilderness camp for youth at this site and was given the capital grant to allow for replacement following a fire which destroyed the previous facility. It was agreed the money could be used as the band saw fit in order to provide an appropriate resource for children. The department is not, however, able to provide capital money for the operation of a private fishing camp such as that operated by Mr. Bonnetrouge. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Returns. That appears to conclude returns for today.

Item 7, petitions.

Item 8, reports of standing and special committees. Item 9, tabling of documents. Mr. Butters.

ITEM 9: TABLING OF DOCUMENTS

HON. TOM BUTTERS: Mr. Speaker, I wish to table the following document: Tabled Document 12-85(1), Summary Report of the Air Transport Committee of the Canadian Transport Commission on the Adequacy of Air Services in Northern and Remote Areas.

MR. SPEAKER: Thank you, Mr. Minister. Tabling of documents. Item 10, notices of motion. Mr. Curley.

ITEM 10: NOTICES OF MOTION

Notice Of Motion 1-85(1): Atomic Energy Of Canada Limited To Appear As Witnesses

HON. TAGAK CURLEY: Thank you, Mr. Speaker. I give notice that on Friday, February 15th, I will move, seconded by the honourable Member for Mackenzie Delta, that representatives of Atomic Energy of Canada Limited be invited to appear as witnesses before the committee of the whole as the first order of business for Wednesday, February 27, 1985.

MR. SPEAKER: Thank you. Mr. Wray.

HON. GORDON WRAY: Thank you, Mr. Speaker. Could I have unanimous consent to go back to Item 9, tabling of documents, please?

MR. SPEAKER: Unanimous consent being requested. Are there any nays? Mr. Wray.

REVERT TO ITEM 9: TABLING OF DOCUMENTS

HON. GORDON WRAY: Thank you, Mr. Speaker. I wish to table the following document: Tabled Document 13-85(1), Report on the Examination of the Accounts and Financial Statements of the Northwest Territories Housing Corporation for the year ended March 31, 1984, by the Auditor General of Canada.

MR. SPEAKER: Thank you, Mr. Wray. Are there any further tabling of documents? Now this is the final call. Item 10, notices of motion. Mr. Wah-Shee.

REVERT TO ITEM 10: NOTICES OF MOTION

Notice Of Motion 2-85(1): Federal Government's Arctic Air Facilities Policy

MR. WAH-SHEE: Mr. Speaker, I give notice that on Friday, February 15th, I shall move that this House recommends to the Executive Council that it communicates, on behalf of GNWT, the urgent need for a renewal of the arctic air facilities policy to the Minister of Transport and the Minister of Indian Affairs and Northern Development.

MR. SPEAKER: Thank you, Mr. Wah-Shee. Notices of motion.

Item 11, notices of motion for first reading of bills.

Item 12, motions.

Item 13, first reading of bills.

Item 14, second reading of bills. Item 15, consideration in committee of the whole of bills and other matters: Bill 7-85(1), Appropriation Act, 1985-86; Bill 3-85(1), Workers' Compensation Act, with Mr. Wah-Shee in the chair.

ITEM 15: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 7-85(1), APPROPRIATION ACT, 1985-86

CHAIRMAN (Mr. Wah-Shee): The committee will now come to order. We are dealing with the Department of Public Works and Highways, page 10.1. Mr. Butters.

Department Of Public Works And Highways

Point Of Privilege

HON. TOM BUTTERS: Mr. Chairman, just to reflect briefly on the closing debate of yesterday's sitting of the committee of the whole and the news report carried on CBC this morning, with regard to the debate. Had I been in the chair myself, I think I would have asked a point of privilege because the hook or the lead for the news story suggested that the territorial government was dismantling the system of justices of the peace in the Northwest Territories. While the body of the story corrected that impression, I want to indicate that we are a little perturbed at the communication that was carried by the CBC. I have Mr. Nerysoo's comment here and he said, "Just recently we have made a decision that we are concerned and do not wish to have government employees as justices of the peace." So, this is a type of a point of privilege, I guess, on behalf of my absent Leader.

CHAIRMAN (Mr. Wah-Shee): Mr. Butters, you do have a point of privilege there. Mr. Wray, would you like to introduce the Department of Public Works and Highways?

Opening Remarks

HON. GORDON WRAY: Thank you, Mr. Chairman. At this time I would like to make a number of general remarks and introduce the main estimates for the Department of Public Works and Highways and to bring you up to date on some of the department's activities during the last several months. My department is responsible for the design, construction and acquisition and maintenance of all buildings, works and equipment required and owned by the Government of the Northwest Territories. The department is also responsible for maintenance of roads in the Territories.

You might have noticed the change in the name of my department. I initiated this to reflect the department's increasing responsibility in the highway program areas and to ensure territorial residents are aware that the highways division is an integral part of the Department of Public Works. On behalf of the Government of the Northwest Territories, I have accepted responsibility from the federal government for the reconstruction of intraterritorial highways. I am continuing negotiations with Ottawa to seek responsibility for other highway programs.

The operation and maintenance budget for the department to carry out our responsibilities for 1985-86 is approximately \$93 million and the capital program which the department will undertake for all territorial departments and the federal government will be approximately \$65 million.

As Members are aware, Mr. Chairman, the government recently completed a priorities exercise. The priority programs my department proposes for funding approval in 1985-86 are: one, a program of crushing and stockpiling a broad range of granular materials in communities to allow for orderly development of community infrastructure; two, a program for dust control on community roads; three, a community docks program which would be co-ordinated with the existing federal programs and responsibilities; four, enhancements to the design and construction of heat recovery systems to

recover waste energy from community diesel plants to heat specific public buildings; and five, the placement of two energy management officers in the field to advise and assist communities, the private sector and the general public in conserving energy and thereby reducing their heating and electrical costs.

Mr. Chairman, in 1985-86, the department will see results in a number of areas we have been emphasizing. You have heard me speak of a maintenance management system being developed for buildings, works and equipment and I am pleased to report that the implementation plan was on schedule in 1984-85 and maintenance management systems will be applied in most communities in 1985-86. A maintenance management system is key in eliminating the need for premature and expensive replacement facilities. My department has made information about maintenance management system available to the Northwest Territories Housing Corporation and to communities. In keeping with my department's ongoing efforts to reduce the government's energy costs, over 50 GNWT vehicles have now been converted to propane with a pay-back period on investment of less than two years. Partially due to my department's efforts, seven privately operated propane refueling stations serving private and public consumers were established in communities on the Mackenzie highway system.

Privatization For Delivery Of Programs

Mr. Chairman, Members may recall my comments in this House supporting the concept of contracting with the private sector for the delivery of government services and programs or, as it is commonly called, privatization. This concept is not new to my department. For example, with the 1984-85 winter roads program, valued at approximately \$1.1 million, work valued at over \$900,000 will be carried out under contract with the private sector. While I believe our record has been good, I have instructed my department to undertake a review of programs and services to ascertain where we could contract with the private sector for delivery of services. Privatization is, however, a subject which must be approached with care. I believe there are four criteria which must be met. Services delivery must meet Government of the Northwest Territories quality standards; services must be available on a timely basis; private sector costs must be reasonable compared to our government cost of providing the service; and the private sector must create new employment for northerners and this is perhaps the most important aspect of privatization. I should stress, Mr. Chairman, that while this government supports privatization, we do not forget that we have responsibilities toward our public servants.

An important emphasis in my department is the standardization of facility designs and systems components. These efforts will result in more effective maintenance of buildings and works and will serve to reduce total costs of capital projects. In fact, some new savings have already been realized in the 1984-85, in the engineering area.

As Minister, I have continued to encourage the involvement of local people, businesses and resources in the construction of government facilities. Local and northern business involvement is being encouraged, through the business incentives policy, whereby northern contractors may apply for, and receive special consideration in contract awards. In keeping with my direction, a monitoring system has been developed on all the department's major works contracts whereby successful contractors must report on a monthly basis, their use of local and northern employees.

I will be tabling, on a confidential basis, for the Members of this House, a report on all contracts over \$50,000 awarded by the Housing Corporation and Public Works and the breakdown of pay roll and the breakdown of payments made to local northern and southern suppliers and I would ask Members of this House to keep it confidential because information obtained by one contractor may be used when he is assessing a bid of another contractor. That document will be tabled before the end of this session.

Contracts To Northern Firms

An indication of our success in this area can be found in the 1983-84 contracts report which I tabled in this House at our November session; 90 per cent, or 935 construction service contracts, out of a total of 1041 contracts were awarded to northern firms. This represented \$30 million worth of contracts to northern firms. While I do not have the figures yet available for this year, I can indicate that as of last week, of 981 contracts awarded, 91 per cent went to northern companies, with the percentage value of 71 per cent going to northern firms.

In conjunction with increasing the use of local people in businesses, we will continue to construct some of our buildings in the Western Arctic with logs. This is important, as our government must continue to look for ways in which we can increase the use of local renewable resources. For example, staff houses have been constructed in Rae Lakes, Snare Lake and Lac la Martre using logs. We are now building with logs a tourist information centre in Blackstone Park and we will be using logs to build schools in Snare Lake and Nahanni Butte.

Mr. Chairman, I believe there is an important role for my department to play in providing technical advice and assistance to communities in the Northwest Territories. For example, through our hamlet energy management program, my department provides help to hamlets through site inspections and discussions with hamlet staff, to identify energy conservation opportunities in hamlet buildings and operations. In 1984-85, 11 on-site visits will be completed.

Mr. Chairman, I am pleased to advise that for the third year in a row, the Merv Hardie ferry at the Fort Providence crossing has provided continuous service during freeze-up. This year, this ferry has operated into February breaking last years record. The ferry was hauled out of the water only when the ice bridge had reached full capacity. Maintenance of such continuous service provides substantial savings to consumers and businesses to the north of this river crossing.

Mr. Chairman, that concludes my opening remarks to consideration of Public Works and Highways main estimates. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Do you have any witnesses that you would like to have before this committee?

HON. GORDON WRAY: Yes, Mr. Chairman.

CHAIRMAN (Mr. Wah-Shee): Is it agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Mr. Minister, for the record, would you introduce your witness?

HON. GORDON WRAY: Thank you, Mr. Chairman. I would like to introduce Mr. Larry Elkin, deputy minister of Public Works and Highways.

CHAIRMAN (Mr. Wah-Shee): General comments from Members. Mr. Ballantyne.

MR. BALLANTYNE: Mr. Wray is leaving already?

MR. MacQUARRIE: (Inaudible comment)

Priorities Of Department

MR. BALLANTYNE: That is right, get the budget book, that is important. One question we have asked generally is how the government establishes priorities and we have learned that is being reviewed. The question I want to ask each individual department, and I will ask Mr. Wray right now, how does the department establish its own internal priorities and what are those priorities? Kindly enough, the department has provided us with some information on priorities. Are these perceived to be the department's priorities, the money that came in under priority fundings or does Mr. Wray have certain areas within the department that he considers to be more important than other areas? Could we have just an idea of what are the priorities of this department?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I guess in response to that, I could say yes, there are two levels of priorities. There are the priorities which the Executive has designated for the department, namely those which I mentioned in my opening remarks, community dust program, community docks, the crushing of granular materials, and then there are always ongoing -- I suppose for want of a better term -- priorities within the department. The overall and general statement would be

that the priority would be to further reduce costs of programs, to reduce the cost of construction, to increase efficiency and management, to increase productivity from the employees of the department. In general, those, I think, are the priorities which exist within the department. They are ongoing priorities, so to speak.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: One of my criticisms of this government overall is that the government tries to do too much and is not able to do anything as well as it could if it would pick certain areas and concentrate on them. I think that in our dealings with Ottawa we are probably fighting too many battles on too many fronts and I think the same concept applies to departments, that obviously the government as a whole and each department has limited capabilities and it will not be able to do everything that it wants to do. It is very important that resources of the department are directed toward certain areas, to achieve certain objectives over that year.

Process Of Deciding Priorities

I wonder if there is a process within the department -- how are those priorities decided? You just mentioned \$1,975,000, that were given in priority funding. How do the Minister and his staff decide what areas they would like to emphasize in the course of a year? Is there any formal process?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. There is no formal process per se in terms of establishing a list of priorities and that is all you work with. I think the Executive, which is the political body as a whole, dictates to the departments what it considers government priorities, and is specific in terms of each department's priorities and this is what we want to see you achieve over the next two years and that is set by the Executive based on what it hears in this House and what it perceives as the political objectives of the government in House.

In terms of the department I think it must always be an ongoing priority to increase efficiency and to increase the productivity within the department. I do not think it is asking too much or trying to do too much to always insist on your managers managing their programs properly and on the employees carrying out the functions properly and that we must always be vigilant to ensure that those things are ongoing. So, in terms of a formal process, no, I think it is an ongoing managerial process and it has to be watched very carefully and is updated from time to time I guess through meetings between myself and the senior staff of the department where we will assess what the department is doing and how we are functioning. Some departments have a formalized meeting schedule; we do not. We usually try and meet with the senior managers at least once a week and I certainly meet with the deputy every day just to discuss the ongoing programs of the department.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

More Independence For Decision For Ministers

MR. BALLANTYNE: When Mr. Nerysoo comes back and we look at this whole area of priorities and government reorganization, this is the question that I will ask him but it is a question that I want to ask each Minister. Now again, this is a personal opinion but it seems to me that in the decision-making process the Executive Council are dealing in too much detail. I think that, perhaps, once a strategic plan is put into place, individual Ministers might be given a little more independence of action rather than having to come back to the Executive Council for approval. I just wonder what is the Minister's feeling? Does the Minister ever feel a little bit hamstrung with the sort of detail approval needed at the Executive Council level?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: At the Executive Council level I can only reply in terms of my perception but my perception is that the Executive Council gives the department a policy mandate and establishes a policy and then, as Ministers we have complete flexibility under that policy to carry out the government's wishes. The only time that I would think we would come back to the Executive is when

we feel that we would be addressing new policy issues or new policy areas. Certainly on the financial side of things, yes, there is a lot of detail but, you know, we are looking after the public purse and we must be ever so vigilant to make sure that that money is used wisely. Detail is only a problem to those that cannot handle detail -- you know, if you know how to read your documents properly and you know how to look for what you are looking for, you do not necessarily get bogged down in detail or at least I don't.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

MR. BALLANTYNE: So, I take it that generally now, you are happy with your role as Minister and your role on the Financial Management Board, the detail discussed there, and with the Executive Council. You are happy with the process now and you do not see any places where perhaps there is a little bit too much attention to detail at, for instance, the FMB level. The status quo you think is good, and if you don't, where do you see some areas that you would like to see improved?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: I think generally speaking I am fairly happy. The status quo is in the process of being changed right throughout the government now. I know that amendments are being considered and proposed to the Financial Administration Ordinance which will free up certain rules and give us a little bit more flexibility. But generally speaking, I have no great problems. You are always going to run into problems but I think with any new government we have to have time to take a look at the system and change it to the way that we want the government to run. As the Government Leader said we are reviewing a number of areas that we feel are perhaps overly complicated or could be streamlined and within the next two to four months I think you are going to see some changes in the way this government has operated. But these questions would be perhaps -- you have addressed them to the Leader, I think, and I really cannot add much more than what he said.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Appaqaq.

Dust Control On Community Roads

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. Maybe I will give a little story first before I ask. In the smaller communities the roads are very dusty and there are more vehicles in the communities in the Baffin and Sanikiluaq now. The people that live in the communities constantly, all year round, are starting to be sick a lot more because of the dusty environment. A lot of times when it does not rain for a long time it starts to be dusty inside the houses. It is hard to keep the houses clean and we have to keep the windows open because of the warm weather. Have you ever thought of ways to solve these problems? Have you ever decided on whether you are going to pave the roads or not?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. As I mentioned in my opening remarks, dust control on community roads has been identified on the part of the department as a problem to try and correct over the next couple of years. And it was partially in response to comments made in this House by the Member from Sanikiluaq over problems in Sanikiluaq, along with the severe problems that we have in my home community of Baker Lake and other communities. There are a number of ways to control dust. It can be achieved by paving, calcium chloride, water, oil, other binding agents. Even traffic speed control can be used to cut down on dust.

We are going to assess over the next year the various ways to control it because paving is not necessarily an answer in the small communities because it involves problems other than just the roads itself. For example, most heavy equipment in the small communities is tracked equipment. If we went to a program of chip-sealing or hard surfacing on small community roads, then we would have to look at replacing the heavy equipment fleet in that community to one with rubber tires. Because you could chip-seal a road but you run one cat over it and the chip-sealing is gone. So, there are other factors involved than just chip sealing the road. But we will be undertaking a comprehensive study in those communities that have been identified as major problem areas to see if we can come up with a particular solution for that particular community. So, there will be no one solution but there may be a number of different solutions depending on the community and the circumstances which we face there.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments. Mr. Ballantyne.

Terms Of Reference For Priority Funding

MR. BALLANTYNE: One thing I would like to give kudos to the department. One of the major concerns of the finance committee was that priority money was identified with no terms of reference for that priority funding. We asked this department for terms of reference and they provided them to us. A good example for other departments. Now, over the next year we will see in fact whether or not these terms of reference actually come to fruition and success. It is what we asked for and what we would like to see. If people are going to be spending public money they should have some idea how it is going to be spent. So, we want to thank you, Mr. Wray, and your department for complying with that request.

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. MacQuarrie.

Contract Regulations For Tendering

MR. MacQUARRIE: Thank you, Mr. Chairman. Could I ask the Minister whether the Department of Public Works operates under a clearly defined tendering policy? And if so, could you give me a summary of what that is?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I would beg the Member's indulgence inasmuch that we do operate under a very strict set of criteria in terms of public tenders and awards. These are governed by what is called "Contract Regulations" which is a fairly complex document because there are so many rules and regulations by which we abide. Rather than try and give you a simple answer, because there is no simple answer, I would be willing to provide you with a copy of those regulations governing the awarding of contracts. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, I would appreciate very much getting that. So, could I understand then that it is clearly enough defined that departmental personnel will be able to operate under the policies that have been established and that there need not be decisions made at a political level with respect to tendering and that kind of thing? In other words, it is clearly defined. The deputy minister and on down put out tenders, decide which ones are going to be let and that kind of thing and that there is no need for Executive Council decision-making in this. Could you answer that please?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. No, it is not that simple.

---Laughter

Part of those contract regulations and tendering procedures is signing authorities. Above a certain signing authority the approval process is to the Minister. There is also in the regulations a stipulation whereby if the decision or the recommendation of the department is not to award it to a low bidder, for example, then that document will be forwarded to the Executive Council for consideration. So, for the most part it is a very straightforward procedure. However, when you get up into the larger contracts and your higher signing authorities it does go to the Minister and to the Executive Council. Again, it is done, basically, in the interests of safeguarding public funds, particularly in the situation where the awarding of a contract is not as cut and dried as some of the smaller ones. Thank you.

CHAIRMAN (Mr. Wah-Shee): Mr. MacQuarrie.

Dollar Levels Of Signing Authority For Contracts

MR. MacQUARRIE: So, do I take it that all of the smaller contracts, and could you please just give me a dollar figure, all of the smaller contracts below a certain amount will be handled by departmental officials and that is the end of it?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I believe the present signing authorities are anything above \$250,000 must come to the Minister in capital and I think it is \$100,000 in O and M, and there are various levels of signing authority set for various individuals in the department.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. MacQuarrie.

MR. MacQUARRIE: So, I gather what you are saying then is that below those levels departmental officials will handle the whole tendering process and there will not be political input. Thank you. Could I ask what the policy is with respect to retendering, when is it decided a tender is put -- there are bids and yet we see sometimes that it has to be retendered later? Can you tell me what are the factors that influence retendering and who makes the decisions with respect to that?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

Retendering Contracts

HON. GORDON WRAY: Thank you, Mr. Chairman. That occurrence of retendering is a fairly rare occurrence. It does not happen too often and in any case where a project would be retendered, regardless of price, it would have to come to me for approval. But I give you one instance where it might happen, where we tender a contract and the bids that come back are far in excess of what we have, say, in the budget for that particular job, then we would have to sit down and look at the job and see if we are sure that our figures of what our estimates would be for that job are correct, and see what factors influence the fact that tenders would come in at an abnormally high price. So, that is one instance where we might decide to retender. Another instance might be where we tender a job and only one person bids the job. There might have been some problems with public notice or it could very well be that we feel that one person bidding the job is not sufficient to give us a good indicator of whether or not we are getting a fair price, so we might decide to retender there. But those instances, as I say, are rare and would come to me for approval.

CHAIRMAN (Mr. Wah-Shee): Mr. MacQuarrie.

MR. MacQUARRIE: Do I understand then that if there is to be retendering it is not the Minister that tells the department to retender something, rather it is the department that recommends that this should be retendered and then the Minister becomes involved and makes the decision? Is that right?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Correct, unless of course the Minister himself is aware of an irregularity which has taken place, but generally speaking 99 per cent of the time the department would recommend to the Minister. But as Ministers travel throughout the various communities, they talk to people and they are made aware of situations sometimes, where maybe irregularities have taken place. So, there might be direction from the top down in that case.

CHAIRMAN (Mr. Wah-Shee): Mr. MacQuarrie.

Contract Conditions Regarding Accommodation

MR. MacQUARRIE: Thank you, Mr. Chairman. One other area I would like to ask a little bit about is with respect to conditions that would be put on contracts that could be let by DPW. I know some of them might be northern employment, they get it if there is a certain component of northern employment. Does that ever extend to accommodation, for example, that they would get a contract, providing they use accommodation that is locally available rather than providing their own for example?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. That is certainly something that we do indeed look at and proposals are on the table right now to make it actually mandatory, in some cases where commercial accommodation is available, to prohibit the use of government buildings for the purposes

of accommodation. In some places we have had contractors staying in government buildings when commercial facilities were available and I think that we have to seriously look at removing that option from contracts. It would also fall under the general purview of northern content. How much money is a company going to put into a community? Is it going to bring in a construction camp? What are the social implications for that small community? So, yes, things like that are taken into account.

CHAIRMAN (Mr. Wah-Shee): Mr. MacQuarrie.

MR. MacQUARRIE: Yes, I am not quite clear whether that is already Executive policy, or whether it is merely being looked at, or whether it is merely being looked at but is nevertheless sometimes implemented already in certain situations. Could you explain that please?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: It has been implemented in the area of government staff where we will require government staff to stay at commercial facilities and it is being looked at in the application of contractors. In terms of the contractors, it is at the "looking at" stage and is being considered but it has been put in place for government employees. Thank you.

CHAIRMAN (Mr. Wah-Shee): Mr. MacQuarrie.

MR. MacQUARRIE: Yes, a final question then. In this compulsory use of commercial facilities, is there preference made to one facility rather than another? Is a contractor or an employee to be directed to use a particular commercial facility to the exclusion of some other commercial facility that might be available?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Where you would have a situation of more than one facility and that is very rare, but if there is a situation where there is more than one facility, then if the facilities meet the Department of Economic Development standards for commercial accommodation facilities then they would be considered. If, however, the facility does not meet that department's standards, it would not be considered.

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, in the Minister's opening remarks, he alluded to the record of the government, or perhaps more correctly his department and the Housing Corporation, in recent years in the volume of government contracts which went to northern firms and specifically referred to a document which he himself "tendered" last fall in this House. With respect to those figures, I take it that to the Minister, the person doing the calculations, northern firm means the 1984 definition. I realize that the government has had some difficulty coming to grips with what is a northern contractor in recent years. But, very recently, I understand as a result of a recommendation by the business advisory council, the definition was tightened up considerably and we now have a new business incentive policy which drastically changes the term "northern contractor" or "northern firm".

Perhaps initially, Mr. Chairman, could the Minister confirm that the figures he has given us this afternoon in his introductory remarks are using the old definition and if so, would the Minister not concede that it is a misleading picture of the amount of dollars staying in the North, that in fact a lot of those so-called northern dollars are in fact flowing south to major firms with simply an office in the North?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Before I address Mr. Richard's remarks, I would just like to clarify something for Mr. MacQuarrie. In terms of the commercial accommodation, when I say they have to meet Economic Development standards, it means that they must be in receipt of a licence from the Department of Economic Development allowing them to operate as a commercial facility. In terms of the retendering thing, there are other instances. The most common one would be with Public Works and Highways in the area of gravel hauling, where we put time constraints on companies to have gravel or work done by a certain time. If that company is failing to meet that

time schedule or has not even progressed or started the work when he said he was going to, then there would be a case for removal of a contract and retendering because I am familiar with the case that Mr. MacQuarrie is talking about -- I know where it is coming from.

In terms of Mr. Richard's comments, I can tell you exactly what the difference between the old policy and the new policy would mean. Based on the old policy and I will use 1983-84 contract figures, based on the old policy, out of 1041 contracts, 935 or 90 per cent would have gone to northern firms. Taking the same contracts, the same contractors and applying the new rules under the business incentive policy, out of 1041, 927 would have gone to northern companies. So, only eight companies would be disqualified with the introduction of the new rules.

CHAIRMAN (Mr. Wah-Shee): Mr. Richard.

MR. RICHARD: Mr. Chairman, with respect, that does not go to the root of the question, the new rules have a grandfather clause so naturally everybody who is a northerner in 1984 is a northerner in 1985. The true breakdown would be -- that part of the new rules that talks about the three year residency rule is the meat of the ownership part of the new policy, and if you give a government contract to one of those northern firms that is a bona fide northerner, the money is staying in the North, is being re-spent in the North, then for you to say 50 per cent of the government contracts are going to those kinds of firms is significant. My point, Mr. Chairman, is that it is misleading to say that 90 per cent of the money is going to these northern firms because it is not, under the term "northern" as we have used it in 1984 and with the grandfather clause, the money is not staying in the North and I simply ask the Minister to concede that his remarks and his ratios are misleading in that sense.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: A point of order, Mr. Chairman. I think the Member has accused me of misleading the House and that is not the case. The Department of Public Works does not determine who or what is a northern company. That is determined by the Department of Government Services and as such we can only assess our program based on what that department has told us. Now, if the Department of Government Services is satisfied that a company meets the criteria for being a northern firm then we are not in a position to question that.

In terms of the money going to so-called southern firms, I would remind the Member that the new business incentive policy has a grandfather clause of 10 years which would say that a company has to be here 10 years to meet the rules. Now if he does not consider a company that has been here 10 years as northern then I do not know what he considers to be northern because after 10 years of putting time and money into this country surely to God you could be classified as a northern company.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister, the Chair will deal with your point of order after coffee break -- in 15 minutes.

---SHORT RECESS

In regard to the point raised by the Minister, according to our rules I will ask Mr. Richard to explain his statements that he has made and I will also be asking the Minister to explain the point of order from his viewpoint. So, Mr. Richard, will you explain your statement, please?

Profits Drained To South

MR. RICHARD: Thank you, Mr. Chairman. As it pertains to the point of order...

MR. BALLANTYNE: Which is really a point of privilege.

MR. RICHARD: ...which was really a point of privilege. Mr. Chairman, I in no way intended to indicate that Mr. Wray would mislead me or anyone else in this Legislature. My point, sir, is that if the Minister is suggesting that 90 per cent of the contracts or 70 per cent of the government money goes to northern firms, that that means that the dollars stay in the North then I submit that that suggestion is incorrect because under the old definition certainly and, to a certain extent, under the new definition, northern firms include firms that are owned by non-residents. The money may be spent with a few employees in the North but the profits, if you will, of the government

contracts are drained to the South. And I simply, Mr. Chairman, intended to make that comment to the Minister and ask the Minister to concede that that is so. That, Mr. Chairman, is some explanation of what I was intending to convey when I used that awful word "misleading".

CHAIRMAN (Mr. Wah-Shee): On the point of order, Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I will withdraw the point of order then, now that the Member has clarified his statements in clear language for those of us that are not lawyers. Do I get a chance to respond to his query then or how would you like to proceed?

CHAIRMAN (Mr. Wah-Shee): I am glad that you two resolved the matter in such a friendly manner. So, you both should be commended for your honourable actions or conduct. General comments. Mr. Minister.

Department Does Not Assess "Northern"

HON. GORDON WRAY: Thank you, Mr. Chairman. I would like to attempt to help clarify things for Mr. Richard's benefit. I would not suggest for a moment that money going to northern firms as designated under either policy all stays in the North. I think that it will be foolish for me to suggest that even if 100 per cent of contracts and 100 per cent of the total value of contracts went to northern firms that that money is going to stay in the North. Northern firms themselves do not put the money into the North in many circumstances. That is why I have commissioned this study which will become a part of contract documents requesting that all companies, northern and southern, identify just exactly how much money they spent and where they spent it so that I can get a much better handle on where the money is going, because, like him I have said it in this House, we could give 100 per cent of all work to northern companies but if that money is still all flowing south then I would myself question the need for, say, a business incentive policy. Northern content and northern jobs must go to northern people if it is to be successful. So, I would not suggest that but all I am saying is that under either policy, be it the old policy or the new policy, that is all that I have to go on because as a department we do not assess who is northern or what is northern. Of our contracts 90 per cent go to companies designated as northern companies and of that 90 per cent of contracts, 71 per cent of the percentage value of those contracts go to northern companies as designated under the old policy and/or the new policy. With the introduction of the new policy with its much more severe criteria, we estimate that very few companies will, in fact, be dropped from the list because Government Services have not had time yet to go through all of the companies that are applying for it. We will not know exactly but a very quick survey by our department shows that most companies will be able to meet the new criteria. So, once we can establish that, then I think the next target is to start targeting where the money is going and it is to start trying to channel that money into the northern economy. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I just have a general comment in terms of the objectives of the department. I guess it relates back to a question I asked yesterday regarding bonding of the Minister at question period.

AN HON. MEMBER: Bonding of the Minister?

MR. McCALLUM: Bonding, pause, of the Minister. I notice in the objectives of the directorate, emphasis will be given to further developing approaches and local capacity for communities and local contractors to expand their involvement in the construction of buildings and works in the Territories. I think it is a commendable objective but given the comments of the Minister in relation to the availability of bonding for local contractors in communities or for contractors generally of the Territories, I am just wondering what kind of an approach or how he expects to meet the objective if in fact there is bonding required for projects? I would wonder then is there a maximum, a minimum amount of money under which a project is being developed that requires bonding and some that do not require bonding? But if we are to involve local contractors in the construction of buildings and works in all Northwest Territories communities and there is not any avenue to do that because of the requirements for bonding, how does he propose to meet that objective? Again, I would hope that I make it plain to the Minister that I appreciate and support the objective of getting local business people involved with the projects but if he or the government stipulates that bonding must occur and it is not available to people, that is the local contractors in the communities, how does he intend to or how can he possibly meet this objective? Does he have other schemes in mind? I welcome hearing the idea of getting people going.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

Bonding On Contracts

HON. GORDON WRAY: Thank you, Mr. Chairman. First of all, to address the question of should there or should there not be bonding. Because as a government we are charged with the keeping of the public purse, bonding has generally been a requirement to ensure that in, particularly, major projects the government is not at risk with public money when they go to contract with contractors. There must be an assurance by the government that we have a fall-back position if we run into problems. After saying that it has also been identified that there are peculiar problems to the North, as I indicated to the Member yesterday, not because of the poor record or poor failure rate of our companies or poor performance, but just because of where we are. Southern bonding companies will not touch many northern companies and usually the only northern companies that can get bonding are those with southern arms, with head offices or who are based in the South.

So, while keeping in mind the need to protect the public interest, we have developed certain criteria for bonding on our own jobs and this government does not require bonding on projects up to \$100,000, which is the highest in the country. There is no other jurisdiction in the country which will waive that requirement for this kind of money. Contracts up to \$500,000 bonding can be waived by the deputy minister and contracts over \$500,000 bonding can be waived by the Minister.

In addition, I think, there are two other ways in which we are attempting to tackle the problem: one is through my colleague, Mr. Curley, in the Economic Development portfolio who is working very closely with his officials and the small business loan fund to come up with ways whereby we, as a government, could in fact, I guess, issue bonds or guarantee bonds. The size and complexity of those bonds I think has yet to be determined but I know the Department of Economic Development is actively pursuing that idea, recognizing that southern companies will not come into the area.

DPW Involvement In Gjoa Haven Community Complex

The other way in which we are doing it is one of -- and I guess the easiest way for me to explain it is to use an example. The Gjoa Haven community complex, which was a large job but we determined that we wanted as much local input and local labour as possible, so what we did is the Department of Public Works provided a project supervisor, who trains and directs locally hired labour and at the same time hires northern contractors to do the mechanical, electrical, the subcontracts. So, in effect, rather than tendering out the job as a construction project, it becomes a DPW project with DPW staff in charge of the actual construction and it is a very much hands-on approach ensuring that we do hire local labour and do use northern businesses. We obviously cannot do it for all projects because we have in excess of, like I say, 1000 contracts, 1100 contracts and I do not think I would want to appear before this House and ask for 1100 additional PYs but we are attempting to do it in the areas where we think there is a reasonable chance of success and where there is a large labour market and a large enough infrastructure where subcontractors could be used at the local community level. So, we are attempting to use that method of also achieving it. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments. Mr. McCallum.

Alternatives To Bonding

MR. MCCALLUM: Mr. Chairman, I would hope that in the development by the government through either your department or the Department of Economic Development and Tourism in the formation of that, that it would be possible in some communities, for consortiums of local contractors to come together to have the bonding waived as a prerequisite because there are other avenues or other things that can be done. Deferred payments, hold-back payments, bonuses or penalties for completion or if it is completed before the date, penalties where it is taking too long to go through a project.

I appreciate that the offset figure is \$100,000, but I think the Minister knows that in most communities it is very difficult to build a house for \$100,000. And it may seem like a lot of money but in reality that is not, because the cost of providing housing in certain parts of the Territories is well over \$100,000. That is only one particular job. I would hope that it would be possible to utilize the principle of project managers to make sure there is a hands-on approach. I

do not believe that it would require the addition of 1100 person years to do it. I think it would require some people to come in around and deal with, if you like, a consortium of people in a community. But we have projects such as -- I thought the Minister was going to refer to the school rather than the community centre, but I will let it go.

The projects we are talking about are capital buildings or capital work projects of two, three, four or five million dollars. As he says it is going to require an overture being made to himself to get that kind of approval. I think that it is possible, with what is going on in the territorial government and still keep track of the public purse, as it were, to utilize the concept of project managers, and make sure that where it can be done in a community, to utilize the resources and the expertise that are within a community. There have been examples in the past where it has been done in this way. But in order to get the job, they have to affiliate with somebody from the outside. I think, as I said in the beginning, that I commend the objective but there has to be a means by which local people can get involved. If your department, Mr. Minister, or other departments of the government can come up with a scheme that would recognize that, then I am sure that you would have the approval of everybody.

It has a great number of implications in a ripple effect with the economy of a community, with the training possibilities that could go on, by hiring local people who would be able to acquire certain skills. But there has to be a means by which it can be done. If bonding is the only means or is the requirement for these jobs then it becomes a stumbling block. Because there are only a certain number of larger firms that can do that. To simply say that you hire one person as a general contractor and he will utilize local subcontractors, that does not necessarily follow. There have been many instances, as the Minister knows, where that was the goal but it never really occurred. Most of the larger construction companies who have the capability of getting bonding are located in one centre here. They obviously have relationships with other subs in that community and I do not like to see when a job would come up in a community that those subcontractors are taken from another community into it when there is already a capability in the community where the project is going on.

I recognize that these larger companies are northern businesses and they should have a right to bid on it or make a proposal on a particular project. But it always is to their particular benefit and not the benefit of the local communities, as the Minister well knows. I just hope that there is something that can be done between your department and your client department who want the job, specifically with Economic Development, with this incentive.

So, I just hope that there is something that can be done to further it because otherwise businesses who get assistance from the government are refused government contracts. They therefore have difficulty making payments on the loans that they acquire through the auspices of the Economic Development, whether it is ARDA, whether it is EDA or whatever means. I hope that there can be something that will be given to us to show that you and your colleagues on the Executive Council are serious about looking after trying to promote local business and training that will go along with it.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I have no problems with any of the comments that the Member has made. I would, however, point out that in this area it is very difficult to come up with a general government policy because we have to take these situations very much on a one to one basis because the level of skills and expertise available in one community might not necessarily be available in another community. So, it is very much on a community by community basis or project by project basis whereby we will determine the approach to be taken. But there is the capacity to waive bonding.

Use Of Northern Resources

There is a commitment from me and from this department to attempt wherever possible to use northern resources in these contracts. We are proceeding this year with a large number of these. In the Fort Smith Region, the construction of seven staff houses will all be done by log harvesting within the region. The Snare Lake and Fort Liard schools are of log design. They will be built with a DPW project supervisor utilizing local labour. The Jean Marie River multipurpose hall will be done the same way. So, we are approaching it on a very wide basis.

I know my colleague, the Minister of Economic Development, is committed to attempting to find the solution to this problem. We have talked about it many times. So, all I can do is give the Member my commitment that we are looking at this area. We believe it to be a serious enough problem area to be addressing it. If the Member has any proposals or suggestions we are more than willing to accept them and if in fact he knows of any projects where he might like to try a pilot project or might like to try something different, then once again, we are more than willing to take a look at it. One thing that should be remembered, however, and that is that DPW is subject to the dictates of the client department. We are merely the construction agent for that department. So, any new schemes that we come up with or any innovative ways we approach, always have to be with the concurrence of that client department, so we are not the only players in the game. There are others. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Wah-Shee): Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. Mr. Minister, I certainly have something in mind that I would put forward to you, and I recognize that it is inclined to preference but if you have the openness I would trust that that same openness is involved with other of your colleagues as a client department.

I would like to just move to one other objective that is there. I raised this question before. I know that project management has been established in the regions, or decentralized to the regions and my concern to some degree is to the operations and accommodation services and that is property management. In government buildings, in the regions, whatever the government building may be, I totally agree with the decentralization process that the department has commenced upon in regard to project management. I would just wonder how far along has the policy, if you like, dealing with leases and operations and maintenance of accommodation services -- how far it has gone along in the regions in decentralizing that aspect to the regions. That is property management.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Under the operations and accommodation services we have set two main objectives for the year 1985-86. One, is the development of a lease policy and the other is the development of a directive on decentralization of property management. We expect the lease policy to be completed, or the draft, ready within the next two months and, at the same time, the directive on the decentralization of property management will be developed. The full-time property managers are now in strength in both the Fort Smith and Baffin Regions and, therefore, these regions are going to be the first to take on the regional property management functions, once we develop the policy and the decentralization guidelines.

In terms of the lease policy, we will be coming up with a lease manual under the policy which will incorporate standard lease forms, the preparation of revenue leases, the setting of rates, lease criteria, space allocation, all of the various components of leasing, and once that is available then it will be very much easier and we will move very fast to decentralize. Particularly in the Baffin and Fort Smith area. Thank you.

CHAIRMAN (Mr. Wah-Shee): Mr. McCallum.

MR. McCALLUM: As a further development, if you like, or a further step in this whole business of decentralizing to the regions, is it the objective of the department, in decentralizing property management and project management, to eventually go to privatize that? Or is it to be retained within the regional office? In other words, you have a project management capability now in the regional office. Is it possible then that it would be privatized eventually?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: I am not quite clear on the question, in terms of whether the Member is asking if it is our intention to move heavily in the area of privatization of accommodation and office space or whether it is the privatization of the management functions.

CHAIRMAN (Mr. Wah-Shee): Perhaps we can ask Mr. McCallum to clarify his question, Mr. Minister.

MR. McCALLUM: Thank you, Mr. Chairman. The latter is exactly what I am talking about, the privatization of the management. You already have people in project management. You are contemplating going into decentralizing property management, that is having a presence in the

regional office for property management -- a body or bodies, if you like. Is it the goal to not only have that person in the regional office, but to allow private business people to get into the management aspect of it, in terms of buildings, in terms of staff housing, for example?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: The function, as I see it, of these property managers and project managers, is and I see no reason for changing it right now, is to manage, whether it be the contract or whether it be the lease. In other words, say we lease a building in Fort Smith, then the function of the property manager would only be the administrative detail of looking after that lease. The actual management of the building would be in the private sector or the -- in the project management field, now in terms of most of our contracts, it is almost privatized and the only function that we really perform is on behalf of the government, overseeing the job and ensuring that the various contractors and subcontractors are meeting the regulations. We, in that area, have now, on several projects, consultants who actually manage that portion, all, but for us and all we do is manage the consultants. But there always will have to be a management capability of government to oversee those projects but when it comes to property management we are talking more of an administrative function than anything else. It is not the intention of the government to manage the buildings that we lease, that that is a function for the company whoever we lease the building from.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I would like to move into one other area and it deals with the new business incentive policy of the government in relation to consultant contracts. What are the implications of the new business incentive policy with the consultant policy that the department has?

Architectural And Consultants Policy

HON. GORDON WRAY: Thank you, Mr. Chairman. Very shortly, within the next few days, a paper will be moved forward to the Executive Council to revise the architectural and consultants policy so that the same criteria will apply to both. As the Member is aware, the architectural and consultants policy was tied in to the northern preference policy because the northern preference policy was a policy which was used to determine what companies were northern and what were not. So now we are going to revise the architectural and consultants policy so that it piggybacks with the new policy so that the same criteria will apply because I find it very difficult to be able to assess companies with two different sets of criteria, so we will have to use the one set of criteria.

The other thing that should be mentioned is that in the architectural and consultants policy, we do have a problem inasmuch as the old policy under the Members' guidance was set up to create the infrastructure -- of a northern consultant infrastructure, and that policy has been a major success of this government. In fiscal year 1982-83, only 36 per cent of consulting contracts went to northern firms, in 1983-84, 49 per cent went, and 1984-85, 91 per cent went and it is a direct result of the policy that was brought in by the Members. So, it has been successful, but because most of these firms have been established within the last year or two we have got to be very careful that we do not turn around to these companies and now say, "Well, we are changing the rules on you and you are no longer northern", because many of them have invested time and money to put offices in place up here. But that is going forth to the Executive within the next few days, so that we bring it in line with the new policy.

CHAIRMAN (Mr. Wah-Shee): Mr. McCallum.

Decentralization Of Highways Responsibility

MR. McCALLUM: Mr. Chairman, thank you. Can I have any indication from the Minister what is the intention with regard to Highways? Is there any move to put Highway personnel, the responsibility, into the region or are you still to retain that overall jurisdiction from the headquarters? Is there any move to decentralize Highways, as it were?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: I think the move afoot in Highways is actually the privatization of Highways. We have privatized nearly all of our winter road contracts and are moving heavily into the privatization of highway maintenance contracts. So, the requirement for actual government

personnel is decreasing because we are looking at now only having in a lot of cases supervisory personnel. The major highways capability, if you want, is in the Hay River region right now but we do retain some headquarters capability very simply because a lot of the new highway contracts coming out and a lot of the new programs planned by the federal government and ourselves are north of here in the Inuvik and in the Tuk area and in Simpson-Wrigley. So, actually Yellowknife is a fairly good central location in terms of the highway system for the management of that function and I would not anticipate at this time moving any additional personnel out of Yellowknife. That is not to speak for the future, though, when more highways networks are added and when additional responsibilities are taken over by the government. Then I think that for the new western government, you are going to have to seriously consider where you put your highway capability. Those of us in the East will not have to worry about it.

SOME HON. MEMBERS: (Inaudible comments)

CHAIRMAN (Mr. Wah-Shee): Order, please. Mr. McCallum.

MR. McCALLUM: Well, I just want to make it plain to the Minister, and I am not trying to argue for the old man, he is not even in the House, he would likely listen to it anyway, but I am not arguing for him, okay? I guess what my question is, basically, highway personnel and not to the Hay River region, it is in Hay River that, but there is no Hay River region, not yet. And I hope, Stewart, you are listening. I guess what I am referring to is the -- whether -- no, no, it is Stewart now...

MR. BALLANTYNE: With respect to the Speaker.

MR. McCALLUM: He is an MLA. What I am referring to, Mr. Chairman, is whether it is a highway superintendent or a highway foreman being responsible to the regional director. Now, I know that there are certain aspects of the government that are centralized in Yellowknife, but that is the question I was leading to or trying to give you. Do you have any plans to make the highway foreman, the highway superintendent responsible to the regional director rather continue the line of authority out of Yellowknife?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: I think you are asking me another question in a very roundabout way in terms of what do I think of the reporting relationship in terms of the regions to the regional director and all I can answer is it is under review.

AN HON. MEMBER: (Inaudible comment)

CHAIRMAN (Mr. Wah-shee): Thank you, Mr. Minister. General comments. Mrs. Lawrence.

Little Buffalo River Bridge

MRS. LAWRENCE: Thank you, Mr. Chairman. I have a question for the Minister. Am I correct in thinking that Little Buffalo River bridge was a priority? I do not see any funding allocated for this. What division does it come under and how soon can we see that Little Buffalo River bridge? It is causing us a lot of problems and I want something done about it immediately. Mahsi cho.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: I have all the sympathy in the world for the problems that Mr. McLaughlin and Mrs. Lawrence have as it pertains to that bridge. The problem is that it is not our problem, it is a federal problem and we are trying to get them to admit to the problem and to commit funds and I am afraid that we just have not had much success. In the negotiations of the turnover of the program, we had identified that bridge as a high priority bridge and included money in our submission to the federal government to do the job. However, when the federal government came back with a much reduced level of funding for us, that was one of the projects that was cut out. It is a federal responsibility and we are pursuing it with the Department of Indian Affairs and Northern Development but we cannot get them yet to admit that they made a mistake there and that they should rectify that mistake.

So, in lieu of that, but because of our very limited funding, we have programmed it into our budget but unfortunately it will not be done until the 1988-89 fiscal year, and that is only because we just do not have the money to do it. It is not until then that we will be able to free some money

up, but I am not happy that it is four or five years down the line because, as you know, anything planned for 1988-89 could very well disappear very shortly. So, we are still pursuing the matter with the federal government and it has been identified as one of the top four priority areas for funding from the federal government. I cannot quite remember the other areas off the top of my head, but I know the road into the Hay River Reserve is one and the Sandy Lake access road and the replacement of the bridge at the Cameron River. These are four areas that we feel should be funded immediately by the federal government. As yet, they have not responded, Mrs. Lawrence, so I cannot tell you any more than that at this present time.

CHAIRMAN (Mr. Wah-Shee): Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. I cannot accept that kind of comment. The little bridge is ready to collapse, what happens then? We cannot wait until 1988 or 1989. I am not kidding you, it is falling apart. That was just a temporary bridge that was put up 17 years ago and as usual something happened down the line with the bureaucrats who decided to take that money away and did away with that funding for that little bridge. I think it is time that something is done about this little bridge, even if we have to go back to the federal government immediately and request that funding because that bridge is falling apart.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I cannot argue with you, all I am saying is that you say we should go back to the federal government immediately -- we have been going back to them for the last seven months. Every time we have a meeting with them we bring up the subject of the bridge and they just conveniently slide it under the table because they know they blew it in that case and they do not want to admit it.

AN HON. MEMBER: Can you get a supply of pogo sticks?

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, on the topic of property management, just to follow up on a response of the Minister to one of Mr. McCallum's questions, when we in the standing committee on finance were reviewing these estimates, it was indicated to us that there was not a firm policy of the government in tendering or not tendering for government commercial office space. Do I understand the Minister's answer to Mr. McCallum's question to include a commitment to develop such a policy within the next two months?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: The Member is correct. That is what I said.

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. T'Seleie.

Community Docks Program

MR. T'SELEIE: Mr. Chairman, I wanted to ask the Minister about the community docks program. What is contemplated there?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. It was apparent to those of us who live in small communities particularly, that docking facilities were either non-existent, of very poor quality, or in some cases there were good docking facilities. It has been determined by the government as a priority that we must address this whole issue and the first phase of the exercise was to do an inventory in every community of the NWT of what dock facilities are available and what is needed.

The second phase is to find out where the money comes from, who is responsible and so on. I can indicate to you that as we dig deeper into this, the information that is forthcoming is quite amazing. We find that the federal government in fact has a northern docks policy which has never been implemented because there is no money. However, they have implemented it in certain areas. We find that the Vancouver office of the coastguard or MOT have in fact been doing some work but the other regional offices have not been doing anything.

So, the federal approach I think has been very haphazard and only in an area where they think it is worth while. We also found that there are an inordinate number of federal policies covering the supply of dock facilities to communities. So, we are now attempting to put together all of these programs and policies that we are discovering -- and I can tell you every time we write a letter we find another policy in existence -- put it all together and then come up with a program for the supply of dock facilities which we would hope to present to the federal government much the same way as the old arctic airports policy and the northern roads policy, where we would actually perform the work on behalf of the federal government and put these facilities into place because I think you agree with me that the usefulness and the necessity of dock facilities have been badly underestimated by the federal government and by this government in the past.

In most communities they are essential items. In the East they are essential because hunters and longliners and Peterheads need them to dock. In the West they are essential because many of the communities are serviced by float plane in the summer and need facilities to tie float planes up to. So, I think there is a general need in nearly every community. And we have to just pick all these pieces out from the various legislation and try and put it together and come up with a program to supply docks to the communities. Thank you.

CHAIRMAN (Mr. Wah-Shee): Mr. T'Seleie.

Priority Funding For Docks Program

MR. T'SELEIE: In my notes there is an item that is identified as priority funding for \$280,000 across from community docks programs. Is that the price of one dock or is that just the money that is allotted to research the need for new docks and put together all this legislation?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: No. We have determined that of the \$280,000, we will use about \$30,000 to do the assessment and the inventory, putting it together. We are then going to try and make about \$250,000 available to repair or to fix some of those which are in the worst shape. Of the 65 communities, our tentative results show that 30 have docks and of those 30 only 15 are in good shape. So you can essentially say that out of the 65 communities, only 15 of them have docks which you could reasonably call in fairly good condition. This means that we have about 50 communities where we have to address certain problems.

Now, \$250,000 might not seem like a lot of money but I think in some communities we are not talking about major docks. We are talking about a dock which float planes could tie up to. Something like that could be done reasonably for \$25,000 to \$30,000. In other communities, like Frobisher Bay, we are probably talking millions of dollars to build a proper dock facility. So we will attempt to use the money to address some of the major problems in terms of the communities that must have dock facilities, and hopefully at the same time identify how much money it is going to take, all totalled, to do the comprehensive work in every community. But we will try and put the bulk of the money toward the implementation as opposed to the assessment.

CHAIRMAN (Mr. Wah-Shee): Mr. T'Seleie.

MR. T'SELEIE: I agree with the Minister. I think that under that small item he is on the right track. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. T'Seleie. Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman. I wanted to ask the Minister about the fire truck in Fort Providence. It is a bit of concern to us because it is a fairly old and outdated machine. Last year we lost a building, a housing association building as a matter of fact, because the vehicle would not start. It took about 15 minutes before we were finally able to get to the fire about 6:00 in the morning. We reacted to the fire immediately but the only thing was that we were not able to get the vehicle going. I am just wondering whether the Minister has any plans for replacing the old unit with something that is more updated.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I am sorry I am unable to respond to that. The replacement of fire vehicles is the responsibility of Local Government and I am not familiar with their capital budget to know if in fact that is planned.

CHAIRMAN (Mr. Wah-Shee): Perhaps the matter can be pursued when we are reviewing the Department of Local Government. Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman.

CHAIRMAN (Mr. Wah-Shee): Mr. Gargan.

Highways, Paving Program

MR. GARGAN: Thank you, Mr. Chairman. Do you have a paving program right now and where are the plans presently for paving our highways?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, we do have a program. I can indicate to you the upcoming projects in the 1985-86 year. There is the completion of the reconstruction of the Detah access road. There are the repairs to the Rae access and Highway 3 portion which is paving repairs; the replacement of the guardrail at the Boundary Creek bridge; pavement rehabilitation on the Hay River highway from kilometer 0 to kilometer 37; the base and asphalt surfacing of the Ingraham Trail from kilometer 1.6 to 19 and there is the reconstruction, base and asphalt surfacing of the Ingraham Trail, kilometer 19 to 21. We do have a 10 year or, I should say, a five year program for surfacing, depending on the funds that we receive from the federal government.

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. Gargan.

Employment Opportunities, Fort Providence Ferry

MR. GARGAN: Thank you, Mr. Chairman. With regard to the ferry at Fort Providence, I still have some concern over the number of people that are being hired from outside the community. I believe it is only one person right now that is being employed. I know that the government is trying to cut costs by hiring local labour. This would save them quite a bit of money on a combination of that and I am just wondering -- I know it was mentioned during this discussion that the government makes -- correct me if I am wrong -- provisions to contract or to hire local people. The Minister also said that we sometimes go into an agreement with the community, with the Department of Public Works to get their own personnel maybe not to operate, but to build with the co-operation of the communities. I am just wondering if such an arrangement could be made with regard to the ferry.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. To look at the government taking over the operation of the ferry would be a reversal of the direction which we have set out in the highway and the marine areas, and that is to contract out or to privatize most of those functions. So, I would be unwilling to move back that way but I will, and I think I indicated in writing, undertake to take a look at the contract and to work with the contractor to, perhaps, see if we can utilize more local labour from, say, Providence, at least on the deckhand portion of the operation. You must understand, though, that the captain or the chief engineer at any ferry, whether it be operated by government or by contractor, must be licensed by the coastguard. So there are no loopholes for us to go through.

It is clearly a requirement, particularly when you are operating in a situation where potentially lives could be at stake that the people operating that facility must be trained, and highly trained I would put to you, to ensure that the operation of the ferry is a safe one. We will look at it and, perhaps, with the help of my colleague, the Minister of Education, take a look at putting a training program in so that we can have people from the community take advantage of initially the deckhand operations and then, perhaps, there are some people in the school system right now who might at some point in time want to move toward the acquisition of a chief engineer's or a captain's ticket.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman. Why didn't, whoever was the Minister at that time, when they did privatize that and went into contracts for the ferry operation, or the government look at the possibility of training the people even before privatizing the ferry? The ferry has been operating since 1958, I believe and definitely the community of Fort Providence has not benefited from that ferry operation in Fort Providence. I am just wondering whether he might be able to answer why the people were not approached about the privatizing of this and why they did not prepare the people so that at least they would be guaranteed employment once it was privatized?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Far be it for me to speculate as to why things were not done in the past. I really do not know. I do not know if there were any reasons. I do not know if, in fact, there was a conscious decision ever made to do it that way, I really do not know. I cannot speak for anybody other than myself. I do not know about any previous decision. I would agree with you that if the ferry has been in operation since 1958, it is highly strange that more people from the community have not been utilized. That is 26 years now. You would think that people would have the opportunity. I can only tell you that as far as I am concerned, it is something that we are concerned about and we will look at. As the contract obviously is coming up for renewal, then perhaps this is something that we can take a look at in terms of who gets the contract and what provisions they are willing to make because the private sector has to bear some responsibility as well as the government. While we can set conditions it is the private sector that must undertake to carry out those conditions. So, it is a good point and I have no basis of disagreement and we will look at it, Mr. Gargan. Thank you.

CHAIRMAN (Mr. Wah-Shee): Mr. Gargan.

MR. GARGAN: Thank you. One final question. I have been on the ferry on the Mackenzie, but, also, I was on the one at Fort Liard and the other one at, I believe, it is Peel River, near Arctic Red. On all these ferries there is not one single native person with the exception of Fort Providence. Now, these ferries, during the summertime when they do operate, carry a lot of tourist people and most of the people that work on the ferry do not know anything about the surrounding areas that they are working on. You do not even see those people in the community, so those people are not in a position to give the information that may be required when you are on a ferry crossing the river. I believe it is a poor way for this government to be operating tourist promotion if these people are being employed from outside the community. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you. Mr. Minister.

HON. GORDON WRAY: I have no comment to make other than it is certainly something I will take a look at. Ferries are not something that have been in my realm of experience, generally speaking, but we will certainly take a look at it.

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. Ballantyne.

MR. BALLANTYNE: Just a comment on the lease policy manual. I am glad to see that the Minister has responded to the concerns of the standing committee on finance. The manual really looks as though it is identical to the minutes of the standing committee meeting, so thank you very much for your response.

Co-ordination Of Decentralization

In the whole area of decentralization, I think in our discussions in the standing committee on finance, the Minister recognized a problem of certain departments decentralizing within a different time frame than other departments. As I understand it now, your deputy minister, I would think, is probably a part of the review process of the whole government right now and I would hope that any concept of decentralizing would be looked at in the totality of government so that any adverse impact on decentralization of your department will be viewed in a way that all government would decentralize, or all departments in some sort of a reasonable time frame so that they can interact. Am I correct in my assumption? Or do you know what this new committee is going to do?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Far be it for me to anticipate what a committee of deputy ministers are going to do. Obviously they are acting under guidelines. But you have my assurance that in terms of any decentralization of the Public Works function, it will be done in conjunction and looking at the totality of other government departments. That is all I can say. You are right.

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. Ballantyne.

Integration Of O And M And Capital Planning Processes

MR. BALLANTYNE: It is interesting that all the points we brought up in the standing committee on finance are either under review now or are going into a policy manual, so I am not sure whether we should ask any more questions. Some problems were outlined in the capital planning process and Mr. Butters gave me a very short answer to the effect that capital planning and O and M planning will be integrated into one process. Do you see that as an advantage to your department? Do you think you will be able to maybe alleviate some of the problems you have now interfacing with other departments if you can use the same process for capital planning as you use for O and M planning?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Obviously, DPW is intricately involved in capital planning as we do most of the capital construction for the government. We play a critical role on the capital planning committee. Generally it is working well and all we are doing now is fine tuning it. Other than that if you are asking me whether I agree or disagree with my colleague, obviously I agree with my colleague because it is something that we have discussed and it is a method of approach that we have decided to take. Capital planning and O and M planning should be integrated. They go hand in hand with each other as far as I am concerned. Thank you.

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. Ballantyne.

MR. BALLANTYNE: Thank you. I am trying to build a consensus for Mr. Butters and he can thank me later on.

---Laughter

One of the aspects that was talked about in the present capital planning process is that a way to alleviate some of the interdepartmental problems is the setting up of regional committees. Now, on paper it looks like a good idea and in fact it might not matter once the two processes are integrated. Isn't there the possibility by adding another layer onto the process, that in fact that which seems to be simplifying the process can in fact complicate the process? Are we really coming to grips with the problem by a regional interdepartmental committee? Or is it really a band-aid approach to the problem?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Not at all, Mr. Chairman. I think the bulk of the problems have been caused by the fact there was not such a group at the regional level. You have your headquarters capital planning review committee but if you do not have it at the regional level then the process can break down and break down rather fast. Now you might find that difficult because the regions are very small and you would suspect that everybody should know what each other is doing. But you also should know the government does not particularly work that way.

I would think that the organizing and putting in place of regional planning or capital planning committees can only strengthen the process because it would ensure that there is consistency at the headquarters and at the regional level where perhaps it never existed before. And at the regional level, because of their much more intimate knowledge of the region and of the communities, they should in effect be able to do an even better job than the headquarters function.

CHAIRMAN (Mr. Wah-Shee): We will take a 15 minute coffee break.

---SHORT RECESS

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. Ballantyne.

Co-ordination With Housing Corporation Programs

MR. BALLANTYNE: I will follow up on the whole area of co-ordination. As I understand it, DPW is responsible for project management, for road and for land site development for the Housing Corporation and we are all aware that the Housing Corporation in the past has not had a five year plan. How has that lack of a five year plan affected DPW in the planning and execution of their responsibilities in this whole area? Secondly, when we are looking at this years capital construction program, how will you be able to do it and will there be enough sites actually available to carry out the program envisioned for DPW this year? Are you going to have any problems?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I think, first of all, the lack of a five year capital plan for the Housing Corporation has probably caused the Department of Local Government more problems than it has caused DPW. DPW is merely the service department that does the work for Local Government. So, the lack of a five year plan has definitely caused problems for Local Government in terms of its planning and consequently caused problems for us because Local Government have been unable to tell us what they want us to do. If you want me to answer a question about the Housing Corporation, the allocations of the units this year are all based on existing land. We have land for the houses that we are planning. The problems are going to come next year. Next year we are going to run into problems but for this year we are fairly well-off, or I should say we have got enough land to do it this year.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

MR. BALLANTYNE: But the Minister will agree that it has to be a very important priority of his department to integrate the needs of the Housing Corporation which go through Local Government which acquires the land and ultimately to your department which actually provides the services and provides roads and the site work on the land. Have you been able to come to grips with this problem in the next year so that the following construction year we will also have land available for whatever the needs of the Housing Corporation?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. The Member is correct. There has been in the past a fair amount of duplication of services and that is one of the things that is presently under review, I hate to say. I would hope that we could come to grips with it in the next two months or so and not within the next year because you are correct inasmuch as we will encounter major problems two years from now and three years from now -- because as you know, we are going into a two year construction cycle with the Housing Corporation -- if we do not address the land issue almost immediately. But that whole process has been put together and it is one of the things that the committee of deputy ministers is reviewing and hopefully we will have it resolved within the next couple of months.

CHAIRMAN (Mr. Wah-Shee): General comments. Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. I would like to make a comment on contract and privatization. How is your department getting ready for some of these programs that will be taken over by the private sector, whatever you want to call it? Are you training any managers or anything to take over some of these projects?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. No, the training for private business is done by the private business sector itself. I think as business enterprises identify what they would like to take over, then it is up to them to ensure that they have adequate staff in place to look after it and obviously, that is something that we look at when we are talking about privatization to make sure that whoever is taking over certain functions can perform them. But, no, we are not directly involved in any management training.

CHAIRMAN (Mr. Wah-Shee): Mrs. Lawrence.

Motion That Funds Be Sought To Replace Little Buffalo River Bridge

MRS. LAWRENCE: Thank you, Mr. Chairman. Back to Little Buffalo River bridge. Since there is no funding and you do not seem to get anywhere with anyone, I would like to make a motion on this. Whereas the bridge on the Little Buffalo River is 16 miles out of Fort Resolution settlement, and the centre of Pine Point and Fort Resolution, and is in a serious state of disrepair and may collapse, possibly causing injury and cause delays and inconvenience to travellers of the highway; and whereas past requests to the federal government and the Department of Public Works and Highways have not resulted in money being identified for the repair and/or replacement of the bridge, and whereas the state of the bridge is in serious disrepair and requires attention by the Department of Public Works and Highways prior to 1988-89; now therefore I move that the Legislative Assembly recommends to the Executive Council that it takes immediate steps to actively pursue the matter with the federal government to obtain funds to replace the Little Buffalo River bridge and failing this, to seek funds from within the general revenue of the Government of the Northwest Territories to pay for a new bridge during this fiscal year, 1985-86 or at the latest 1986-87.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mrs. Lawrence. Your motion is in order. Do you wish to speak to your motion, Mrs. Lawrence?

MRS. LAWRENCE: I would just like to say that I am sure a lot of -- where is my neighbour, Bruce McLaughlin? -- I am sure that the department is aware of the condition of that Little Buffalo River bridge. It has caused many problems to the settlement and especially to the people that are trying to have some business. Even the Fort Resolution sawmill is unable to take the full load of lumber out of Fort Resolution because the bridge might collapse with them. That is also the case when they bring freight and materials into the settlement. In the summertime there is more traffic and how can we promote tourism when there is a danger of the bridge into the settlement collapsing? Tourism is a big priority according to the government review and I think we should give a serious thought to this bridge.

MR. McCALLUM: Right on! Go for it!

CHAIRMAN (Mr. Wah-Shee): To the motion. Mr. Ballantyne.

MR. BALLANTYNE: Just a point of clarification on the motion. Do we have any idea what replacement of the bridge would cost?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: The estimate that we have been given is about \$900,000 -- about a million dollars.

CHAIRMAN (Mr. Wah-Shee): To the motion. Mr. Gargan. To the motion.

MR. GARGAN: Thank you, Mr. Chairman. I just wanted to mention that I did travel a number of times on the highway toward Fort Resolution. I am not a slow driver and one of the things you are not aware of is that there is a bridge when you are travelling on that stretch of highway that goes toward the river. You are driving and all of a sudden you have to turn this way and then you go down a hill and you cross a little bridge. There are not any warning signs. It makes it quite hazardous, especially during the wintertime. So, I thought I would bring that point up too.

CHAIRMAN (Mr. Wah-Shee): To the motion. Are you ready for the question? To the motion, Mr. MacQuarrie.

Guidelines In Formula Financing

MR. MacQUARRIE: I am generally inclined to support it, but I would like a little clarification maybe from the Minister of Finance, as to how, now that we are going into the matter of formula financing and there is flexibility within a total budget package and so on, how when special things like this come up they will be handled. Let us suppose this were to be passed. Okay, there is a slush fund -- we should not call it that, I am sorry, I withdraw that remark. I believe it is a reserve, a capital reserve, or something like that. But are there guidelines as to how that is to be used and that sort of thing? Could I have a little clarification in this area?

CHAIRMAN (Mr. Wah-Shee): Mr. Butters, do you feel comfortable in replying to the point raised by the honourable Member?

---Laughter

HON. TOM BUTTERS: Mr. Chairman, the motion correctly recommends that the Executive Council pursue with the federal government acquisition of the funds required to build a bridge. That is what has been done in past and I am quite sure will be done in the future. In the event that initiative is unsuccessful and the Executive agreed that this capital project was desirable it would compete with funds as does any other capital project. This Assembly has given this government various priorities and obviously those priorities are the major items that are looked at when capital determinations are made. It has to compete with any other item.

CHAIRMAN (Mr. Wah-Shee): To the motion. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, I thank the Minister for his remarks and only have one comment. He said that the motion correctly pursues the matter with the federal government. First I say it incorrectly pursues. Pursue is P-U-R-S-U-E....

---Laughter

Other than that, thank you very much, Mr. Minister.

CHAIRMAN (Mr. Wah-Shee): To the motion. Mr. Ballantyne.

MR. BALLANTYNE: Again, I generally agree with the motion but I think with motions like this we all have to be a little bit cautious, because priorities criteria are under review. I think that each one of us could look at various projects in our communities that there is a tremendous need for. So I will support this motion. I know Mrs. Lawrence has mentioned this many times and I understand her frustration but I really hope that if it comes down to identifying moneys within the 1985-86 fiscal year budget that we look at moneys from projects that might have lapsed. And if this is really, and I do not know all the details, something of an emergency nature, that we look at the capital reserve. I have a general problem with an arbitrary decision to find a million here and some decision to take a million from some other needed project that none of us are aware of right now. I support Mrs. Lawrence but I think we all should keep that in mind. We should not use this avenue unless it is very, very important and very necessary.

CHAIRMAN (Mr. Wah-Shee): To the motion. Mr. Butters.

HON. TOM BUTTERS: I think Members should be aware that in the event the department is unsuccessful in obtaining federal funding, and that is obviously the way we want to go, then the chance of finding capital funding in 1985-86 is next to impossible. So, I advise Members that any hope of that happening is a very, very minor hope.

Motion That Funds Be Sought To Replace Little Buffalo River Bridge, Carried

CHAIRMAN (Mr. Wah-Shee): To the motion. Are you ready for the question? Question has been called. All those in favour? Opposed, if any? Any abstentions? Motion is carried.

---Carried

General comments. Is the committee prepared to deal with the budget in detail? Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I just have a question in relation to third party work done by the Minister's department on federal land. Obviously I am talking about Highways and the work that Highways does for the federal government to the park. I just wonder what is the extent of the negotiations and price of the present work being done in relation to what was done in the past. Is there any move to do more work for the federal government on their federal land, that is through the park? Are there any negotiations undertaken now to extend that work? How much work is being done now, that is in relation to dollars, and is it an increase or decrease? Not just normal rates of increase. Are you doing as much work or are you doing less work for the federal government in parklands?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. In 1985-86 there is not much change I should indicate to the Member in terms of the Wood Buffalo National Park. We will recover from the federal government about \$161,000. That is the extent of the work that we do for them in the park area but there has not been much of a change.

CHAIRMAN (Mr. Wah-Shee): General comments. Is the committee prepared to deal with the budget in detail? Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Wah-Shee): Directorate. Total O and M, \$4,439,000. Mrs. Lawrence.

Consultation In Developing Capital Budgets

MRS. LAWRENCE: I would just like to make a comment before we go on further. I would like to suggest to the Minister for future reference that we should be consulted closely when there are reviews in the capital budget so that we can avoid emergencies because we know what is needed at the community level. So many times the budget is forecast without consulting us, for the five year capital budget. I think we should be involved very closely in a situation like that. Thank you.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: If Mrs. Lawrence is speaking generally overall about the capital planning of the government, I think this is one of the reasons we want to move to regional capital plannings so the MLAs can be involved at that level. If she is referring to capital planning for highways, to be honest with you, we would like to be consulted too because the federal government are the ones who outline the program and we are not told until the last minute what they are going to do. In fact I can indicate to you that even today we have never been formally advised as to what work the federal government intends to carry out in the NWT this summer on the highway system. An assistant deputy minister of mine went to Edmonton about two and a half months ago to discuss what he thought was the upcoming work for this summer and found that the federal government already had a page outlining work without any consultation with this government whatsoever. So we have our own problems with lack of consultation from the federal government. That is one of our biggest problems. They define the program, they lay it out and then they basically come to us and tell us this is what they are going to do.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Butters.

HON. TOM BUTTERS: The process that Mrs. Lawrence describes and has requested has already been, I believe, put into place. Regional directors have been advised that henceforth in developing capital budgets the inclusion of MLAs would occur as a very critical part of the whole process, so that has been done.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Richard.

Transfer Of Responsibility, Road Reconstruction Programs

MR. RICHARD: Thank you, Mr. Chairman. This particular federal responsibility -- can the Minister confirm that this is one of the responsibilities that the government is seeking in the overall transfer of federal powers, that it is now going to be co-ordinated centrally?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Correct, Mr. Chairman. Actually, about three years ago, as I understand it, this government thought it had an agreement with the federal government to take over intra-territorial and interterritorial road reconstruction work and, apparently, the federal government backed out and their position last year was that they are only willing to turn over intraterritorial. But there are three components of highways work. There is new construction, there is the interterritorial reconstruction, and that is the highways that link us with the provinces and there is intraterritorial, which is the roads existing within the Territories. So far we are negotiating the intraterritorial but, certainly, in the interterritorial and new

construction, it is part of the responsibility that we are attempting to acquire from the federal government as we do have major problems with them in terms of what they perceive as a priority and what we perceive as a priority.

CHAIRMAN (Mr. Wah-Shee): Mr. Richard.

MR. RICHARD: Mr. Chairman, earlier in the session the Government Leader undertook, through this committee, to report to the Assembly periodically on the progress of that group who are co-ordinating these requests for federal powers. Can I ask this Minister if he will, either through his own office, or with the Government Leader, advise the Assembly periodically and by that I mean, say the next session and the fall session, as to the state of these negotiations for these particular powers?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, I have no problem giving that commitment. In fact, Mr. Richard is a new Member so he probably does not know but in every session since I took office we have reported on the state of affairs of these negotiations, or the lack of progress. So certainly we can report, at least on the highway side of things, what is happening.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments. Mrs. Lawrence.

MRS. LAWRENCE: Back to capital budgeting, I expect to be called into Fort Smith Region to sit with them in planning the capital budget but I have been here for a year and have never been called upon so I took it upon myself to check on what was planned for my constituency, Tu Nedhe. I was very disappointed to see there was not too much planned there. So, I just wanted to remind the Minister that when they do the capital budget planning or any kind of budget planning, I would like to be involved -- for my constituency that is. Thank you.

CHAIRMAN (Mr. Wah-Shee): General comments. Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman. I understand that when the construction of buildings occurs, it is the Department of Public Works that take on that initiative and, also, with regard to older buildings. I am just wondering, Mr. Minister, if there was ever a letter requesting the use or the transfer of the old school on the Hay River Reserve. Has the reserve ever approached you requesting the old portable school there?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Are we back in general comments now? If we are back in general comments, then fine. I thought we were on the directorate.

CHAIRMAN (Mr. Wah-Shee): Well, we were just on the verge of going to the budget detail until I had to recognize the honourable Member so, at the present time, we are still under general comments. Mr. Minister.

HON. GORDON WRAY: Thank you. No, to date I have not received any letter from the Hay River Reserve requesting the turnover of that building.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Gargan.

MR. GARGAN: Thank you. I believe at the last session you did mention that there were going to be some capital moneys if you were successful in negotiating the highway transfer to the Territories. However I guess this did not happen so the road toward the Indian village would not possibly be repaired for some time then.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, the access road to the Hay River Indian village is one of those contentious issues that we have with the federal government. I am hopeful that with the new government and a new Minister, we should be able to reconcile our differences very quickly but it has not happened yet.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. General comments. Does the committee agree that we go into budget detail? Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

Maintenance Management System

MR. BALLANTYNE: Sorry, Mr. Chairman. We have a document from the department about performance measurement and there was a number of components of that document. In place right now there is a monitoring system, the maintenance management system. That now is in place in highways maintenance, buildings and works, vehicles and marine operations. It is unclear where it is in place and where it is being implemented. In which of those four areas has it yet to be implemented and when will it be implemented?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I am just looking for the document Mr. Ballantyne is talking about. In highways maintenance and buildings and works the maintenance management system is introduced, vehicles and equipment also. It is introduced in all four areas, highways maintenance, buildings and works, vehicles and equipment and marine operations.

MR. BALLANTYNE: (Inaudible comment)

CHAIRMAN (Mr. Wah-Shee): Order please. Mr. Ballantyne.

MR. BALLANTYNE: So, at the present time in those four areas the maintenance management system is in place.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: There is some confusion here but, essentially, the highways maintenance management system is in place and buildings and works, vehicles and equipment and marine operations will go fully into implementation this year. They are 60 to 70 per cent in place and they will be completed this year.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

MR. BALLANTYNE: I think in this department this maintenance management system is, except for the pilot project which is being developed right now in the Department of Social Services, the only formalized evaluation system in the whole government and I think other departments should look at it as a way to evaluating performance. But, if I could go on then to the next part of your performance measurement, I am not quite sure how the standardization of building and equipment design falls under performance measurement except that perhaps, over the years, you have found out that the old system was not good and this is the result of trying to find an improvement.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: I think when we talk about performance measurement and the standardization of buildings, we are essentially talking about the standardization of heating systems, the standardization of maintenance systems and therefore we can properly monitor how those buildings are maintained. We can also monitor the performance of the buildings themselves. I agree it is a fairly nebulous area, but we think it is important to identify that area as one area we are looking at in terms, particularly, of the maintenance of those buildings because those are buildings that sometimes we build for agencies other than the government, that is, hamlet buildings or multipurpose halls or recreation halls, so, we have had extensive discussions with some hamlets. The Housing Corporation will be implementing a maintenance management system based on the DPW system and some hamlets have requested us to work with them to look at a maintenance management system. So, we are moving into that area as well. Thank you.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

Standardization Of Buildings

MR. BALLANTYNE: The area you were talking about, the utilities management system and energy conservation, is a little bit further along. My point was that in this document you were responding to performance measurement as far as I can see. Some of the areas that you have outlined are not quite in the same category. I will go into a specific question then about the standardization of buildings. I think we talked about that and one of my concerns is that over the years we built very expensive capital buildings throughout the Northwest Territories and the word that the Minister gave us is that in order to save some costs, to allow for some cost deficiency, we will be looking more and more toward sort of, off-the-shelf type building designs and buildings and, if I am correct in that, the Minister could give us some examples of where this philosophy is being implemented now and will we see in the future, for instance, for a community of a certain size there will be a standard school design for such a community, a standard community hall design depending on the size of the community.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. There are a number of areas that we are moving in. Wildlife offices have now been standardized. They were one of the very first things to be standardized at the insistence of the deputy minister of Renewable Resources, Mr. Bourque. We are moving to standardize parking and maintenance garages, portable classrooms, water and sewer systems, fuel storage facilities, staff housing. So, in all those areas we are standardizing. We are attempting to standardize schools, however, we have some problems in terms of some of the communities wanting different things. Our intention had been to standardize the Snowdrift and the Hay River Reserve schools, to make them identical buildings, but the Hay River Reserve education people had some problems with that but we are attempting to work those out. But we are moving right across the board, we are looking at all buildings of the government and we are doing standardization.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

MR. BALLANTYNE: I am glad to hear that and obviously you will not be able to have standard buildings in every single case, there are obviously going to have to be some exceptions to that, but you see us getting to that point. Now, I understand in Greenland, for instance, depending on the size of a community, a community from zero to 500, 500 to 1000, there are different sizes and standards of buildings. So, a community from 500 to 1000 will get such and such a garage off the shelf, another size community a school off the shelf, another community, a community hall off the shelf and then the next larger size group of communities will get bigger facilities.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

Flexible Approach To Standardization

HON. GORDON WRAY: Thank you, Mr. Chairman. That type of policy is in place now with the recreation facilities and the criteria that Local Government have for the provision of community halls, multipurpose halls. Obviously, that would be the ideal way to do it but I do not think we will ever be able to introduce it in a broad government way because we have so many inconsistencies and I will give you one. There are two communities in my constituency, Baker Lake and Eskimo Point. Now, they are both the same size in terms of population, yet Baker Lake only has 250 school children and Eskimo Point has 417. So, if we provide them both with the same facilities then obviously one of them would have to go without. So, you have to be flexible. But, generally speaking, yes, we will attempt to standardize but I do not know if we will ever get to the point that you speak of, except in the case of recreation facilities.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

Local Involvement In Capital Projects

MR. BALLANTYNE: I agree with the Minister. Obviously, you cannot implement this in all areas but I think in some obvious areas there will be a cost-saving if the government goes that way and I also agree that this government is very flexible. It is probably the one thing they will say about

this government is the fact that it is flexible. But, on to another question, it is the whole area under your objectives as "further developing approaches and local capacity for communities and local contractors to expand their involvement" etc., etc. I think we are aware of what has been done up until now with business incentive programs. What other ideas are being entertained? What are the other ways of encouraging local involvement in construction of capital projects?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I alluded to some of them earlier on when I was answering Mr. McCallum's questions, but, generally speaking, the use of local building committees to supervise projects; and in conjunction with DPW and the client department, moving to provision of supervisors and making it a government project as opposed to a contracted project; using local materials and therefore using local expertise, particularly in the West in the case of logs. There is a whole range, I guess, of options that are open to us and that is why I indicated to Mr. McCallum earlier, we sort of take each project on a one-by-one basis. We take a look at the community, see what the capacity of the community is, see what the capacity of the business sector is, see what the labour market is like, what skills are available, then you make a decision based on that type of information.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: To what degree is the tender process used to ensure local participation? Obviously it is a tool that can be used and criteria can be put right in the proposal documents, the tender documents, to say that each company has to have a percentage of local employees and percentage of local purchases. Is that done to a large extent now or is it envisioned that that tool will be used in the future?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: No, it is not done yet. We have not gone as far as setting up quota systems in the contract procedure. The Executive has not discussed it. I have some mixed emotions about that type of approach. I would prefer to come at it through the back door and perhaps go to an incentive type of route for companies to hire local people and use local businesses. But I did indicate to you earlier that when we take a look at a contract, one of the things that we specifically look at is the level of northern content and I can indicate to you that in the past year there was on occasion a couple of contracts where the lowest bidder was not awarded the job but it was awarded to the second bidder because his level of northern content was significantly higher than the low bidder. To give you numbers, the low bidder had under northern content in the contract, \$330,000. The second bidder had northern content of \$1.3 million or a difference of a million dollars, but there was only about \$60,000 difference contract price, so the decision was made to award the contract to the second bidder based on that northern content. So, we do look at that very carefully and in cases where the price difference is not that great it will play a major part in any decision made.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

Criteria For Awarding Contracts

MR. BALLANTYNE: Are there any criteria set for that sort of decision or is that really a judgment call? I guess it was the NWT Construction Association put forward some concepts about a points system, you get certain credits for having local subcontractors, for example. How do you ascertain with a major difference of a million dollars? Are there some criteria? At what point will you say that somebody should not or should get a contract? Do you have standardized criteria for that?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. We have the bid documents and in it they are specifically asked to identify the level of northern content, including labour and northern subcontractors and suppliers and it is essentially, if you want, a judgment call on my part to recommend to the Executive. In fact we do not go to the low bidder, but it is spelled out very clearly in the tender documents the levels of northern content.

CHAIRMAN (Mr. Wah-Shee): I would like to remind Members to address the Chair, please. Mr. Ballantyne.

MR. BALLANTYNE: Thank you, Mr. Chairman. I understand that that information is actually in the tender bids. I guess my only problem with it is that unless there is some sort of criteria that outline what percentage of northern content, as far as subcontractors are concerned, is acceptable and how one decides from one contract to the next where the difference in one contract may be \$600,000 between the lowest and the second lowest and one of them had 40 per cent northern subcontractors and one had 70 per cent and the next one would have a totally different set of criteria. It is getting into a dicey area. Has there been any thought to standardizing that so that there actually are certain criteria and certain weight given so that it is not so much of a judgment call, establish an outline that everybody will know and there is no possibility for any criticism of the Executive Council for any decision?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. There would be no need for Ministers then. The bureaucrats could run the entire system. Essentially, there has been no thought given to an allocation of points system for those types of contracts. We do it in the architectural and consulting area but we do not do it in the general contract area. Every contract is different too because not for every contract are the skills necessarily available in the North. So, we have to take it on a one-to-one basis. We have to view every contract differently to make sure that the skills are available, the services needed are available in the North. It could very well be that we have a contract for which no skills are available in the North and we will go to a southern contractor.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I do not think the situation is an either/or situation, totally a bureaucratic involvement or totally political. There is probably a nice balance that should be found there somewhere and the interests of the public have to be protected. I think it is something probably worth looking at. Obviously again, you cannot find a set of rules for every situation but I think there are probably some general guidelines that would help the Executive Council in any decision they made. That will be, to the public anyhow, the perception that there are some rules and there is some fairness involved and it is not always subjective as a subjective value judgment. That is my point.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you. Some of those concerns are addressed through the business incentive policy but on the other hand we also have to be sometimes objective in our decisions. Some of these are judgment calls essentially. It is very hard to assess criteria on them. I think one of the reasons we have not moved in that direction is because of the lack of information that we have had in terms of just how much money in these contracts is going to the North. With this reporting system now in place, after a couple of years when we can actually identify and know how much money has been spent on labour, how much money has been spent with northern companies and how much is going to the South, then we can possibly look at assessing criteria but for the time being up until now there has only been general speculation in terms of how much money in those contracts comes into the North. We should be able to start finding out exactly before we make decisions in that area. I think, perhaps that day will come when we do start assigning a points system but I think we have to first all get the information coming back and use that information to develop any criteria that we might want to develop for a contract procedure.

Directorate, Total O And M

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Directorate, \$4,439,000. Mr. Ballantyne.

MR. BALLANTYNE: Okay, for now that answers my question. Over the next two years before Mr. Wray becomes Minister of a Nunavut ministry, I will continue to ask those questions. To ask a specific question then about the directorate. There is a decrease of \$678,000 in revenues and as it was explained to us it is to do with previous years catch-up on federal sales tax rebates. But again, it was a little bit unclear all that transpired. But I understand that the department for four years did not apply for a rebate and perhaps you could explain why it took four years to apply for the rebate.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Essentially it was just missed and when the government realized they could avail themselves of this rebate, they went after it. But it was just missed, that was all.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

MR. BALLANTYNE: There is no statute of limitations on retroactive re-applying and they say you only can go back one year or will you be able to recover all four?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Four years is the statute of limitation.

CHAIRMAN (Mr. Wah-Shee): Directorate, \$4,439,000. Mr. Ballantyne.

MR. McCALLUM: Do you remember what it used to be like?

Funding Of Federal Programs

MR. BALLANTYNE: That is right. Okay, if you look at the renewable energy resources and efficient energy use programs, there has been a decrease of \$380,000 because of the termination of the Canada/NWT conservation and renewable energy demonstration agreement. It expired March 31st, 1984 and new priority funding is picking up the slack somewhat, I guess, in this area. Also in the area of the dock program is there a danger that the territorial government starts to fund -- and I am not disagreeing with the necessity of the programs -- programs which have been and in many cases, still are federal responsibilities before the appropriate arrangement has been made with the federal government to take over their programs? Do you see a danger in raising expectations? The federal government will say, "You are doing it anyhow so we are not going to turn over any resources to you."

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. That is something that we are very cognizant of and we watch it very carefully to make sure that we do not do federal work with territorial funds. We monitor it almost on a daily basis to make sure we do not get into anything that really is a federal responsibility and be left holding the bag so to speak. But we are very aware of that and we watch it very carefully.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

MR. BALLANTYNE: I think that is something which should be considered with this overall review of departmental and government responsibilities to co-ordinate. Before this government embarks on new programs to co-ordinate with what the existing federal responsibility is and to ensure that we do not preclude receiving of the proper resources to carry out the program. Everyone does it for all the right reasons because the program is so necessary and there is such a demand for it. One embarks on that long path toward actually being totally financially responsible for it. The federal government at that point may say that they are not going to fund the program.

Directorate, Total O And M, Agreed

CHAIRMAN (Mr. Wah-Shee): Directorate, total O and M, \$4,439,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you.

SOME HON. MEMBER: That was not difficult, was it?

---Laughter

Project Management, Total O and M

CHAIRMAN (Mr. Wah-Shee): We are making progress here. Project management, total O and M, \$2,896,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

MR. BALLANTYNE: Something we had a fairly lengthy discussion on in the finance committee is the transfer of 23 person years from capital to O and M and there was some confusion -- we won't go into details right now, but some confusion of the information provided at the time. Perhaps if the Minister could explain the rationale of transferring these PYs from capital cost centre to an O and M cost centre.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. As I understand it, about five or six years ago, these PYs were in the O and M budget but because of tight O and M moneys, they were transferred to the capital budget and allocated to the various capital funds. About two years ago the standing committee on finance recommended that we take these PYs from capital and move them back into O and M because, essentially, they are O and M functions. They are the project officers and managers who, on a day-to-day basis, monitor all of their various contracts and it was becoming too difficult a process to try and allocate portions of their salaries and expenses to capital projects because some of these guys would have 35, 40 projects under them so the standing committee on finance recognized that about two years ago and recommended that we effect this transfer and we are now responding to that concern by doing this. Thank you.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

MR. BALLANTYNE: I, like the Minister, am not responsible for decisions made before I got here. But, none the less, if one looks at this whole thing philosophically, there are good arguments, I think, to be made for having staff as permanent PYs, because obviously it gives more flexibility. I guess my problem is with projects that are changing, where requirements from year to year also may change, and once you put the staff on permanent positions then you are responsible for their other benefits. It may make some sense, from a financial point of view and from an administrative point of view to have them under the O and M budget. On the other hand you might have times when you cannot utilize properly all those particular people.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: No, Mr. Chairman, it is not a problem essentially because these are the core staff. This staff is required just for the ongoing capital functions that we perform within the government and is based on historical data. In fact, we have a lot more people that we hire in terms of the capital projects, some in term positions, others on a casual basis but no, these 23 PYs are the core staff. They are not staff purely assigned to the capital projects, they do remain constant, their work is not affected by the fluctuations in the capital plan. The other positions within this department are affected by the fluctuations in the capital plan, but not these 23. They are what we call the core staff.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Project management, page 10.6, total O and M, \$2,896,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

AN HON. MEMBER: (Inaudible comment)

---Laughter

MR. BALLANTYNE: The only accountability left and you want to do away with it.

AN HON. MEMBER: Your turn is coming.

Project Planning And Implementation Process

MR. BALLANTYNE: One of the objectives of this particular activity is the provision of guidelines to assist client departments in developing their capital programs and we are talking about Department of Local Government and other departments that use your services. Could you give us a brief explanation of what sort of guidelines you are talking about and how far along are you with putting these guidelines together?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: There is a guideline for client departments called the project planning and implementation process which was introduced in 1984-85 and is going to be further developed to include examples which will assist the client departments in planning their projects. We assist the client departments in establishing their guidelines because, obviously, the only way we can do our job is if the client department gives us clear direction and instruction in terms of what they want. There is a guideline process, it is called the project planning and implementation process and it is a fairly comprehensive process. If you want a copy of it you can have one.

Project Management, Total O And M, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Project management, \$2,896,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Operations/Accommodation Services, Total O And M

CHAIRMAN (Mr. Wah-Shee): Thank you. Operations and accommodation services, page 10.7, total O and M, \$15,423,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Wah-Shee): Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, in this activity I understand the responsibility lies for the leasing of staff accommodation and the cost of that staff accommodation is included in this O and M figure and somewhere else in this document, that I have not figured out yet, there is a corresponding revenue item for rents collected from staff for that accommodation. I had asked, during the standing committee's review, how close this government comes to recovering 100 per cent of the cost of staff accommodation and I am wondering if the Minister could give some explanation of that process. I realize that government now is, or is attempting to charge market rental rates but could the Minister indicate how close we come to a 100 per cent recovery and the reasons for the shortfall?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: I do not have that information available to me. That would have to be done in conjunction with the Department of Personnel. As I replied in the standing committee on finance the two figures do not necessarily relate to each other. We can provide the information for you at a later date but it is going to have to be a joint effort between ourselves and Personnel and some other government departments, because we are not the only ones involved in this process.

CHAIRMAN (Mr. Wah-Shee): Mr. Richard.

MR. RICHARD: Mr. Chairman, as naive as I am in figuring out these government figures here, this \$14.7 million has got to be for the cost of operating both leased office space and staff accommodation. Surely, we could separate out those two and somewhere else in this tome there is a summary of rents collected from government employees and I am not asking for any detail, within a million dollars say...

MR. BALLANTYNE: Give or take a million, eh?

MR. RICHARD: Surely, we have some idea because if we do not we should. If the government is not charging market scale then how do we know whether we are recovering an expenditure of government funds?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: As I indicated to the Member, we can get it together for him, but I cannot give you an answer right now because I do not have all the figures here. There are other government departments involved.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Operations and accommodation services. Mr. Ballantyne.

Staff Housing Problems

MR. BALLANTYNE: We plug and plunge onward and forward. This is a question that was brought up again in the standing committee on finance. I think the government policy of getting government employees out of staff housing was a good one and I think we have all supported that because it has really stimulated a lot of construction in a lot of communities, especially in Yellowknife. But, there is always the downside to every decision and every time you solve one problem, you create some other problems. Is there presently enough accommodation for staff throughout the Territories? We heard in the housing committee that there were a number of territorial government staff who were living in public housing and is there a balance that we might have gone a little bit too far the other way? I know it is a tough question and I applaud the government's efforts to try and come to grips with it. Is there a problem right now with accommodation?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Really, the Department of Personnel are the ones who should be addressing this question but, generally speaking, from what I understand, yes, the government is approaching a point where it is going to be very difficult to hire staff from the outside because of the housing shortage in Yellowknife. As you know, the deal in Yellowknife is that a government employee comes on strength and we will provide him with housing for a year and then it is up to him to find his own accommodation. But because accommodation has been very difficult to come by, we have not been able to vacate these units on a yearly basis and, in fact, we are running close to the point where we are not going to be able to accommodate our new hires. Now, that is only my general understanding. Perhaps, when you get to Personnel, they will be able to give you some more specifics.

CHAIRMAN (Mr. Wah-Shee): Operations and accommodation services, total O and M, \$15,423,000. Mr. Pedersen.

Public Tendering Of Leases

MR. PEDERSEN: Thank you, Mr. Chairman. I mentioned a couple of days ago, the great discrepancy in income between regional centres and non-regional centres within the same regions. I heard with interest the Minister earlier mention that they are developing a lease policy. I was wondering if the Minister would be considering making it an automatic requirement to call for public lease proposals for such facilities as staff houses, offices, warehouses, in all communities, not only at the regional centres, prior to initiating our own construction. It is not only income that has a great discrepancy within the regions, it is also in business opportunities. Could the Minister comment on that, please?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. The new lease policy as I understand it is being drafted to require public tendering of leases. However, there will be two exceptions: one is, obviously, in a case of an emergency where the government does not have time to go to a lease; or in the case of a community where perhaps only one group or one company is available to provide those accommodations or those facilities. But, generally speaking, yes, we will move toward public tender. I should mention that historically the government has not done that since 1968. It has taken a while to get it done but I am hoping to have it in place this year.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Operations and accommodation services. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, just a question in terms of this. Could I have some indication of what is being proposed, if the Minister knows, in terms of any additional new office space, either at headquarters and/or various regions? What is being proposed? What, within the next year or two, is the requirement as expressed by client departments for additional new office space for government departments?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Could I ask the Member just to clarify his question, please?

CHAIRMAN (Mr. Wah-Shee): Mr. McCallum.

Requirements For New Office Space

MR. McCALLUM: Does the Minister know what is being contemplated by various government departments for new office space?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: My understanding is that the department is in effect doing that right now. They are assessing the overall government needs for office space and accommodation and it will be coming forward to me, probably within the next two or three weeks at which time, obviously, we will have to go to the Executive Council to address the issue.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Operations and accommodation services. Mr. Erkloo.

MR. ERKLOO: (Translation) Thank you, Mr. Chairman. I have a question regarding a government staff house at Pond Inlet. A lot of times it is empty, the staff house I am talking about, and sometimes it is in use. When they renovate somebody else's house, it has been used but after that it is vacant again and it has to use fuel oil. It must be expensive when it is vacant and government employees are just occupying public houses and I was wondering why they do not use this government staff house.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I really have no idea. The Department of Public Works is responsible for the maintenance of the houses. In terms of allocation, that is done by the Department of Personnel. I am surprised to hear that we have a vacant staff house. If we do, it is one of the very few communities where we do. But I am not sure of the reason but I will undertake to find out for you or perhaps the Member might want to address his questions when Personnel comes up for review.

Operations/Accommodation Services, Total O And M, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Operations and accommodation services. Total O and M, \$15,423,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Operations/Repair And Upkeep of Buildings And Works, Total O And M, Agreed

CHAIRMAN (Mr. Wah-Shee): Operations, repair and upkeep of buildings and works. Total O and M, \$14,831,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Operations/Repair And Upkeep Of Vehicles And Equipment, Total O And M, Agreed

CHAIRMAN (Mr. Wah-Shee): Operations, repair and upkeep of vehicles and equipment. Total O and M, \$3,882,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Operations/Utilities, Total O And M

CHAIRMAN (Mr. Wah-Shee): Operations and utilities. Total O and M, \$31,879,000. Mr. Ballantyne.

MR. BALLANTYNE: During the standing committee on finance meeting, we had a long discussion about certain areas of this activity and what happened was there was some confusion. There were base deficiencies actually as the result of price and volume increases and there was a process of trying to make up those base deficiencies. We were told by the Minister that there is a base deficiency of \$872,000 for water, sewer and garbage and a base deficiency for \$628,000 for heat and power. They would be included in the supps this year. Looking at the supps, we see that the \$872,000 has been covered but the \$628,000 for heat and power for that base deficiency, where is it?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Our present projections right now are making it very close to call but we might not perhaps need it. So, rather than ask for money that we might not need we are going to wait to see what the final bills are. If in fact we need the money we will come forward but we are not going to come forward right now because our projections are that we might not need it.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne.

MR. BALLANTYNE: I think in this whole area where there are base deficiencies or potential base deficiencies, hopefully, next year the department will be better prepared, better able to anticipate and to read some of the realities because what they have been doing has been quite confusing over the last couple of years. I am glad to hear that they might not need it but hopefully we will not have to go through this rather confusing tortuous process a year from now when we go through the standing committee on finance review.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. The Member is asking for something I cannot deliver. I have no control over price increases, municipal services, neither does the department. I have no control over the weather so we will never be able to predict 100 per cent in terms of heating and electricity. We can get better but we will never be able to fully control that. Those are costs that are out of our control. To say that the department has been confused for the last two years is totally erroneous. Most of these price increases were forced upon us by agencies that are totally outside of our control.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I am not sure if I should have called a point of order in that I am misleading the people with erroneous information. But I won't because I am sure we can work this out in an amiable fashion. We are not arguing. I think the committee is aware that Mr. Wray cannot control weather but I am not sure if Mr. Wray is aware of that....

MR. MacQUARRIE: Until Nunavut is established, then all things are possible.

MR. BALLANTYNE: What I was saying though is the actual process was somewhat confusing and sloppy. In the last three months now there has been another change and you might not need one. Now I am saying that the whole process can be improved and obviously you cannot anticipate everything but I think that process can be streamlined.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you. We are in the area of utilities moving to computerization so that we can identify every building within the government's inventory and what it is going to cost. That we could not do before. So, I agree with you there. We are moving to clean her up but I still put it to you that regarding price increases, what we will be able to do is identify the increases or decreases much better. But we will not be able to control them.

Operations/Utilities, Total O And M, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Operations and utilities. Total O and M, \$31,879,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways/Design And Construction, Total O And M

CHAIRMAN (Mr. Wah-Shee): Highways/design and construction. Total O and M, \$942,000. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, during the finance committee meetings there was talk about the objective of this particular section of the department with attempting to get ongoing input into the implementation of the federal northern roads policy to assume interterritorial road reconstruction.

At that time the Minister indicated that a Treasury Board submission was made for about \$5.7 million and change, I guess. But it was sent back. And during the discussion, it was indicated that the reasons why there was nothing being done was that DIAND officials were of the opinion that many people in the North were against taking over this responsibility. The Minister at that time indicated that he would meet with the native associations to make sure that this was in fact correct. I wonder if the Minister can indicate to us now what the result of his discussions with the various native organizations were on this particular topic?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: As of today, we still have not had a reply from any of the native organizations whatsoever.

CHAIRMAN (Mr. Wah-Shee): Mr. McCallum.

MR. McCALLUM: Mr. Chairman, was the communication made via written memorandum or letters or did the Minister meet with the various native organizations? I understood him to say at that meeting that he would be meeting with them. So, I guess what I am asking is did he meet with them or was it done by written letter?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Obviously just before Christmas, with the Christmas holidays and that, we were not able to get together. I spoke briefly with the president of the Metis Association and I spoke briefly with the president of ITC. But there has been no contact with the president of COPE or the head of the Dene Nation, other than a letter which was sent to each individual on the subject.

CHAIRMAN (Mr. Wah-Shee): Mr. McCallum.

MR. McCALLUM: Along with that, Mr. Wray indicated that he would be in contact with the federal Minister and I think in response to a question asked by my colleague, Mrs. Lawrence, the Minister indicated that he expected to receive a reply from the federal Minister sometime last month. Was there any communication made along that line?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: No, I have not communicated with him, essentially because I am still waiting for word from the native organizations. I thought it would be premature to go ahead and talk to him until I had some word from them and then I can go to him with the whole bag.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Mr. Pudluk.

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. We could talk about highways in Baffin area too. First, I would like to talk about Nanisivik road to Arctic Bay. They always have problems on the road and it is the longest road in the Baffin area and the equipment that they use to maintain the road is very old. They try to put gravel on the road but equipment breaks. In the springtime whenever the snow is melting the road gets worse and they have to buy the gravel from the mining company. The turns of the road are too narrow. I think we have to widen part of the road because they use this road every day going to the airport and the people from Arctic Bay whenever they have to go to work to Nanisivik have to use this road every day. So, I think we have to get better equipment for this road and they always need more gravel every year.

I am going to talk about something else now. In the tree line there are a lot of highways. I know there is a road from Yellowknife to Detah. There are two highways in the wintertime, a winter highway and an all-season highway. The ice road is put in every year and then they have a highway in the summertime. I would like to see Arctic Bay get assistance. I know there have been visits from the people in this House. In the springtime the ice melts right away and then the other part has still not melted. So, we would like to see this road fixed as soon as possible.

Motion To Build Road From Arctic Bay To Victor Bay Sooner Than Projected, Carried

So, I am going to make a motion on this and it goes like this. Whereas although we know they will make a highway from Arctic Bay to Victor Bay, they have requested for a long time to get a highway from Arctic Bay to Victor Bay. They have requested to the federal government and the Northwest Territories government for a road. Therefore, I move that Legislative Assembly recommends to the Executive Council that this road that Arctic Bay is requesting should be made as soon as possible before the due date. Thank you.

CHAIRMAN (Mr. Wah-Shee): For the record, I will read out the motion. Whereas it is evident that there will be a road built from Arctic Bay to Victor Bay and whereas the people of Arctic Bay have been requesting a road be built from Arctic Bay to Victor Bay for some time now, therefore I move that the Legislative Assembly recommend to the Executive Council that this road be built sooner than projected and that the federal and territorial governments commence planning as soon as possible. Mr. Pudluk, your motion is in order. Do you wish to speak to your motion, Mr. Pudluk?

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I talked about this just a while ago, so, I will make this brief. I tabled letters, Tabled Document 4-85(1), on February 7th. I guess you could look back at this. There are eight clearly written reasons for asking for a road. This is all I have to say. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you. To the motion. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. I have been overcome by feelings of brotherhood and generosity and I want to ensure that before we part ways and have a separate existence from our sister territory, Nunavut, I want to be sure that highway construction is safely under way in that territory and I am very happy to support this motion. Thank you.

AN HON. MEMBER: (Inaudible comment)

MR. MacQUARRIE: You are welcome brother.

---Laughter

CHAIRMAN (Mr. Wah-Shee): To the motion. Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. I am in support of the motion. I was a little bit concerned for a while there. I thought maybe a new bridge was to be built in one of those areas but I have been on that road and it is in very bad shape. I was very fortunate to be in that area last summer and I happened to be on that road and I would like to support this motion. This just proves that more Members have to be involved in the budget planning so that we can have more input into it and make sure there is enough budget allocated for serious issues such as road conditions. Mahsi cho.

CHAIRMAN (Mr. Wah-Shee): Mahsi. To the motion. Are you ready for the question? Question is being called. All those in favour? Opposed, if any? Abstentions? The motion is carried.

---Carried

Highways/design and construction, total O and M, \$942,000. Mr. MacQuarrie.

MR. MACQUARRIE: Thank you, Mr. Chairman. I had one question. Earlier the Minister had outlined the paving program for the coming year. Could I ask what additional construction is there during this year and could you briefly tell me what the plans are over the next five years for new highway construction?

CHAIRMAN (Mr. Wah-Shee): Mr. Minister.

HON. GORDON WRAY: Thank you. I only have the figures for this coming year. I do not have the future years but very briefly, this year is the Detah access road reconstruction; Rae access and Highway 3 surface repairs; Boundary Creek bridge guardrail; Hay River highway pavement rehabilitation; Ingraham Trail 1.6-19 surfacing; Ingraham Trail 19-29 reconstruction surfacing; and Stagg River culvert replacement. That is what we are proposing for this year; \$5.5 million.

CHAIRMAN (Mr. Wah-Shee): It is getting near the hour. Is it the committee's wish that we report progress at this time? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Mr. Wah-Shee.

ITEM 16: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 7-85(1), APPROPRIATION ACT, 1985-86

MR. WAH-SHEE: Mr. Speaker, your committee has been considering the departmental details of the 1985-86 main estimates with two motions being carried and wish to report progress.

Motion To Accept Report Of Committee Of The Whole, Carried

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

MR. SPEAKER: Thank you, Mr. Wah-Shee. Members have heard the report of the chairman of committee of the whole. Are you agreed?

SOME HON. MEMBERS: Agreed.

---Carried

MR. SPEAKER: Thank you. Are there announcements from the floor? Mr. MacQuarrie.

MR. MACQUARRIE: Thank you, Mr. Speaker. I rise on a question of privilege. In today's "Yellowknifer" on page A-11, there is a story entitled "Patterson Charges WCF Story Misleading".

---Laughter

In that story it is stated: "NCF chairman Dennis Patterson said in an interview with the 'Yellowknifer' Monday WCF members told Kitikmeot residents if they didn't join the western territory, they will not be able to work on Beaufort Sea projects, or enter the hospital in Inuvik, and that their children would not be able to attend high school in Yellowknife."

SOME HON. MEMBERS: Shame, shame!

MR. MacQUARRIE: Mr. Speaker, as a member of the WCF I categorically deny that those statements were made and for the record, as briefly as possible, in the case of Beaufort Sea we have in fact noted mobility rights in Canada but indicated that if that area is in western territory that the western government may arrange job preference for western residents and job training programs.

SOME HON. MEMBERS: Shame, shame!

---Laughter

MR. MacQUARRIE: With respect to schools and hospitals, we did indicate that we thought a western government might be receptive to having eastern students in western schools and hospitals but that if it came to a question of overcrowding and so on, that it probably would mean that a western government would make provision for its own citizens first. We did also say that it is possible that a Nunavut government itself might not wish people from the Nunavut territory to go to schools elsewhere if it were providing them in its own territory.

So that is essentially what we said. Some might be tempted to give credibility to what was said in the article until they read Mr. Patterson's last statement in which he says "Some were even told they would not be able to visit relatives."

---Laughter

SOME HON. MEMBERS: Shame, shame!

MR. MacQUARRIE: Now I ask you, Mr. Speaker, do either Mr. Sibbeston or I -- well, I will qualify it -- do I look like a person who would say that people should not visit their relatives?

SOME HON. MEMBERS: No, no!

MR. MacQUARRIE: A final comment, I think that all is going to work out okay because Mr. Patterson added "All I can say is that I look forward to clarifying that situation", he said, putting on his cape and flying northward.

---Laughter

---Applause

AN HON. MEMBER: That's a dirty game, politics.

MR. SPEAKER: Thank you, Mr. MacQuarrie. Some would say that that report was truer than most reports in the local newspaper.

MS COURNOYEA: Mr. Speaker, on the privilege, since it seems to be the Beaufort Sea communities that are being so sought after, I would like to indicate to all the Members when we form WARM, as long as you pay, you are very welcome.

AN HON. MEMBER: How much?

MR. SPEAKER: Order please. Are there any announcements from the floor? Mr. Clerk.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. There will be a meeting of the standing committee on finance tomorrow morning at 9:30 a.m.

ITEM 17: ORDERS OF THE DAY

Orders of the day for Thursday, February the 14th at 1:00 p.m.

1. Prayer
2. Members' Replies
3. Ministers' Statements
4. Oral Questions
5. Written Questions
6. Returns
7. Petitions
8. Reports of Standing and Special Committees
9. Tabling of Documents
10. Notices of Motion
11. Notices of Motion for First Reading of Bills
12. Motions
13. First Reading of Bills
14. Second Reading of Bills
15. Consideration in Committee of the Whole of Bills and Other Matters: Bill 7-84(3); Bill 3-84(3)
16. Report of Committee of the Whole
17. Orders of the Day

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

---ADJOURNMENT

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