



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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

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YELLOWKNIFE, NORTHWEST TERRITORIES

THURSDAY, FEBRUARY 14, 1985

MEMBERS PRESENT

Mr. Angottitauruq, Mr. Appaqaq, Mr. Arlooktoo, Mr. Ballantyne, Hon. Tom Butters, Hon. Nellie Cournoyea, Hon. Tagak Curley, Mr. Erkloo, 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 Thursday, February the 14th.

Item 2, Members' replies. There do not appear to be any replies for today. Item 3, Ministers' statements. Mr. McLaughlin.

ITEM 3: MINISTERS' STATEMENTS

Minister's Statement On Chronic Diseases

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I would like to make an announcement to Members of the Assembly concerning chronic diseases which will be of interest to many residents of the Northwest Territories.

By way of background, Mr. Speaker, the Department of Health administers two programs which provide limited financial assistance for medical treatment and drugs to residents who are not covered through any other means. The extended medical benefits program assists eligible residents with costs related to investigation, treatment, maintenance and/or rehabilitation for several chronic diseases. The pharmacare program covers the cost of approved prescription drugs listed in the NWT pharmacare formulary to eligible residents for over a dozen chronic diseases.

Mr. Speaker, as a result of requests from Members of this House and the general public, the list of chronic diseases eligible for coverage under the extended medical benefits and pharmacare programs will be expanded. On April 1st, coverage will be available under both programs for cerebral palsy, multiple sclerosis, cytomeglovirus, and diabetes insipidus. In addition, asthma, hypertension...

---Applause

All the politicians are happy about the hypertension being covered -- and rickets will be covered under pharmacare.

MR. McQUARRIE: Is Mr. Patterson suffering from hypertension? Rickets, that's my problem.

MR. McCALLUM: I wanted that four years ago.

HON. BRUCE McLAUGHLIN: You were there.

MR. SPEAKER: Thank you, Mr. Minister. Does that cover Roluids for our honourable Members as well? Are there any further Ministers' statements? Item 4, oral questions. Mr. Appaqaq.

ITEM 4: ORAL QUESTIONS

Question 79-85(1): Baffin Regional Alcohol And Drug Information Committee Funding

MR. APPAQAQ: (Translation) Thank you, Mr. Speaker. There was a letter I tabled on February 11, Tabled Document 9-85(1), from the alcohol and drug information committee of Baffin Regional Council, regarding the problems they had concerning the money that was taken from them. The money was taken away because they had to help another community. This question is directed to the Minister of Social Services. Mr. Minister, are you going to consider putting some more funding in and not taking any funding out of BRC alcohol committee and then getting some money elsewhere for that community's alcohol committee? Thank you.

MR. SPEAKER: Mr. Minister.

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I will take notice of that question and get back with a detailed answer to the Member as soon as I can.

MR. SPEAKER: Thank you, Mr. McLaughlin. Taking the question as notice. Oral questions. Mr. Paniloo.

Question 80-85(1): Funding For Women's Groups, Baffin Central

MR. PANILOO: (Translation) Thank you, Mr. Speaker. My question is to the Minister responsible for the Status of Women and the Minister of Economic Development. In my constituency there are some women's groups that have formed. They are called "pauktutit". But in my constituency there is not really very much spousal abuse. The women's group wanted some funding for them -- for operation and they wanted to start up a business making warm clothing to go out hunting. I would like to know if there could be some funding available for those women's groups to start their sewing business? Thank you.

MR. SPEAKER: Mr. Patterson.

Return To Question 80-85(1): Funding For Women's Groups, Baffin Central

HON. DENNIS PATTERSON: Yes, thank you, Mr. Speaker. May I take this opportunity to congratulate the honourable Member for Baffin Central who is the only MLA who went to the Inuit Women's Association conference in Igloolik in January. I thank him, also, for his interest in economic development for women. I would like to refer the question about assistance for a sewing operation in his constituency to the Minister of Economic Development and Tourism, Mr. Speaker, but I would like to say that I am impressed with the initiative that women in his constituency have expressed and I believe that economic opportunities for women must be paid great attention to in the Northwest Territories as we talk about economic development. Thank you.

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

Further Return To Question 80-85(1): Funding For Women's Groups, Baffin Central

HON. TAGAK CURLEY: (Translation) Thank you, Mr. Speaker. I think that the Minister responsible for the Status of Women has answered it clearly and maybe the honourable Member, Dennis Patterson, will be talking about spousal abuse. When the Inuit women's conference met in Igloolik there was an economic development officer present from Frobisher Bay, my official. The funding that we give out is open to anyone in the NWT whether you would be a man or woman as long as they are going to be using the money for economic development. Our funding is available, especially if it is a viable business they are going to start but it is available from our department. We would not just give it to the women's group but -- as long as they have craft work that they want to sell they can go and see one of our staff from Economic Development about application for funding. Thank you.

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

Question 81-85(1): Policy Regarding Justices Of The Peace

MR. McCALLUM: Mr. Speaker, I have a question to the -- I am not sure if I put it in the proper terminology but, I suspect, the interim House Leader in the absence of the House Leader now and I hope I am addressing Mr. Butters in the proper terms. I have a question of Mr. Butters. In the discussion we had with Mr. Nerysoo, the House Leader, dealing with JPs there was mentioned...

HON. DENNIS PATTERSON: Point of order.

MR. SPEAKER: Point of order. Mr. Patterson. Mr. Patterson, would you wait until you get the red light there so that it can be translated. Would you like to restate your point of order, please?

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. My point of order was simply that I believe the Hon. Tom Butters is now and always has been our House Leader. Thank you.

MR. SPEAKER: Thank you. Mr. McCallum.

MR. McCALLUM: During the discussion with the Government Leader, Mr. Nerysoo, the question of a policy dealing with JPs was raised. I would like to ask Mr. Butters as House Leader if in fact this is a policy of the government as such that now there will be no renaming or reappointment of existing JPs. Or is it a policy of the department?

MR. SPEAKER: Mr. Butters.

HON. TOM BUTTERS: Mr. Speaker, the honourable Member gave me notice of a question somewhat similar to the one he just posed for which I prepared myself. Therefore, as I do not have the exact answer I regret I will have to take the question as notice and provide a reply.

MR. MacQUARRIE: The answer to the question was not asked.

---Laughter

MR. SPEAKER: Thank you. Question being taken as notice. Oral questions. Mr. Arlooktoo.

Question 82-85(1): Status Of Lake Harbour Airstrip

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. This has been asked before. You heard this question before. In Lake Harbour we have been requesting an airstrip for quite some time now. I just want to know what is the status of this airstrip that is to be built? This is directed to Minister of Local Government. Yesterday because of the airstrip being too short an airplane tire burst. There were no injuries but this could be very unsafe or very dangerous in the future. We would like to be informed whether the airstrip in Lake Harbour is going to get any attention. Thank you.

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

HON. NICK SIBBESTON: Mr. Speaker, I would like to take the question as notice and will provide a reply tomorrow.

MR. SPEAKER: Thank you. You are taking the question as notice. Oral questions. Mr. McCallum.

MR. McCALLUM: Mr. Speaker, I perhaps had better ask the question first of Mr. Butters whether he is the proper person to address the question to. It deals with the appointment of liquor inspectors. Does that come under his purview or does it come under another Minister?

MR. SPEAKER: Mr. McCallum, if you would just put your question forth, we will find the right Minister, please. Go on with your question, Mr. McCallum.

Question 83-85(1): Appointment Of Liquor Inspectors

MR. McCALLUM: Mr. Speaker, I have a question to ask of the Minister of Government Services. Would he indicate to the House, how liquor inspectors are appointed? What is the duration of their tenure? What is the number of liquor inspectors who are government employees and if I could have some ideas as to what the remuneration would be?

MR. SPEAKER: Mr. Butters.

Return To Question 83-85(1): Appointment Of Liquor Inspectors

HON. TOM BUTTERS: Mr. Speaker, the question would be properly put to the Government Leader because that particular aspect of the Liquor Ordinance falls under his purview. But I would point out that the Liquor Licensing Board is authorized by the legislation that went into effect on April 1st of last year to recommend to the Minister of Justice and Public Services the names of those to be appointed as liquor inspectors. The Minister then, on the basis of that recommendation, makes the appointments. The appointments that are made are at pleasure and that is that the appointees would serve until their appointment is cancelled.

With regard to the number of inspectors who are currently with Government Services, I would have to get that information; and their remuneration, I would have to get that as well.

MR. SPEAKER: Thank you, then you are taking part of the question as notice. Oral questions. That appears to conclude oral questions for today. Item 5, written questions. Mr. T'Seleie.

ITEM 5: WRITTEN QUESTIONS

Question 84-85(1): Taxation Of NWT Hunters And Trappers

MR. T'SELEIE: Thank you, Mr. Speaker. My question is for the Minister of Finance. Are hunters and trappers of the NWT presently being taxed by either the territorial and/or the federal government? If so, what are the details of this tax?

MR. SPEAKER: Thank you, Mr. T'Seleie. Written questions. Mr. Paniloo.

Question 85-85(1): Clyde River Housing Allocation

MR. PANILOO: (Translation) Thank you, Mr. Speaker. My written question is to the Minister responsible for the Housing Corporation.

I understand that you travelled to the Baffin communities meeting the housing associations personnel and you informed them what their housing allotments would be for their respective communities. I am very happy that the Ministers are beginning to visit the northern communities, but I am concerned that the people of Clyde River are not receiving enough houses. I feel that they should be allocated more houses.

My question is, will you be able to allocate more houses to the community of Clyde River? I read this years report and I am expressing my concern about housing for married people with children. I feel that not enough houses are available for these people in the small communities.

MR. SPEAKER: I would like to recognize a former colleague, Mr. Billy Lyall in the Members' area.

---Applause

Item 6, returns. Mr. Patterson.

ITEM 6: RETURNS

Return To Question 64-85(1): Expulsion Of Students

MR. PATTERSON: Thank you, Mr. Speaker. I have a return to a written Question 64-85(1), asked by Mrs. Lawrence, on February 12th, concerning expulsion of students from residences.

Student residences in the NWT provide accommodation for students to attend school in other centres at grade levels or in programs that are not available in their home community school. Home boarding is provided where residence accommodation is filled or not available, or in some cases for older students who have difficulty adjusting to a residence atmosphere.

In our residences every effort is made to establish a home-like atmosphere. Since our students come from a wide variety of home backgrounds, this is not easy to achieve. Residence rules are established to maintain this atmosphere and to protect the rights and best interests of the

majority of pupils in the residence. Every student is made fully aware of these rules upon entry to the residence. If a student chooses to ignore these rules and makes a deliberate and serious breach of the rules, the Executive Council residential school policy 71.02 allows for expulsion of the student from the residence. This step is taken only after the pupil has received counselling and has been given every opportunity to improve his/her conduct.

When a student is expelled from the residence, the onus is on the student to find alternate accommodation if she/he is interested in continuing his/her education. The residence is under no obligation to provide further assistance except transportation home if this is required. In practice, however, assistance is sometimes provided if the pupil is anxious to continue his/her education. This assistance includes help in securing alternate accommodation and often a board allowance to cover the cost of alternative accommodation.

The question of students who are expelled but who have not reached the school leaving age of 16 years is not addressed in the residence policy. Generally speaking we have very few students of this age group in our residences and this will decrease even more where the grades are extended to a grade 10 level in community schools. If a student of this age group is expelled, and this happens very infrequently, full assistance to relocate the student in suitable accommodation is provided if the pupil wishes to remain in school.

The policy is based on our objective to provide good accommodation to all students who must leave their home communities to continue their education. To ensure good service to the greatest number possible we sometimes expel those who, in spite of the attempts to help them, simply cannot adjust to the rules. This is the first year in which this new policy is in place. We plan to review it, if I dare to use that term, and if necessary, make recommendations on it in the future to the Executive Council.

MR. SPEAKER: Thank you, Mr. Patterson. Returns. Ms Cournoyea.

Return To Question 44-85(1): Sanikiluaq Radio Station

MS COURNOYEA: Mr. Speaker, I have a return to a written question asked by Mr. Appaqaq on February 11th, regarding a Sanikiluaq radio station.

The Department of Information does not provide buildings or space for community radio stations. This is a community responsibility. The department does provide up to \$5000 a year through its community broadcasting grant program to assist broadcasting societies with operating costs. This is a continuing program available each fiscal year. The Sanikiluaq broadcasting society could make use of this funding and any other money it might be able to raise to improve the radio station facilities.

MR. SPEAKER: Thank you. Are there any further 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 14-85(1), Business Incentive Policy and the Directive related to the implementation of that policy.

MR. SPEAKER: Thank you, Mr. Minister. Are there any other documents for tabling today? Mr. Curley.

HON. TAGAK CURLEY: Mr. Speaker, I wish to table the following document: Tabled Document 15-85(1), federal government Consultation Paper on Small Business Set in Motion. Mr. Speaker, the press release which is part of the document has been translated. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Tabling of documents. All the honourable Ministers are hearing the last call for tabling of documents today. Item 10, notices of motion. Mr. Pudluk.

ITEM 10: NOTICES OF MOTION

Notice Of Motion 3-85(1): Canada Post President To Appear As Witness

MR. PUDLUK: Thank you, Mr. Speaker. I would like to give notice that on February 18, 1985, I will move the following: Now therefore, I move that the Assembly extend to Michael Warren, president of the Canada Post Corporation, an invitation to appear in the committee of the whole on a day during the spring session in Rankin Inlet. Thank you.

AN HON. MEMBER: A good idea!

---Applause

MR. SPEAKER: Thank you, Mr. Pudluk. Notices of motion.

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

MR. MacQUARRIE: Better mail it tomorrow.

---Laughter

MR. SPEAKER: 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 and 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

Department Of Public Works and Highways

CHAIRMAN (Mr. Wah-Shee): The committee will now come to order. We are under highways, design and construction, total O and M, \$942,000. I would like to ask if the Minister wishes to bring his witnesses? You do. Is it agreed to bring the witnesses in? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways/Design And Construction, Total O And M

CHAIRMAN (Mr. Wah-Shee): Thank you. Total O and M, \$942,000. It is on page 10.11. Mr. Ballantyne.

MR. BALLANTYNE: There is an anticipated reduction of \$93,000 in revenue under the highway project management services because of an anticipated decline in contracts. Could maybe the Minister explain why there is a decline in contracts anticipated?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Could the Member tell me where he is getting that figure from?

CHAIRMAN (Mr. Wah-Shee): Would you use your mike, please?

HON. GORDON WRAY: I am sorry, Mr. Chairman, I do not have the SCOF document. I just have the main estimates document.

MR. BALLANTYNE: Under highways project management services you are anticipating a reduction of \$93,000 due to anticipated decline in contracts.

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

Engineering Services Administration Fees

HON. GORDON WRAY: Thank you, Mr. Chairman. That is just that there is less from the engineering services administration fees agreement -- we charge administration fees on the engineering services contracts that we have with the federal government. And it is just that we have less admin fees.

CHAIRMAN (Mr. Wah-Shee): Mr. Ballantyne, please address the Chair. Thank you.

MR. BALLANTYNE: Mr. Chairman, I ask the Minister, is a 6.5 per cent fee charged and are there less contracts that you are actually providing this service for? Is that the reason?

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

HON. GORDON WRAY: Yes, Mr. Chairman, that is correct. We have undertaken fewer projects so there is a reduction in fees.

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

MR. BALLANTYNE: We touched on this briefly but we are looking at the transfer of the intraterritorial road reconstruction program from the federal government. My understanding is that money has in fact been transferred under formula financing. And it has been put into the base here. Will the government physically take over the program in the upcoming year and if they are going to, have you organized the details of how your department will handle extra responsibilities?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. No, the money is not part of the formula. We are still negotiating the fine print. In terms of the extra responsibilities we are already undertaking those responsibilities now and the necessary facilities have already been built in place.

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

MR. BALLANTYNE: So, when the final details are worked out it is no problem at all for the department. In fact you are set for it right now. The apparatus is in place and you could essentially take it over tomorrow if the details are worked out. Is that correct?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Essentially we have been doing it already for three years on their behalf and the change-over will mean we are just going to do it on our own behalf now.

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

Land Development Projects

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. What we are dealing with right now is what kind of land development programs are being developed in the communities. What do you do on these programs? Are you talking about lots for housing? I would like to get some clarification on this, what kind of lands you are developing. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. In most instances it is work which we undertake for other departments. A large part of it would be land that we develop for the Department of Local Government for housing. We manage that. Land development for government buildings, we undertake that. But a large part of it is that we have managed the land assembly projects on behalf of the Department of Local Government and on behalf of the Housing Corporation.

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

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I am not sure whether you mentioned this already that there is a lack of lots for the housing in the future, in some parts of the communities. We all realize there is a lot of land in the communities. There is enough land for the housing. I do not think you could delay any building of houses in the communities since there are a lot of lots. There is a lot of land in the communities. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. The DPW role in land development is merely, again, as a service department. The Department of Local Government identifies to us in conjunction with the Housing Corporation what land they want developed and it is our job to develop it. We are not involved whatsoever in the determining of how much land is available and, in fact, even where that land is to be developed. On another point that the Member made, while it is true that in some communities we have land, it should be noted that in many communities we have no land and we have a serious problem in acquiring land. I suppose this could be addressed when the Housing Corporation budget comes up but, just generally speaking, while the perception is that we have got land, we really do not and the cost of developing that land is getting to be very high and it is having an impact on the future housing budget and the allocation of houses in communities.

Highways/Design And Construction, Total 0 And M, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Highways/design and construction, total 0 and M, \$942,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways/Marine Operations, Total 0 And M

CHAIRMAN (Mr. Wah-Shee): Thank you. Highways/marine operations, total 0 and M, \$3,810,000. Agreed?

SOME HON. MEMBERS: Agreed.

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

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I wonder if we could break for coffee. I do not think there are any MLAs from Yellowknife at the moment.

CHAIRMAN (Mr. Wah-Shee): We are under highways and marine operations, total 0 and M, \$3,810,000. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, there was a reference in the media in recent weeks about an insurance policy. I am wondering if the government has tried to recover any of its expenditures on the Pope's non-visit to Fort Simpson with respect to the marine operations?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. My understanding is that it has not been decided as yet in the Executive whether we will attempt to do it. Our information from Ottawa is that there is probably not much chance anyway, but we have not discussed it at the Executive level yet to decide whether we are going to attempt to claim it back or not.

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Total 0 and M, \$3,810,000. Mr. Ballantyne.

Ferry Study

MR. BALLANTYNE: Thank you, Mr. Chairman. I wonder if the Minister could give a brief explanation of the NWT ferry study. Right now there is a study being held jointly with the federal government looking for ways to improve the service. I wonder if we can have an idea of what sort of information we are trying to gather and out of that information, what do we hope in the long term to gain?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. There are a number of studies under way and I guess one of the major ones is the study of the Louis Cardinal ferry to determine whether or not we should modify it or acquire a new one. That funding is provided by the Department of Indian and Northern Affairs and will be undertaken this coming year. There are a number of studies being undertaken on several of the barges and the equipment we have. There is a barge, we call it barge 3796, which we are looking at -- we have used it as a temporary ferry at Arctic Red River. We are looking at modifying that. I have some other details if I can just have a minute to find them, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. We do not have them right here right now but I will provide for the Member a list of all the studies that are presently under way and where they are located and who is funding them.

CHAIRMAN (Mr. Erkloo): Thank you. Mr. Ballantyne.

MR. BALLANTYNE: Yes, that would be adequate. Mr. Gargan especially would be interested in any future implications of this study.

Highways/Marine Operations, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): We are on highways/marine operations, total O and M, \$3,810,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways/Maintenance Operations, Total O And M

CHAIRMAN (Mr. Erkloo): We are on highways/maintenance operation, total O and M, \$14,548,000. Agreed?

SOME HON. MEMBERS: Agreed.

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

MR. WAH-SHEE: I wonder if the Minister could indicate to this committee whether he has any agreement with community enterprise, I suppose, with regard to highway maintenance, and if he does, which areas presently have this type of an agreement with Public Works?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, we do have a number of agreements -- yes, community enterprise is a good word, community corporations. We have one with Beaver Enterprises from Fort Liard, I believe, the Fort McPherson band, Nogha Enterprises -- all of the other maintenance contracts are with private corporations, private sector companies and we are presently negotiating or beginning negotiations with the Fort Resolution band. Negotiations will open shortly with the Rae/Edzo band and that is about it, I think.

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

MR. WAH-SHEE: Thank you, Mr. Chairman. Do you have criteria in regard to which areas are considered for this type of agreement?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. No, there are no set criteria. We have negotiated these contracts in response to requests from the parties involved and the area that is encompassed is a negotiated process.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Any more general comments? Mr. Wah-Shee.

MR. WAH-SHEE: Would you clarify the status of these discussions with Rae/Edzo and Fort Resolution -- just what do they entail?

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

HON. GORDON WRAY: Thank you. The negotiations with Fort Resolution and Rae have just been initiated and we are in the very preliminary stages of opening negotiations, identifying parameters and identifying beats, so to speak, but these have just been initiated within the last month, I believe.

Highways/Maintenance Operations, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Highways/maintenance operations, \$14,548,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Directorate, Total Capital

CHAIRMAN (Mr. Erkloo): Detail of capital, total directorate. Mr. Ballantyne.

MR. BALLANTYNE: Thank you, Mr. Chairman. The department provided us with certain capital projects that had cost overruns, I would like to refer to two of them. The Hay River Reserve school, which was originally projected at \$1,320,000, at the third outlook the project came in at \$2,020,000, 53 per cent over budget and the Arctic Bay community hall, the 1984 plan projection was \$1,295,000 and the third outlook total project is \$1,904,000. Are these the final figures or have those figures been revised? In details of description there were some problems in both these projects with unanticipated soil conditions and whoever was doing the consulting work obviously did not do their job and there was the possibility of some financial recovery from those consultants. I wonder, is that being pursued in both those cases and when will we get a result and are these the final costs right now?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. In response to the first part of the question, these are the final costs as far as we know. We do not anticipate any further costs. In response to the second question, I have to be careful on what I say because these matters could end up in court. All I can say is that recovery action is being pursued and that when we know the results of that I will advise the standing committee on finance. We are pursuing on the basis of problems that we had and information that we felt was not correct.

Directorate, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Detail of capital. Total directorate, \$148,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Operations/Accommodation Services

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total buildings and works, \$715,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total acquisition of equipment, \$438,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Operations/Accommodation Services, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total operations and accommodation services, \$1,153,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Operations/Repair And Upkeep Of Buildings And Works

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Operations, repair and upkeep of buildings and works. Total headquarters, \$1,186,000. Mr. T'Seleie.

MR. T'SELEIE: Thank you, Mr. Chairman. This part looks to me like all of this -- there is one million dollars going to Yellowknife. Maybe we could have some general statement about why that is the case.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. T'Seleie. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. All I can say is that essentially the GNWT has a very large plant in Yellowknife because it is the largest community we have in the North and because it is the government headquarters. There are an extremely large number of buildings in this town including the schools. If you look at the \$1.1 million the vast bulk of that is going to the schools. There is about \$600,000 to \$700,000 of it going toward upgrading of the schools. We have to maintain the buildings in Yellowknife just as we maintain the buildings in any other region. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Any more general comments on that? Total headquarters, \$1,186,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith Region, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total Fort Smith Region, \$914,000. Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. Under Fort Simpson, upgrade district heating system, could I have an explanation of what that is?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Pedersen. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I am just trying to find the page. We are on page 10.16, I believe. The central heating plant in Fort Simpson currently heats the schools and hospitals and is very underutilized. We are undertaking a study to determine how this system could be more effective and how we could perhaps tie other buildings into it in the community because we do have our underutilization of the plant and it will save energy costs particularly if we can find other buildings to tie into it. So, we are studying the system to see if we can do that.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Pedersen.

MR. PEDERSEN: This \$135,000 is in fact not for repairs, it is for a study and not for any actual repairs to the system. Is that correct?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. No, a portion of the money will be used to implement study findings.

CHAIRMAN (Mr. Erkloo): Thank you. Total Fort Smith Region, \$914,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik Region, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total Inuvik Region, \$1,035,000. Mr. T'Seleie.

MR. T'SELEIE: Mr. Chairman, I do not want to take up a great deal of time over minor details but I notice if we take the first category it says "Major repair and upgrade government buildings, various". I notice that for the next fiscal year it has \$170,000 for the Inuvik Region and there are no previous costs. How is the decision made to allot, if I could just take that as an example? It seems to me that major repair for all of the Inuvik Region would cost more than \$170,000. I have had complaints from teachers about the buildings they are living in that have not been repaired for quite a few years. I wonder if I could get some detail on that item.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. There are a number of categories in here. I will explain some of the details of some of these items so the Member can better understand. The \$170,000 will be used for interior and exterior painting of buildings right throughout the Inuvik Region; \$20,000 of that will be used to stabilize fill around some housing units and office buildings; \$160,000 will be spent in retrofitting staff houses such as repairing roofing, electrical wiring, windows, exterior siting, additional insulation. I see that there is \$15,000 put aside for upgrading of staff housing in Fort Good Hope. Those improvements include interior renovations, window replacement, mechanical systems upgrading; \$30,000 in Fort McPherson, \$30,000 in Fort Norman, \$50,000 in Norman Wells. So these while they are general categories are spread right throughout the whole region and we attempt to every year do this kind of work. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Total Inuvik Region, \$1,035,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot Region, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total, Kitikmeot Region, \$485,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin Region, Total Capital

CHAIRMAN (Mr. Erkloo): Thank you. Total, Baffin Region, \$1,837,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Erkloo): Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, regarding the cost overrun list that was provided to the standing committee that Mr. Ballantyne referred to earlier, and he highlighted the two projects, the Arctic Bay community hall and the Hay River Reserve school. I wonder if the Minister could just clarify perhaps with respect to the Arctic Bay community hall. It appears from this detail that it is not a cost overrun in the sense that the contractor went beyond approved figures but rather the government made a conscious decision to enhance the actual project. Is that correct?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. It is a combination. There was definitely cost overruns caused by the problems we associated with the foundations but then the Member is correct inasmuch as it was decided after the original budget was struck to combine the school and the multipurpose hall. So, you could say it would be an enhancement of the program. I guess the client department, after the decision was made, decided to change it. So, there is both in there, there is the cost overrun associated with the soil condition and the piling problem and then there is additional cost with the addition to the program.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. The first category then, the enhancement of the project itself, in the case of these two, Arctic Bay and Hay River, have already come forward as supps, then?

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

HON. GORDON WRAY: It will probably come forward in Education's budget. When I say the program was enlarged, what we did was we built the mechanical plant to look after two facilities, the one being proposed for this year. So while the costs are higher here, they hopefully will be cheaper in the next project because we will not have to put in the central heating plant.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Richard.

MR. RICHARD: Well, Mr. Chairman, I would still like it clarified as to whether those have already come to the Assembly in supplementaries. But a second question for the Minister, Mr. Chairman. In reference to the foundation problems, I take it the government is pursuing a possible legal action on that one as well. Can the Minister indicate whether they are dealing with the same consultant on both of these overruns?

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

HON. GORDON WRAY: To answer the latter part of the question first, it is the same consultant on both jobs, the same consultant. To answer the first part of the question, we are not quite sure who is coming forward with the supp. I think it is a combination of Education and Local Government. We are not sure. The total budget for the project has not been exceeded, it is just that more money was spent in one year than was proposed and less will be spent the following year. It was just decided to combine the heating plants because of -- as we were talking yesterday on standardization.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Total Baffin Region, \$1,837,000. Agreed? Mr. Pedersen.

School Roof, Cape Dorset

MR. PEDERSEN: Thank you, Mr. Chairman. I would like some clarification on an item called "replace school roof, Cape Dorset". Not so much this years budget, an expenditure of \$5000 which is very small, but its total expenditure of \$540,000. To replace the school roof in Cambridge Bay which we already approved, a total cost of \$105,000. The schools must be of similar size as the communities are of similar size. I find it difficult to put any resemblance of intelligent judgment on it when we get a description called, "replace school roof", and one is five times the price of the other one. Obviously it must be a difference in complexity of the replacement?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Pedersen. Mr. Minister.

HON. GORDON WRAY: The Member is correct. It is entirely up to the complexities of the job and in some places we replace the entire roof completely and in other places we only replace sections of it, or we might retrofit it and upgrade insulation or we might put a new cover on it. The projects are all different in scope. The \$5000 is just to complete the project. I would suspect that it is money that we need for somebody to go in to do the warranty inspection, but I am not quite sure.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. On another item, "retrofit various buildings in Igloolik". How many buildings is that?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I will have to provide an answer at a later date on the exact number of buildings but it is quite an extensive program on a fair number of buildings in Igloolik. We are retrofitting the exteriors mostly, added insulation, siding, roofing, new windows, doors, but as to the exact number of buildings I will have to get back to the Member. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you. Total Baffin Region, \$1,837,000. Agreed? Mr. Wah-Shee.

MR. WAH-SHEE: Would the Minister explain the "refurbish and rehabilitate, various buildings, various, \$525,000"? What buildings are these?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. That is the upgrading of staff houses throughout the entire region. Staff houses, again. If the Member wants to know how many units I will have to get back to him, I do not have the figures here. A lot of them are energy related, replacement of windows, doors, etc. but they are staff houses in the entire region.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Richard.

Replacement Of School Roofs

MR. RICHARD: Mr. Chairman, as I look at this list, the number of roofs being replaced, I am wondering if there is an inherent problem with our schools' roofs?

MR. MacQUARRIE: Kids are raising them.

MR. RICHARD: The kids are doing something to the roofs. Cape Dorset roof, \$540,000; Frobisher Bay roof, \$790,000; Cambridge Bay school roof...

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, the Member is correct, we do have an inherent problem with our roofs. We have major problems. While you see moneys allocated this year it is only the tip of the iceberg. We have already spent millions in replacing roofs. Many of these buildings were constructed 10 to 15 years ago with built-up asphalt and gravel flat roofs, the standard for large buildings at that time. The roof materials are subject to extreme temperature cycles, freeze/thaw compounded by water, ice and snow lying on the flat roofs. The asphalt material deteriorates and the roof begins to leak. The problem was compounded by the lack of knowledge on the part of the staff, how to maintain those roofs. We are approaching the problem by designing new sloped roofs and using much better quality materials and we are also conducting seminars with staff on how to properly maintain roofs.

The problem still remains, though, and we have undergone and undertaken a major investigation on every roof that this government has, particularly the larger flat roofs. But, yes, the Member is quite correct. It is not only a problem in the Northwest Territories, it is a problem that they are starting to experience in southern Canada as well. Just 15 years ago I guess the technology was not available and everybody thought these flat roofs were the answer and we are finding out now that they are not and we are spending a lot of money and will continue to spend a lot of money.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, thank you, Mr. Chairman. Maybe I could relate a brief anecdote that might have the effect of saving this government a lot of money with respect to leaking roofs. When I first came to Baker Lake as the principal in 1966 I went to a principals' conference and the principal in Coral Harbour had this very problem, a leaking roof. Every day he would come in and the floor was wet. One day he came in and the janitor very proudly said that he had solved the problem, took him to the room where the problems were -- no water on the floor. So, the principal

was quite amazed and asked him how he had done it. He took him into the corner and showed him that he had drilled a hole in the floor. Perhaps if you employ that you will save us a great deal of money.

---Laughter

CHAIRMAN (Mr. Erkloo): Thank you. Mr. T'Seleie.

MR. T'SELEIE: Yes, Mr. Chairman, I just want to know, is there any deadline of when this problem of leaking roofs and spending all this money on roofs will go away? Is there an end to it or is it considered an unsolvable problem?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. We are hopeful that over the next three to five years we will get rid of most of the problems. The problem, basically, is that we are always going to have problems until we come to the point where we have to replace the entire roof. While leaking is a serious problem, what the leakage has done is to cause structural problems in many of the roofs, and the beams and the timbers that were used have to be replaced and, you know, we are talking about mega dollars to do this. Hopefully with the new design and new sloped roof we will be able to eliminate a lot of the problems but it is going to take us at least three to five years before we have most of the problems licked.

Buildings And Works, Baffin Region, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Total, Baffin Region, \$1,837,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin Region, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total, Keewatin Region, \$1,067,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total buildings and works, \$6,524,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total acquisition of equipment, \$88,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Operations/Repair And Upkeep Of Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total operations/repair and upkeep of buildings and works, \$6,612,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Operations/Repair And Upkeep Of Vehicles And Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total operations/repair and upkeep of vehicles and equipment, \$726,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways/Marine Operations

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total buildings and works, \$710,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total acquisition of equipment, \$88,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways/Marine Operations, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total highways/marine operations, \$798,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways/Maintenance Operations

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Highways/maintenance operations, total of buildings and works, \$1,285,000.

SOME HON. MEMBERS: Agreed.

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

MR. WAH-SHEE: Would the Minister explain where is this place called Redknife.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I really do not have a clue, I thought it was in this part of the country.

---Laughter

It is halfway between Providence and Simpson. I am told it is a highway camp.

CHAIRMAN (Mr. Erkloo): That is the Simpson highway. Highway maintenance, operations, total building and works, \$1,285,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total acquisition of equipment, \$847,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways/Maintenance Operations, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total highways/maintenance operations, \$2,132,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total Public Works and Highways, \$11,569,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Any questions on information items on the remaining pages? Mr. Ballantyne.

Revenues, Recoveries And Transfer Payments

MR. BALLANTYNE: Thank you, Mr. Chairman. On page 10.22, revenues, recoveries and transfer payments. If we look under recoveries, steam heat recovery, there has been quite a significant change from the 1983-84 actuals of \$1.4 million to the main estimates of 1984-85, \$1.1 million, to the revised forecast of 1984-85 of \$707,000, to the main estimates of 1985-86, \$643,000. Could you explain that one and, at the same time rental to others, housing and offices -- it is the same sort of fluctuation. Would you explain those two fluctuations? They are quite extreme.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. It is simply because units are dropping off the steam-heating lines in Frobisher Bay. I do not have an exact list as to who has dropped off. I know CBC has, the federal government has and I am not quite sure who else has. But they dropped off the line and, therefore, the revenues went down.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: Thank you. The Minister is saying that is specifically in Frobisher Bay. So really you have not half the usage right now on the line that you had in 1983-84. The other question along the same lines is the rental to others, housing and offices. If you could explain that one too. There has been quite a bit of fluctuation there from the 1983-84 actuals to the 1985-86 main estimates. It has changed a lot from year to year and outlook by outlook.

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

HON. GORDON WRAY: The rental to others is a recovery of a fair market rent on vacant office space and vacant housing leased to other agencies, mostly crown corporations or to the federal government. And again, those are mostly in Baffin. A lot of the increase is due to a catch-up in our leasing agreements.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: It says an increase but in 1983-84 it is actually \$2.7 million and then a drop was anticipated to \$1.6 million. And the revised forecast is \$2.1 million so, it has gone down from \$2.7 in 1983-84 to \$2.2 million in this years main estimates.

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

HON. GORDON WRAY: The \$2.7 million was an estimate. We were in the middle of several disputes over the prices and that was our estimate. Eventually we settled on the \$2.2 million figure basically in the catch-up of the leases. But the original \$2.7 million was an estimate. We were in the middle of several disputes and we did not know which way it was going to go.

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

MR. BALLANTYNE: Another example of the Minister not having that mystical quality of looking into the future -- is that what I understand?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. GORDON WRAY: No comment, Mr. Chairman.

Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Any other questions? Department of Public Works and Highways. Total O and M, \$92,650,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total capital, \$11,569,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Does this committee agree that this department is concluded? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Before we go to the Housing Corporation, we will have a 15 minute coffee break.

---SHORT RECESS

Northwest Territories Housing Corporation

Could we have order, please? Thank you. We are dealing with the Housing Corporation. Does the Minister wish to make remarks? Go ahead, Mr. Minister.

Opening Remarks

HON. GORDON WRAY: Thank you, Mr. Chairman. I have some remarks before introducing the Housing Corporation budget. Mr. Chairman, more than any other activity of this government, the budget-making process tests both the fundamental effectiveness of our consensus form of government and this Legislature's success in putting its principles into practice. In the case of the Housing Corporation, through my consultation with many of you, I believe that we have helped to prove the worth of this uniquely northern form of public decision making and in the process have come up with a budget that I am proud of. That is not to say that further improvements to the corporation's budgetary process are not desirable and necessary. The corporation appreciates the need to develop aids for objectively allocating public housing and home-ownership assistance equitably and fairly between communities, and from year to year.

With this in mind, we are in the process of embarking upon our first five year capital plan based on needs information from an impartial method of calculating community housing needs entitled "The Needs Survey". As a result of community concerns I have instructed the corporation to rework the methodology of the needs survey. But once this is done hopefully the needs survey will effectively serve as a vehicle for reconciling housing needs as perceived by the communities and the corporation's own statistical assessments in order to form the basis for technically sound plans that emanate from the bottom up. I see local input as being crucial to the development of realistic and meaningful capital plans and I intend to make sure that such input becomes an integral component in the development of all future corporation budgets. Given the fundamental impacts that housing decisions have on the people and our belief that no one knows better than the people themselves when it comes to matters affecting their personal welfare, I can see no other way of allocating public funds for the purpose of housing.

The proposed Northwest Territories Housing Corporation budget for the 1985-86 fiscal year is \$113,571,000. Of this total, \$54,251,000 will be provided by the Government of the Northwest Territories with the remainder coming from other sources, primarily the Canada Mortgage and Housing Corporation through fixed cost-sharing agreements.

New Home-Ownership Programs

In asking you to approve this budget, I am also seeking your concurrence with respect to a number of important new program thrusts which address some of the problems that the special committee on housing highlighted in its interim report last session. With this budget, I was to shift home-ownership into high gear. This year you will see construction of at least 100 privately owned dwellings under the home-ownership assistance program. This requires an 80 per cent increase in that program's allocation, bringing it to \$4.5 million from last year's level of \$2.5 million and within half a million dollars of the funding level being recommended by the special committee. But I do not want to stop there, I want to continue with this level of funding so we can build another 100 HAP houses next year and a further 100 the year after.

As well, I am in the process of negotiating a cost-sharing arrangement on HAP with the federal government which could possibly see a doubling of the entire program in the next few years. I also want to emphasize HAP as a prime means of attacking our public housing shortage. With proper client targeting every HAP grant should simultaneously free up an extra unit of public housing for the people who really need it, thus producing a net increase in available public housing. Over the next few years HAP will be our major vehicle for promoting private home-ownership as a viable and attractive alternative to living in social housing, but we do not intend it to be our only vehicle.

Today I take pleasure in announcing two new home-ownership programs, which with your approval will be funded commencing this April. The interim financing program which the Executive Council proposes to fund with a special \$600,000 priorities allocation is intended to provide bridge financing to owner-builders until they have built up enough equity in their homes for the banks to commence advances on their loans. A companion program entitled "the supplementary financing program" would be similarly funded to the tune of \$500,000. It would assist aspiring home-owners who could afford ongoing mortgage payments but need help meeting their initial down payment requirements at the bank. Both of these programs would provide loans of last resort. Each would be operated as a revolving fund and as each one develops and additional money becomes available, they will be built up and expanded.

Continuing Need For Public Housing

The Executive Council and myself see private home-ownership as the best long-term and perhaps the only permanent solution to the unique housing problems that currently face us in the Northwest Territories. Regardless of how successful we might be in this area, there will always be a need for public housing for those who cannot afford to buy or rent on the private market. Currently that need for public housing could not be more pressing and as a result public housing continues to be a priority with the government.

The budget that you have before you proposes to fund construction of an additional 216 public housing units in the coming fiscal year. That would make 1985-86 the second year in a row in which such levels were attained. While this is a major improvement I will not be satisfied until we have eliminated every matchbox and anarak house in the North, and every family who cannot afford to rent

or buy in the private market is assured decent accommodation. Some of you might argue what is the use of building new public housing if you cannot adequately maintain it and if you cannot be assured that available public housing goes to those who really need it.

Restructuring Of Housing Associations

To remedy these and other problems associated with the management of our public housing stock, I wish to announce the following initiatives. With respect to the organization of housing associations, I have directed the Housing Corporation to study and make recommendations for their restructuring to give them increased stability, to improve their effectiveness as decision-making bodies and to reduce the incidence of favouritism in housing allocations.

AN HON. MEMBER: Hear, hear!

HON. GORDON WRAY: In the near future, you should expect to see significant changes at the housing association level, including the implementation of a uniform, objective point rating system for unit allocation across the Northwest Territories.

With respect to the overall rental scale, I have ordered a comprehensive, top to bottom review, which is currently under way. With the assistance of the special committee on housing in the next year I look forward to significant reforms of the public housing rental scale. Our aim is to encourage not dampen personal initiative, to reduce the incidence of arrears, to make the scale simpler and more comprehensible and, last but not least, to institute a scale which complements rather than hinders our policy of encouraging private home-ownership.

Let me say now that I intend to make user-pay a prerequisite component of the public housing program. With the full support of my Executive Council colleagues, I intend to mount a drive toward its full implementation across the Territories in order to reduce waste, give public housing tenants opportunity of benefiting from personal initiatives and ensure that all public housing tenants are treated uniformly and equitably.

You should also expect in the very near future, to see provision for the appointment of non-elected, at-large members to housing association boards. These appointments will be made in close consultation with MLAs, community and band councils and the associations themselves. This will serve to strengthen the element of objectivity in the housing association decision making and would help to ease the dichotomy inherent in the existing reporting relationship whereby housing association boards are accountable to both the association members and the corporation at the same time.

Relating to one of the most debilitating problems that faces us in the area of social housing is that of rental arrears. I have instructed the Housing Corporation to come up with added incentives for encouraging housing associations to take action against delinquent tenants. For instance, existing policies are now being modified to allow a portion of arrears collected by an association to go directly to improved maintenance of that association's public housing stock. I have also asked the corporation to examine and make recommendations to me with the view in mind to examine block funding for housing associations as a means of encouraging greater efficiency in housing association management and to give a new sense of responsibility and control to the housing associations. Action will be taken on this in the very near future. In the 1985-86 budget estimates for the corporation, I am proposing a 35 per cent increase in funding for public housing maintenance -- still not enough to keep up with repairs or to allow associations to retain qualified staff, but certainly a major increase over last year.

Meanwhile, the GNWT continues to seek redress at Treasury Board for the original base funding deficiency. Tied to the maintenance issue, I am happy to report that the Housing Corporation will soon be implementing a comprehensive maintenance management system to ensure uniform, systematic upkeep of the more than 4000 public housing units that we own across the North. Coupled with the adequate base levels for unit maintenance, this system should help us to protect and enhance the very sizable investment of public funds that has gone and continues to go toward public housing.

Construction Projects

On the construction side of things, I am happy to report that the corporation's nineplex project has been completed with all targets met. The fast-track public housing project saw 144 high quality single person and small family units designed, built and occupied in less than one year. Quite an accomplishment in the North, I may add.

---Applause

We also look forward to official ground breaking for a new 22 unit, two million dollar senior citizens housing project in Rae-Edzo. The contract was awarded in January and completion is expected before the end of the year. The people of Rae-Edzo played a lead role in initiating, programming and planning this model housing project, a fact in which they can take great pride. These kinds of projects are becoming typical of the high calibre of work that the corporation has been doing. In fact, whether you are talking about construction, finances or programs, I believe the corporation has never been in better shape.

I look forward to answering any questions that you might have regarding the activities of the corporation past or planned, and I am open to questions on the estimates which have been presented to you. Thank you, Mr. Chairman.

---Applause

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I wonder, Mr. Wray, if you could make copies of that opening address available to Members of the committee.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. GORDON WRAY: Certainly.

CHAIRMAN (Mr. Erkloo): Does the committee agree that the Minister bring his witness to the table?

SOME HON. MEMBERS: Agreed.

---Agreed

For the record, Mr. Minister, could you introduce your witness, please?

HON. GORDON WRAY: Thank you, Mr. Chairman. I would like to introduce Mr. Victor Irving, president of the Housing Corporation.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. General comments. Mr. McCallum.

Interim And Supplementary Financing Programs

MR. MCCALLUM: Thank you very much, Mr. Chairman. I would want to say at the outset I congratulate the Minister for the rapidity with which he has responded to recommendations of the special committee on housing. As Mr. Ballantyne has suggested, getting a copy of the Minister's opening statement would allow Members of this committee to better peruse exactly the initiatives that have been outlined by the Minister. I wonder, just prior to getting that document if I may pose a question to the Minister in regard to the first two announcements. That is the interim financing program, bridge financing of \$600,000, and the supplementary financing program which dealt with providing assistance for initial down payment, as I understood him to say.

I would like to ask the Minister what interest rate will be charged, or if there is to be an interest rate charged for this supplementary financing program. I take it this is in reference to helping people obtain mortgage money or for down payments so that they can become eligible for mortgage money. If there is an interest rate, again, what the rate will be? Will the repayment made to this particular program along with the interest rates be made to the consolidated revenue fund of the government or to this program itself, that is, to the Housing Corporation?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Unfortunately, the priorities exercise -- as an Executive, we have yet to preview the policies which are the guidelines for each one of our priorities programs. Until such time as the Executive have reviewed them and agreed with them, I am not quite at liberty to go into all the details of the program. I can indicate though that our recommendations will be that a revolving fund be established within the corporation to finance this mortgage scheme and we are recommending that the interest rate be a fixed one of five per cent.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Any further general comments? Mr. McCallum.

MR. MCCALLUM: Mr. Chairman, could I then have some idea when these programs will come into effect? I take it you are announcing these today or to use your words "Today I take great pleasure in announcing two new home-ownership programs." I am sure that you will get our approval. They were recommendations of the special committee on housing and I think that they were accepted by everybody in the House. Could I get some idea as to when they will come into effect and, if there are policies to be developed, that this Assembly will be made aware of these policies?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. McCallum. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. The programs will come into effect April 1st of this year. When the programs have all been finalized I will make details of the entire program available to the Members and to the special committee. I guess that answers both questions. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Any more general comments? Mr. Ballantyne.

MR. BALLANTYNE: Thank you, Mr. Chairman. I, too, like other Members of the housing committee and the House welcome the initiatives that the Minister has undertaken and look forward to the details of the various programs that we are talking about. But one area that I would like a little bit of explanation about, the Minister was looking at perhaps changing the role of the housing associations, adding at-large members which I think is very positive and giving them actually maybe a little bit more authority and a few more resources to do their job.

Role Of Board Of Directors

I see one of the problems that the Minister did not address is what will be the ultimate role of the board of directors. One looks at the organizational chart. I think it is, I hesitate to use the word "misleading", but I think it does not quite indicate the reality of how the actual reporting lines work. As I understand it, Mr. Irving reports directly to the Minister and the chairman of the board of directors, Mr. Jaeb, also reports directly to the Minister. The way the organizational chart shows it, if you read it as a normal chart, is that Mr. Irving would report directly to the board of directors. Now, I understand that there is a dual reporting relationship of the president and of the chairman to the Minister. Is that correct?

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

HON. GORDON WRAY: Correct, Mr. Chairman. The legislation provides for the president to report directly to the Minister as well as the chairman. You ask what is the role of the board of directors. The present board of directors, as I see it, plays the role of a policy advisory or their function is one of policy advice. They look at policy, they take instructions from me on new programs and come up with the guidelines and recommend to me what they think should take place. But there is a dual reporting relationship which is in legislation and is not reflected in the organizational chart.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I understand Mr. Jaeb and the board of directors are reviewing their role also right now and, I guess, for me there is the potential for a little bit of confusion. Unless we say that the board of directors is in fact nothing more than an advisory group, then it should be put down in the organization chart and any legislation exactly as that. But as I understand it now, they provide policy advice to the Minister which the Minister at his own discretion might or might not agree with and they do not really at this point in time have any real responsibility for the administration of the corporation. Is that correct?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. You are correct, there are two separate and very distinct functions; policy advice and recommendations are the board's function, the day-to-day running of the corporation is the function of the president. Both people report to me directly.

CHAIRMAN (Mr. Erkloo): Thank you. Mr. Ballantyne.

Input From Regions To Board Of Directors

MR. BALLANTYNE: I will ask just one more question. I think Mrs. Lawrence has some questions and then I can get back to it. One of the problems that I think has been identified to the housing committee is what is the accountability of the board of directors? How do they get input, there is no formalized way for them to get input from associations in their regions. Now, in the budget there is more money for travel which I think is a step in the right direction but there is some confusion as to the signals that are coming out of regions, from hamlet councils or bands and housing associations, and the members of the board of directors. Is there any thought to finding some way to rationalize that so that in fact any policy advice the Minister gets from the board of directors, the Minister can be somewhat assured is actually the feelings of the region in question?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I am not quite sure as to where the confusion lies. In talking to board members I know that they know the areas they come from and they are all from communities in the Territories, they represent every region, they have very good contact with the housing associations in their areas. So, if the Member says there is confusion then he is confusing me because I do not know where the confusion lies or I do not know where he is getting his information from. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: Well, it is a form of deductive logic. If the board of directors are the ones that approved the policies of the Housing Corporation, and in almost every community that we went to, their hamlet councils, the housing associations, disagree with some of those policies, obviously there are some mixed signals there somewhere. I wonder, for instance, if a director of the board who lives in one community in the region agrees in his way of thinking that the region wants a certain thing and three housing associations and two hamlets say something different, what gets the most weight? I think there are all sorts of possibilities for misunderstanding and I see just from the comments we got in all the communities, obviously there are a lot of organizations and institutions in the communities that are not happy with the policies as approved by the board of directors. So, I see there is definite room for some confusion.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

Unanimity On Housing Problems

HON. GORDON WRAY: Thank you, Mr. Chairman. While it is correct that there was confusion in the communities, it should be understood that we have a new board of directors, we have a new chairman, there is a new order in place and that a lot of the problems that you heard in communities and I read through all the transcripts, were historical problems. You will find unanimity from the Minister, to the president, to the corporation staff, to the board of directors, to the housing associations, to the people in the communities as to what the problems are. I do not think there is any confusion there, everybody knows what the problems are. The corporation knew what the problems were five years ago. So, I can see no confusion. I have just completed a tour of about 15 communities and I heard the same thing in every community that you heard on your trips. I have heard the same thing from corporation staff, I have heard the same thing from board members. Many of the board members of the Housing Corporation are members of housing associations and, in fact, some of them are even members of the housing federation. So, no, there is no confusion. I think there is unanimity when we discuss the problems of housing. We are all agreed about what the problems are.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I think the point is that there is a lot of agreement as to the problems but we found in different communities that there were different approaches that communities wanted to take to effect solutions to those problems. I do not know how often your board of directors meet now -- every year, three or four times, or something like that, and there is more money for travel. It is something to look at, at this point in time, until there is a change in the role of that board of directors that prior to the meetings in Yellowknife, directors who are in the regions travel to the various communities to get some sort of a consensus from the communities as to their problems, as to possible solutions to the problems. I think that is where there are differences. Some communities would rather have the municipal council take over more responsibility. Other ones have a different concept of what a housing association should be, so there have been a lot of different solutions proposed in different communities, even though the problems might be similar in the communities.

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

Regional Representation And Travel

HON. GORDON WRAY: Thank you, Mr. Chairman. That has already been done. The board of directors meets four times a year. They are now meeting outside of Yellowknife on two occasions. Their last meeting was in Cambridge Bay. I believe that at their meeting in April, they will be meeting for at least one day in Rae-Edzo and the next board meeting after that, I think, if I remember correctly, will take place in Fort Simpson. So, the board of directors does not confine their activities to meeting in Yellowknife. Provision has been made for a small travel budget so that board members may travel within their regions. If you look at the structure of the board, every region is represented. Some regions have more than one representative; Baffin, for example. But every region as we know it is represented and there will be some travel involved for them to talk to various housing associations.

In terms of the confusion or the difference over solutions to problems, well, yes, obviously you are going to have that. No two people think alike when it comes to solving a problem. There are many people who would like to solve the rental problem by not paying rent at all and there are a lot of people who would like to see the rental programs increased. So, you know, you are going to get different solutions to different problems. That is just common sense. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. I have a few questions to ask. On your organization chart, there is an executive division. What is that division about?

CHAIRMAN (Mr. Erkloo): Thank you, Mrs. Lawrence. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Could you just give me one minute, my little doodad here is not working, I have to go and get another one. Mr. Chairman, could you ask the Member if she could repeat the question please?

CHAIRMAN (Mr. Erkloo): Mrs. Lawrence, could you repeat your question please?

MRS. LAWRENCE: Regarding your organizational chart, there is an executive division. What is that division about?

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

HON. GORDON WRAY: The executive division of the corporation is responsible for the day-to-day running of the corporation.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mrs. Lawrence.

Senior Citizens Home Repair Program

MRS. LAWRENCE: I have a few questions to ask of the Minister. Last summer there was some application that went in for a senior citizens home repair program. At that time I was informed that they were unable to deal with this program because there was no program co-ordinator. I just want to know if anyone has been hired to do that program.

CHAIRMAN (Mr. Erkloo): Thank you, Mrs. Lawrence. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. No one has been hired specifically to undertake the program. However, we will be undertaking the program this year to the tune of \$271,000 in the senior citizens home repair program.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mrs. Lawrence.

MRS. LAWRENCE: Does that mean that they will be able to go ahead with the program even though there was no co-ordinator?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, correct. We are going to co-ordinate the program through the district offices. It is my feeling there is enough staff in the district office levels to be able to undertake the program.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mrs. Lawrence.

Hiring And Training Of Local People

MRS. LAWRENCE: My other question is why is it that the Housing Corporation staff is made up of less than 10 per cent of native northern people in headquarters and the regional offices? My other question is what efforts are being made to recruit and train native northern people for the positions within the NWT Housing Corporation?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. As to why you are asking me to give you a lesson in history, I do not know. I have only been in this job a year. We are embarking upon a program with the Department of Education. In four districts, trainee assistant district managers will be hired from the regions and combined with the government's affirmative action programs we will be moving heavily into the area of hiring local people and training them at the district office level. As you can appreciate, the Housing Corporation has many problems and as Mr. Ballantyne pointed out yesterday, you know you can only bite off so much if you want to do a job. It is one of the priorities and we are moving on it but you will not see results probably -- well, this coming year I would expect to see some results. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mrs. Lawrence.

MRS. LAWRENCE: Just one more comment I would like to make, Mr. Chairman. I am glad to hear that you will be training northerners for some of these positions since it is mostly native people that are living in these homes and I think it is only logical that we should train our own people to go in there. With all the training programs around the country I am kind of disappointed that there are not too many training positions in these district offices. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Just to point out that in four of the five regions -- the district manager in Hay River is a native resident of that area; the district manager in Keewatin is a 20 year resident of the Keewatin; the district manager in Cambridge Bay is a 14 year resident of the Keewatin and Kitikmeot and the district manager in Baffin is a 19 year resident of Baffin so, in fact, the district managers in those regions are long-time northerners. They are not newcomers, they are not southerners.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Any more general comments? Mr. Wah-Shee.

Housing Needs Survey

MR. WAH-SHEE: Mr. Chairman, I wonder if the Minister could indicate of these various housing needs surveys, how many have been completed out of the six districts that they have?

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

HON. GORDON WRAY: A survey has been done in almost every community in the Northwest Territories but as I alluded to in my opening statement I am not satisfied with the methodology used in the needs survey. In fact, I find the needs survey to be severely deficient in several areas, one of the major reasons being that the needs survey is only conducted on houses which are presently owned by the corporation. This means that in communities where you have large numbers of non-corporation houses, you do not get the entire picture. Many community residents who, perhaps, are living in their own private house but are still overcrowded are left out of the survey. There are a number of major concerns that I have with that. The survey does not identify matchboxes, it does not identify anaraks, it does not identify houses that would be less than acceptable. It identifies them, you know, as one bedroom houses. So I have asked the corporation to completely rework the way in which each survey is done so that we can take an entire community's needs as opposed to just the corporation's stock needs into account.

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

MR. WAH-SHEE: I understand, Mr. Chairman, that the housing needs survey done in my constituency was insufficient and it was not adequate in terms of really identifying the real needs of the people in my area. It seems to me that this may further cause a delay in terms of identifying the real needs of my area and that I would like to see this survey being completed as soon as possible because the people in the communities have participated in this survey and it is inadequate and I would like to know when this survey can be completed.

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

HON. GORDON WRAY: Thank you. I agree with the Member, the survey is inadequate and, I must admit, it has not done the community of Rae-Edzo much harm. It has given it over 30 houses this year so, obviously, something worked but it is inadequate in several respects and we will be addressing it.

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

MR. McCALLUM: I know a community not getting any.

MR. WAH-SHEE: Mr. Chairman, I was quite prepared to compliment the generous gesture of the Minister responsible for Housing for the needs of the elders in Rae-Edzo. However, I still like to think in terms of long term. I would like to ask the Minister what criteria are used for allocation of the units under the two different programs that you administer within the districts? Who decides how many units will be allocated? Is it the district manager?

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

HON. GORDON WRAY: No, the capital planning process is a fairly complicated one and one which I should indicate I am changing because I do not like it.

Essentially though the first step in the entire process in this needs survey is to attempt to identify just what is a community's requirements. Does it need 20 houses, 50 houses, what type of houses does it need? Is it a good community where we can target home-ownership, are income levels high or are they low? So, that kind of information is the very first level. Once that is done, the districts take all the communities within a district and lay out a program for the supply of housing based upon the targets and the guidelines given to them by headquarters which, in turn, is given those targets and guidelines by the Executive Council. Headquarters at some point in time in the process requests that the districts submit a budget to the headquarters level. The management committee review that, make the adjustments necessary to adhere to the target guidelines, then they come to myself for final approval. The board reviews it as well. I would like to change the process so that the MLAs are involved right at the regional level and in fact do much more of the planning at the regional level with the MLAs involved. Because one of the problems with the Housing Corporation budget, and I alluded to it when I was an ordinary MLA, is that in many respects the allocation of units has already been decided by the time budget gets to this House because of the time constraints and construction schedules. It really in many respects -- I think I called it in my younger days "rubber stamping" and Mr. McCallum probably remembers.

MR. McCALLUM: No, I...

HON. GORDON WRAY: But what I am saying is I want to involve the MLAs at the regional process so that when the documents come forward to myself that there has been total input.

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

Criteria For Allocation Of Housing Under Programs

MR. WAH-SHEE: Thank you, Mr. Chairman. Mr. Minister, I must indicate that I am concerned with the manner in which these units are being allocated in all of the districts. You have two programs. One is the old SSHAG program, which deals with home-ownership. Also you have the public housing. Now, as I look back at some of the figures of the number of units that have been allocated in various districts from 1974 to 1984, I find that particularly in the public housing units, you have some individual communities which would get, in one year alone, as many as 30 units in one community, for instance, Frobisher Bay in 1975. Now this deals with public units. Now, you get into the SSHAG program, or the old home-ownership program, for communities in the West, we would get three units, four units, five units on an average. It seems to me that there is a disparity here in terms of the allocations from the two programs. What criteria are being used in allocating these various units under the two programs? Has the Minister considered mixing the two programs in all of the districts to ensure that all the districts are taking advantage of the opportunity of getting proper shelters for our people in the North?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. As I have responded many times, the allocation of housing units is basically done on need. However, I think there is a myth that I have to put to rest for once and for all. That myth is that there should be an equal distribution of houses between east and west. It is a myth. The population in the small communities in the East is twice that of the small communities in the West. The population in the West has nowhere near the population that the eastern communities have. For example, in the West, outside of the five major centres, you only have two communities with populations of over 1000 people. We have something like nine of them in the Eastern Arctic that we have to service. So, the need has always been and will continue to be for the present time, much greater in the East than it is in the West.

The Two Programs Funded Differently

I think the other thing that has to be said is that the two programs are funded entirely differently. The home-ownership program was one that was funded from within this territorial government, therefore, funds were limited. The public housing program was a joint federal-territorial program, where much more funds were available. That is why public housing was more the norm than home-ownership. That is why I am desperately trying to address the question of cost sharing home-ownership so that we can increase the home-ownership numbers of units to equal of that of public housing. Because my goal is to, at some point in time, hopefully within the next two or three years, come to this House with a budget where we will be putting more home-ownership units into the North than we are public housing, I am desperately trying to reverse that trend. I find it incongruous that in the West where the home-ownership program has been immensely successful and in the East where public housing was the norm, that the process has now been reversed and the West wants public housing and in the East they want home-ownership. To me, the ideal would be to provide home-ownership in both of the areas.

Public housing is put into communities that we have identified as a high need area. It is based on a lot of criteria, mainly that of population and of housing need. While there are some communities that get large blocks of houses in the East, there are the same number of communities or at least some communities in the West, which also get those same high number of units. I think I just alluded to your home community this year, Mr. Wah-Shee, that is getting over 30 units. So we are basing it on need and depending on what you call west and east, then it will be very interesting for me to sit down and look at the statistics because I find in some of the comments that are made when it comes to division, these communities are in the West but when it comes to housing allocation, all of a sudden, they end up back in the East again. So, when we talk east and west, I would appreciate some clarification on what communities we are talking about and what numbers we are talking about.

MR. MacQUARRIE: Okay, there is a difference.

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

MR. WAH-SHEE: Mr. Chairman, I do not think the Minister should get too touchy here. These are public purse funds that we are talking about. Mr. Chairman, I would have to point out to the Minister that in questioning thus far I have never mentioned the term "east" or "west". So, I do not really know where he is getting that idea.

---Laughter

MR. MacQUARRIE: Hear, hear!

MR. WAH-SHEE: My question, Mr. Chairman, basically was in reference to the six districts that are established under the Housing Corporation and the number of housing units that are going to these various districts. I do not think it would be fair to say that I do not know what criteria. The Minister is making his assumptions. But the communities in the West, if that is the way he wants to debate this -- I am not really too interested in getting into the whole comparison between the East and the West because I think that will be determined by the boundary discussions, but I think in terms of housing, I would prefer to deal with the six districts that we have.

My question basically is that I think that the needs of these various districts are fairly profound in some of the areas because if you are giving or allocating a percentage of units in one year to a community, of 30 units, and the other communities are only getting two or three, obviously there is a disparity and in order for some of the districts to catch up it is going to take years and so this is why I am raising this concern. I think that if the Housing Corporation is going to move into an area of providing units based on needs in these six various districts then I would hope that the communities in these various districts will be accommodated. This is why I get back to the whole question of criteria. If there has been a move to improve allocation of these units based on need and the surveys have been completed and if you are going to involve the MLAs in our various areas, I would hope that this situation will improve.

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

Allocation Based On Need

HON. GORDON WRAY: Thank you, Mr. Chairman. As I indicated, we are attempting to improve the situation but it has still got to be recognized that there will be communities that do get a much larger share of housing than others, simply because the need is greater there. I can think off-hand of a number of communities whose need is just greater; Baker Lake, Pond Inlet, Cape Dorset, Rae-Edzo, Fort Simpson, Tuktoyaktuk. There are many communities that we have where the needs are just greater and that is all there is to it. We are dealing with much larger populations. You cannot expect us to put the same number of houses into a community of 200 as we put into a community of 1400. You are going to have communities that appear on paper to get large blocks of housing but in fact they are not. The need is there.

As to why did the communities in this part of the world not get public housing, I really do not know. I guess at some point in time in the 70s the determination was that if home-ownership was ever going to sell, then this is the part of the world that it was going to sell in, this is the most feasible place to put home-ownership. I suspect that that is why the decision was made to sort of concentrate on home-ownership programs below the tree line and public housing above the tree line. I know that there were many programs in home-ownership below the tree line that were not available above the tree line until one year ago. So, I suspect that that is the reason. I would concur with the reason too that if below the tree line we cannot make home-ownership viable then we do not have much chance of doing it above the tree line because of the cost factor. But, yes, you know, data has been wrong. I can think of two communities, the two communities which are probably one of the highest priorities of the corporation, Baker Lake and Pond Inlet, that were forgotten in the entire allocation of housing, simply because somebody did not fill out the proper form. So, obviously, the system was not good and it is still not good but we are attempting to make it better and to address a lot of the problems that you talk about. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. MacQuarrie.

Situation In Yellowknife

MR. MacQUARRIE: Thank you, Mr. Chairman. You indicate that the allocation of housing is based on need and yet if we were to look at what is allocated for Yellowknife, it would seem that there is no need and yet, obviously, those of us who live here and are in a position of hearing constituents

complaints and so on, we see that there is some kind of need in Yellowknife anyway. I know that, for example, the public housing that is here, the authority always has a long waiting list of people to get on. So, my first question would be in the case of the needs survey and the needs summary, in Yellowknife what kind of input would there be? Who does the Housing Corporation go to see with respect to trying to determine need? Secondly, would Yellowknife be only one of those places where the picture is distorted because they are only dealing with the public housing that exists already?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. MacQuarrie. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. Yellowknife is an anomaly in the entire scene. Because of the size of Yellowknife, it is not practical nor do we have the resources to undertake a needs survey in Yellowknife as comprehensive as we do in other communities, just because of its size. We depend a lot on the housing authority and the various social agencies around the community to keep us informed as to the need. However, I must admit that to this point I am extremely reluctant to put any type of public housing or even the home-ownership program into Yellowknife, because if there is one community in the North where the private sector could and should meet its obligations in providing housing, this community should be it. If we do not, if we cannot develop or encourage private sector involvement in Yellowknife, then we do not have any hope of encouraging it in any other community in the Northwest Territories. I am very fearful that the introduction of some of the social housing would actually discourage the private sector from putting housing in here.

I think that there are alternatives to social housing, one of which we have discussed and that is the co-op type of housing which has been successful. I think that some of our mortgage schemes can go a long way to helping Yellowknife and hopefully the private sector will take up a lot of the slack. It is not to say that Yellowknife will be entirely forgotten, but I think that for the time being we have to really see if we can encourage private sector involvement. If at some point in time in the next few years it just appears that the private sector will not take up that challenge in Yellowknife, then it very well may be that the Housing Corporation will have to move into Yellowknife in a significant way. But I think for the time being I prefer to attempt, at least, to allow private sector and co-ops and other factors to try to give the housing in this community.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. MacQuarrie.

MR. MACQUARRIE: It is well-known though, that in larger centres not everyone is well-to-do, not everyone can afford to purchase their own housing and certainly in Yellowknife we have people who need to take advantage of public housing. So, a couple of questions. One, you have a five year capital plan, you say now. Does there appear anywhere in that plan some additional public housing units for Yellowknife? Secondly, you did mention two new programs today, interim financing program, supplementary financing program. My question is, will those apply to people in Yellowknife?

A third question is with respect to the home-ownership assistance program. You indicated reluctance, but I believe that the housing committee is recommending that you look at making that program available. Will you comment on whether or not you are going to do a more thorough review or was your judgment now the final answer on that? My final question, you did cite co-operative housing as a possibility here and yet the GNWT does not really do anything to further co-operative housing, so, could I ask you whether you might in some ways be able to assist with the development of co-operative housing?

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

Public Housing In Yellowknife

HON. GORDON WRAY: Thank you, Mr. Chairman. I hope I can remember all the questions. The first one, I have not seen the five year capital plan yet. The management board of the Housing Corporation, I believe, has the five year plan. It has not been forwarded to me yet, so I cannot respond because I do not know what is in it. In terms of public housing, I have not ruled Yellowknife out entirely for public housing, but I would like to suggest that rather than the corporation get involved in public housing, that we are hopeful that somebody might come forward with a proposal where they would build the housing and we could look at some form of leasing or some form of renting from the private sector for public housing. That is what I mean when I would like to see private sector involvement. I do not really think the corporation should get involved in actual construction of public housing.

Mortgage Programs

The interim and supplementary financing programs, mortgage programs, I expect that Yellowknife will probably be the major user of those programs and I think when we drew them up we did have Yellowknife and Fort Smith and Frobisher Bay in mind, but I suspect that Yellowknife will be the major user. The programs will be on a first-come first-served basis, but Yellowknife is the kind of community where we would use those kind of programs.

Home-Ownership Assistance Program In Yellowknife

On recommendation, we do provide some home-ownership units on, I think it is called Latham Island, Rainbow Valley or Lot 500, I am not sure what the common terminology is. We do provide some home-ownership there. Again, I am really reluctant to provide the HAP in Yellowknife, one of the reasons being that the cost of the land is probably equal to or more than the cost of the house and could have some kind of effect on house values, but we are studying it and I have not ruled it out. It is a recommendation of the special committee and I am sort of hoping, I guess, that other agencies and other programs would jump in and take over before we have to. But, no, it is not ruled out. I never rule anything out, Mr. MacQuarrie, you should know that. I just take longer to review some things, that is all.

Co-operative Assistance

The co-operative assistance, I have formally asked the federal Minister of Housing to establish a budget under section 56(1) of the National Housing Act to provide funding for the Northwest Territories. There was no budget allocation under 56(1) for the Northwest Territories from the federal government and at a meeting in Edmonton I asked them if they would consider establishing a budget for that purpose, for the Northwest Territories. I have not had a response from them yet but I am hopeful that we might be able to get something through that.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, one supplementary. You said that you do not have access to the planned units for public housing in the five year plan but surely that can be obtained and at some time soon I would appreciate knowing what the forward-looking plan is with respect to that.

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

HON. GORDON WRAY: Thank you. When the management board reviews a document and I have my chance to review it, once a document is finalized, yes, copies will be available.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, just to follow up on some of the responses to Mr. MacQuarrie's concerns, I understand from the Minister's statement today that the needs survey is something that is going to be done and the capital plan will be based on this needs survey which is to be done -- it has not been done as yet. Is that correct, firstly?

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

HON. GORDON WRAY: I missed the first part of the question but the second part of the question, no, the needs survey is an ongoing survey. It is done and it is updated and there is one available for most communities but I am not satisfied with the criteria which were used to arrive at the figures. I think there are some problems. Once the methodology has been improved, once we have the new formulated document which the board of directors of the corporation is working on, then all of the communities will be redone again so that we have updated information, but the needs survey is an ongoing survey.

I should add just while the microphone is on, in terms of the public housing needs in Yellowknife, presently, as you know, the Housing Corporation has houses in Lanky Court and Forrest Drive, half of which are public housing, half of which are ordinary housing which we rent on a market basis. There is a significant number of people in those houses whose incomes would allow them to live in housing other than public housing but because of the shortage many of them have been unable to move out because they cannot find alternative accommodation. If the private sector takes up the slack

in this town and provides more housing than people can be moved out of there and we would convert those units into public housing which would provide, I think, something in the neighbourhood of 60 public housing units for this community, which we feel should take care of most of your low income needs. Yellowknife is in a different situation, the private sector is going to play a very key role in this community, a critical role in determining the level of involvement of corporations programs.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Richard.

Assessing Need For Public Housing In Yellowknife

MR. RICHARD: Mr. Chairman, I have some difficulty, quite frankly, in accepting that the needs survey cannot be carried out in this community. The fact that Yellowknife might be an anomaly -- and I am not sure what that means when it comes to housing, the community of 11,000 people has needs as well -- and I take it the Minister is saying today that he has excuses or reasons why this survey has not been done in the past and why this extensive summary of community needs has no entries for the city of Yellowknife. Can the Minister indicate whether the corporation will accept defeat on this task of assessing the need for public housing in Yellowknife, or will the Minister direct the corporation to try and find out what the need is for public housing in Yellowknife?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. The Member is playing with words again. I do not have excuses, I have reasons -- good reasons. The needs survey is done almost on a door-to-door basis. We do not have the resources of the Housing Corporation to do that in this community. We rely on the housing authority. We are attempting to use census statistics, use social agencies to come up with the statistics for Yellowknife. So, no, a needs survey will not be done in Yellowknife, if I do not have the resources available to me to do it, but I will attempt to collect the data from other sources. In Yellowknife we have a much better data basis to work from than we do in most small communities because there are a number of social agencies, the housing authority, the census, which has covered Yellowknife fairly well and we are hoping that the information that we can glean from those sources will give us some idea of the need.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Richard.

MR. RICHARD: I take it, Mr. Chairman, that the Minister is undertaking then to determine what the needs for public housing are in the city. Perhaps not through a door-to-door survey but will the corporation attempt to arrive at a conclusion as to the actual needs of this community in some manner?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, to the best of ability, yes. The mandate of the Housing Corporation is to provide social housing for families in need. There are families in need in Yellowknife and we will attempt to identify just how many units we need. All I am saying is that the process here will be different from the process used in other communities.

CHAIRMAN (Mr. Erkloo): Thank you. Mr. McCallum.

Recommendation Of Special Committee On HAP Units

MR. McCALLUM: Thank you, Mr. Chairman. I do not want to pose particular questions, I would just like to comment on a couple of things. As I indicated earlier the initiatives, as a result of the concerns of the special committee on housing, are fine, in what has been said. I would like to go to the idea of home assistance programs where one of the specific recommendations was in regard to the additional home assistance program units.

From the document that was sent from the Minister's office to the committee Members, which indicated what the home-ownership assistance program was, I count 106 units now. I take it that was about double of what was originally and I am not going to get into the argument of what is east and what is west, so I will qualify it. I have left out Kitikmeot and the Inuvik Region, but I count 61 units in what is normally termed the West and that is from Good Hope, McPherson, Franklin, Lac la Martre, down to Fort Smith, 61 units out of 106. I do not want to get into too much

mathematics here but the recommendation was 90 per cent of the additional units. If there was a doubling of the units from 53 to 106, 90 per cent of those additional units count, in my calculations, as roughly 48 units. That means that of the original 53, there were only eight units to what is commonly referred to as the West. I am not too sure if the Minister has followed that recommendation and I realize that the recommendation was reluctantly agreed to by Members opposite. So, I just wonder in response to those initiatives of the housing committee, what happened with that one?

Contribution To Corporation From Government

I have a further comment on the total budget of the corporation and the grant that will be given to the Housing Corporation by this government, I think the Minister said, totalled \$54,251,000. Yes, \$54.251 million. I note in the report of the Government of the Northwest Territories in relation to the Housing Corporation, I am reading from page 39 of that report, the annual report, that in March 1984, the government made a special payment to the corporation of \$8.8 million "to finance operations and capital projects pending determination of Canada Mortgage and Housing Corporation sharing the funding of project cost overruns". In the words that are used in that paragraph, it says "Any amount", and I am quoting from it, Mr. Chairman, "Any amount not covered by CMHC funding is to be borne by the government." That is the Government of the Northwest Territories, I presume. "Accordingly, \$2,860,000 has been charged to government expenditures for its portion of project cost overruns, and \$6,000,000 has been recorded as an advance to the corporation equivalent to the estimated project cost overrun funding to be provided by CMHC." I guess this is where the kicker comes in. "The advance is to be recovered from contributions payable by the government in 1985."

Given that you have a capital plan for this coming year, Mr. Minister, and the possibility that you may not be able to acquire all that six million dollars from CMHC, what effect will there be, or would you comment on the possible effect on the capital plan that you have presented to us, that is in home assistance programs, public housing? Because if you get three million, that is half of the six, that could represent utilization of funds in conjunction with CMHC of roughly \$12 million.

I just want to get a comment. We may get into other particular questions on that as we get into the budget in detail, but when we talk about a budget of the corporation for 1985-86 fiscal year being \$113,571,000, that is the federal CMHC share, plus your share, your share is \$54,251,000, but that is contingent upon getting that six million dollars because if you do not get the six million dollars from the Canada Mortgage and Housing you are going to have to pay it back to the government, the Government of the Northwest Territories. Or what other arrangements are being contemplated with the Government of the Northwest Territories in regard to the contribution to the corporation?

Now, I just make those comments and, as I say, Mr. Minister, we may get into other questions. But those two areas, the latter one which I have referred to, and the former, being the business of the recommendation of the special committee on housing to the Executive, as endorsed by this total House of the 90 per cent of the additional -- it was not 90 per cent of the total home assistance program, it was 90 per cent of the additional ones. I wonder why communities in the West, as I had outlined -- again I am not talking about the Inuvik Region or the Kitikmeot Region, and I do not want to get into this east-west boundary bit -- the West did not fare too well under the original allocation of 53 units, obviously. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you. We will have a coffee break and Mr. McCallum will have the floor after that. Thank you.

---SHORT RECESS

You had the floor before we had our coffee break so if you want to proceed, go ahead.

MR. MCCALLUM: Mr. Chairman, I hope it will be noted that I am making general comments on the operation of the corporation as such and not trying to pinpoint things but I am referring specifically to the comments the Minister made in his opening statement. I would expect that there would be other questions by myself as well as other Members as we go into detail on it.

I mentioned two things in relation to the budget, including the possibility of Canada Mortgage and Housing repayment. And the bind it may possibly put the corporation into, given that they already have a capital plan for this coming year. I talked also about a direction given to the government that was accepted by the House about increased allocation of grants under the home assistance program and the apparent discrepancy between what was recommended and what in effect has occurred.

Administration Of User-Pay Policy

I would like to touch if I may, sir, since you gave me this opportunity to speak for a brief moment on another topic that Minister raised in his opening remarks. It is on page six of his opening remarks, where he indicates he intends to make the user-pay policy a prerequisite component of the public housing program. I know that in response to a question that was advanced by a colleague of mine on this side of the House, Mr. Gargan, I think about user-pay policies, the Minister indicated that the policy is in effect still but that it is held in abeyance because of the difficulties on the administrative side of setting up such a policy with NCPC.

As the Minister well knows there are 13 communities now on user-pay, Mr. Gargan's community, as well as mine in Fort Smith where tenants pay the full bill. I have a concern that the Minister now is going to or intends to make this user-pay a prerequisite component of the public housing program and to mount a renewed drive toward its full implementation across the Territories in order to reduce waste and give public housing tenants the opportunity to benefit on their own initiative, so that all public housing tenants are treated uniformly and equitably. I asked the question of the Minister yesterday or the day before, about the impact of the proposed NCPC increases, to which this government is addressing a position put forward by the Minister of Economic Development and Tourism in his capacity as Minister responsible for the Public Utility Board. I appreciated at that time Mr. Wray's comment because I agree wholeheartedly it puts in jeopardy this whole business of home assistance. We have been told -- when I say "we", I am talking about people in the special committee on housing -- that NCPC are stalling but it was my understanding that this government did enter into an agreement with them to provide some funding to set up this administrative process. I guess I have a difficulty now of how the Minister intends to implement this user-pay policy across the Territories so that all public housing tenants are treated uniformly and equitably, if in fact, the whole policy has been frozen for the last year and a half to two years.

So, I guess that I have raised, in relation to comments that the Minister, Mr. Wray, has given us in his opening statements, three particular issues, Mr. Chairman. I think that they are three real issues that we as a committee and the House should be concerned with. I raise them not in the idea of trying to provoke any kind of animosity on either side but I think they are three issues that Members should be aware of. What is going to happen if, in fact, CMHC does not repay or assume its responsibilities to the tune of six million dollars. Then there very well may be an effect upon the Minister's capital plan for the coming year because in the annual report it indicates that is to be paid back to the GNWT by the corporation in 1985. If the Minister wants to start these initiatives I see that there may be some precariousness to the initiatives that he is talking about; two areas of helping people in getting money under home-ownership, the \$600,000 proposal as well as the \$500,000 proposal supplementary financing. And it may very well have some effect on the number of public housing units. So I think that those are instances that raise a spectre within my own mind of a great deal of concern as to the kinds of things the Minister wants to do in terms of housing in the Territories. So I raise those and the Minister may very well want to comment on those three issues. There may indeed be other questions as we go along. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. McCallum. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I guess essentially there are three questions that Mr. McCallum has posed. First of all on the home-ownership assistance program. I guess numbers are very easy things to play with. I have a hard time leaving out the Inuvik Region from the calculations because I think it would have to be agreed that communities such as Good Hope, McPherson, Norman Wells, Fort Norman, Arctic Red River and Franklin are in the West and they are included in the total calculation.

MR. MCCALLUM: Point of order.

CHAIRMAN (Mr. Erkloo): Go ahead, Mr. McCallum.

MR. McCALLUM: The only communities I left out in regard to that number I gave you of 61, are Inuvik, Tuk, Aklavik, Paulatuk, Sachs Harbour, Holman Island, Coppermine, Cambridge Bay. Those are the only ones. I included Good Hope, Arctic Red, Fort Norman, Norman Wells in the 61.

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

Calculations On Allocations

HON. GORDON WRAY: As I said, you can leave those communities out but the fact is that they have a requirement and a need for housing and they got housing. They have got to be taken into the total calculation. I believe of the total HAP program approximately 75 per cent of the units will go to what we commonly call the West and even higher if some Members want to include Tuk, Sachs and Paulatuk in the West. For the 75 per cent calculation I have included them in the East. So, the West has received a very large portion of the HAP units. As I said before, and I say again, housing allocations including HAP will be based on need. While I respect the committee's recommendations of 90 per cent in the calculations that were made, it was felt that the 90 per cent was not attainable because the need was not there to justify. The priorities money, a half a million dollars, which was made available for home-ownership, went entirely to the Yellowknife, Hay River and Inuvik districts. In terms of the 106 units, if you count the units that are on that list you will only find 96 because there are an additional 15 units which will be delivered on the winter road. Again, all going to the western communities. So, that is my answer to that one. Housing allocations will be based on need.

Repayment Of Government Loan

In terms of the loan. Mr. McCallum is essentially correct except for a couple of very critical points. The agreement that the corporation has with the government is that it will only repay what it can recover from CMHC. So far three million dollars has been recovered and negotiations are still under way for the balance. So it will not affect the Housing Corporation's capital budget.

Power Rates To Communities

In terms of user-pay. Most certainly any increase in rates, particularly by NCPCC, is going to have a major effect. But I think these are two issues and the issue of user-pay I treat differently from the other issue. I have to assume for the time being that subsidies are going to come into place. I have a certain imbalance to redress because it is not fair that some communities pay and some communities do not pay. I have some problems with the methodology and we will probably establish two rates, one for below the tree line and one for above the tree line to reflect the higher power usage in communities above the tree line, and the non-availability of things like wood for wood stoves.

Effect Of Rate Increases

The other end of the stick, the user-pay, if, in fact, we are faced with the major power increases that we might be because of the NEB and the NCPCC proposals, then not only is the user-pay system affected but the entire home-ownership system is affected. Then we will have to relook at the entire program because if the power rates go to what we expect or what we think they will go to I suspect that we will have many people in home-ownership units, not only new ones but ones from the past, who simply do not have the money to pay their power bills and that at that point in time the Housing Corporation and the government are going to have to take a very careful look at the entire program to see what we can do.

So, there are two issues but I think for the time being I have no choice but to move ahead with the implementation of user-pay. It is either that or scrap the entire program and I do not particularly want to do that. I should remark that Fort Smith is one of the reasons why user-pay is going to be implemented because when user-pay was implemented in Fort Smith it was calculated that there was almost a 40 per cent reduction in power bills just by the fact that user-pay was brought into play. In the communities where we have implemented user-pay there has been a significant reduction in the power consumed, so we must move ahead on that, taking into mind the different conditions that exist in different parts of the Northwest Territories.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I appreciate the comments of the Minister, I do not want to get into, at this time, under general comments, any kind of discussion on the mathematical movements of numbers as regards home-ownership. I do not care if you now want me to include Paulatuk, Sachs, Holman, Cambridge, Coppermine in the West. Regardless, if I do it still comes to 82 homes and my only comment is that the government was given a direction by this House for increased home-ownership programs for the West. You have 106 units and if I include those units that I just mentioned, Inuvik, Aklavik, Paulatuk, Sachs, Tuktoyaktuk, Holman Island, Cambridge Bay and Coppermine, I still come up -- and the Minister will from that list that he gave us -- with 82 units. Now, 82 units is not 90 per cent either in addition or total but that was the direction accepted by the government. Albeit, reluctantly, I am sure the Minister recalls the kind of discussion that went on, but I guess I have the one concern now, the Minister indicated just a few minutes ago that regardless of that kind of direction, home-ownership programs will be allocated on need, not on direction of this House and the direction was specific in the House that it will be done on a 90 per cent basis and a recommendation of this total House.

Direction From Assembly

Now, the Minister has indicated that, no, it is not going to be on that, it is going to be on need and there will be needs in other communities, all over. I do not want to get parochial in talking about a particular community when I refer to the user-pay and talk about Fort Smith being one; there were 13 communities on a user-pay. But it seems to me that when the House gives direction and it is accepted by the membership in this House that that gives clear direction to the government how to go about it, or are we only playing consensus government when it is practical to do so?

I have one further comment on the business of the six million dollar grant or amount of money to be taken back from Canada Mortgage and Housing. I appreciate that the Minister has already been able to get three million of it. I would like to have some indication from him, does, in fact, CMHC intend to pay the remaining three million or is that three million that you have already got the cut-off amount?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. McCallum. Mr. Minister.

HON. GORDON WRAY: Thank you. I have two comments to make, Mr. Chairman. First of all the direction given to the government was in the form of a recommendation from this House. I am glad the Member is being so vigilant in recommendations made to the government, I only wish previous governments in the past had been so vigilant in recommendations made by this side.

SOME HON. MEMBERS: Hear, hear!

HON. TAGAK CURLEY: Over there! Over there!

HON. GORDON WRAY: Secondly, I think the whole process of CMHC is a negotiated process and I cannot indicate as to the extra money that will be forthcoming because we are still in the process of negotiations. Thank you.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I wonder if I might, Mr. Chairman, follow up on the six million dollars. Now, as Mr. McCallum said, this is from the annual report. Six million dollars has been recorded, it says in the annual report and I will quote, "as an advance to the corporation equivalent to the estimated project cost overruns". Number one, where is that recorded?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

HON. GORDON WRAY: Thank you. The six million dollar overrun is an historical figure from the late 70s. I do not know if it is recorded in the main estimates or not, but it is a figure that was developed, I believe -- cost overruns in 1979 and 1980, I am not entirely sure. It is an accounts receivable.

CHAIRMAN (Mr. Erkloo): Thank you. Mr. Ballantyne.

MR. BALLANTYNE: So six million dollars has been carried in the books since 1979 or 1980. I thought the Auditor General did not allow that to happen, that there is a certain point in time when you have to write it off or you have to show it in a yearly figure. Is this not being done here? Mr. Butters, am I correct?

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

HON. GORDON WRAY: Thank you. I will defer to my colleague, Mr. Butters, because I am not quite sure what happened in the past, where it was put. I just do not know.

MR. BALLANTYNE: Maybe when Mr. Butters is getting that I can go on and we can go back to that information once he has it. Okay, so there was a total cost overrun sometime in the past of \$8,860,000. Why did this happen? Why was there a cost overrun of \$8,860,000?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I can undertake to get the details for the Member but we are addressing the 1985-86 estimates and it is not something that I have available to me right now.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I am sure if it is something of that significance it would not be difficult for the Minister's staff to get their hands on it almost immediately. I would very much appreciate it if -- I think we will still be carrying on this debate tomorrow morning -- if we could have that information tomorrow morning if it is possible, Mr. Wray. You could undertake to try to find it.

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

HON. GORDON WRAY: I will attempt to have it by tomorrow. If not, we will have it by Monday at the latest.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: This is in follow-up to Mr. McCallum's question. At this point in time, of the six million dollars that the Housing Corporation is trying to get from CMHC, three million dollars has actually been received and there are three million dollars still outstanding. I guess once I find the answer from Mr. Butters as to how long one can keep moneys of this amount on the books, I think there is some problem with that. Then, my next question I think will become relevant. If you cannot in fact carry that amount of money year by year in the books there has got to be some accounting for it in a given year and if there has to be an accounting for it in this given year, where will the Housing Corporation get the money?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I am advised that it can be carried for one additional year and then if negotiations are not successful whatever balance is still outstanding will have to be written off.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: Okay, the answer to the question then, according to that is we are okay for this year but next year three million dollars will have to be found in order to pay off the balance if the negotiations are not successful.

CHAIRMAN (Mr. Erkloo): Mike, please.

Separate Supply And Erect Contracts

MR. BALLANTYNE: I am sorry. Were some of these cost overruns associated with separate supply and erect contracts? I think you said that was part of the problem. Was that part of the problem? I think we saw, when we travelled around, some of the problem is when you bring in supplies you leave them over the winter and the boxes are lost or broken into or what have you.

The next part of my question is, this year in the Keewatin and Kitikmeot there are going to be separate supply contracts and the hope was, I think, that these would be trailerized or containerized in order to prevent that sort of damage that happened in the past. I think that was the intent. But recently we heard that there are revised plans for f.o.b. Churchill and that was originally targeted for trailerizations but now suppliers have been advised to tender on the basis of crated material rather than trailerization. Now, I wonder if in the past one of the major problems of causes of major cost overruns was, in fact, separate supply and erect where the material was crated rather than trailerized. We are facing a situation now coming up where we will have the same basic components that caused the problem last time and I wonder what sort of safeguards has the government undertaken to ensure we will not have the same problems with separate supply and erect and crated material that we had originally to cause at least part of the original cost overrun?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

Contractor's Responsibility At High Water Mark

HON. GORDON WRAY: Thank you, Mr. Chairman. Generally speaking, first of all, it is felt that the corporation is expediting its construction; its supply and shipping components are much tighter and much better than they were seven years ago or six years ago. That is in a general way. I think in terms of the specific safeguard, what I insisted upon was that the contractors who were responsible for the construction of these projects will take receipt of these materials at the high water mark. It is then up to them to winterize and to warehouse the materials until construction begins. Now, if you know private sector, basically if they do not do it right it is going to be money out of their pocket. So, the hope is of course, that whichever contractors and companies have these materials, they will ensure that they are safeguarded and that there is no damage or loss caused by vandalism or theft. But if there is, then it will be the contractor's responsibility. That I guess is the saw-off. Once those contractors take responsibility at the high water mark then they will be responsible from that point on.

Also, it should be noted that in a lot of the communities now, warehousing facilities are available, storage facilities are available, which they were not six and seven years ago. That is why we have only done the program in the two small regions because we are nervous in that we know of the problems of the past and so we are hoping that the problems we have will be minimal but if there are problems then at least they will not be on a territorial basis and we can address them before we move into an all-territorial separation of supply, ship and erect.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: Just a point of clarification. If the contractors have been asked to tender on the basis that you have said, it is in the contract tender documents that upon receipt of the material at the high water mark, they are then responsible for the replacement and repair of any material that is damaged from that point. Is that in the tender document? If there was another previous tender document, put out before there was this change, whereby their price was based on the material being trailerized or containerized, subsequently there would be potentially an increase in the tender prices because the contractors are aware of the risk that they might be taking. Has there only been one tender price or one set of tender documents put out?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

HON. GORDON WRAY: Thank you. In answer to both questions, yes. The stipulation that they are in receipt of the goods at the high water mark is in the contract documents and the decision to go with crating was done before tendering went ahead.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: At this point in time then, the tenders have not been let so there is no way of knowing now with this new circumstance whether or not the estimates of costs might be higher than anticipated now that the contractors are aware of the new set of realities. Is that a possibility?

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Ballantyne. Mr. Minister.

HON. GORDON WRAY: Correct, Mr. Chairman. We have no way of knowing that until we actually get the tenders back in. At this point in time it is merely speculation. I do not indulge in speculation.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: I just want it in the record my concern about this as an experiment and I know it was not the Minister's fault. There was a change in ownership of NTCL which caused him these problems but I just want it in the record now if next year it comes back to us at a much higher cost than we had anticipated -- I just wanted everybody to know here some of the reasons why it might happen.

My next and last point I would like to make to the Minister on this particular area is that Churchill's f.o.b. point has been affected, and will the other f.o.b. points, Hay River and Yellowknife, still have trailerization or containerization? Is it just Churchill that has been affected or all three f.o.b. points?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. It is just Churchill that has been affected and it is not quite correct that the change in ownership of NTCL has affected it. There are some problems with cost of cartage in Churchill which supplied the trailers and there have been some problems there. I think there has been a change in their staff as well. So it is just the Churchill point that is affected at this point in time.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Ballantyne.

MR. BALLANTYNE: Those are all the questions I have in this area.

CHAIRMAN (Mr. Erkloo): Mr. MacQuarrie, I think you were next.

MR. MacQUARRIE: Thank you, Mr. Chairman. In your remarks earlier, Mr. Minister, you said that in the matter of housing, Yellowknife is a bit of an anomaly and...

AN HON. MEMBER: It is special.

MR. MacQUARRIE: It is special, yes...

MR. BALLANTYNE: It is cute!

MR. MacQUARRIE: It is, it is vibrant and exciting...

AN HON. MEMBER: Alive.

MR. RICHARD: Hospitable.

MR. MacQUARRIE: Hospitable. Well, I find a bit of an anomaly in your remarks as well, Mr. Minister. When you say that in Yellowknife you want to leave things to private enterprise that is kind of a back-handed compliment because in a way you are saying that you recognize Yellowknife as a, largely, self-reliant community in this matter and we appreciate that recognition.

---Laughter

Burp, said somebody across the way. I do not know whether that was a commentary on my speech or merely a gaseous attack that they were not able to restrain. I will take it in the best light, as I usually do.

So at any rate, Mr. Minister, at another time in your remarks you say that you are trying to provide incentives everywhere else to self-reliance, that that is a goal of the government and I certainly approve of that and sincerely approve of what you are trying to do. But it is hardly an incentive then if, as a community approaches self-reliance, the government is to take the attitude that they are to be penalized or ignored as a result of that. So, I really believe that this government and the Housing Corporation should be not trying to move wholesale into the market in Yellowknife but seeing if there are ways where they can fill some need where there appears to be need.

You had mentioned in the matter of public housing here, for example there does not seem to be any on tap down the line in Yellowknife. You said that you were aware that because of the housing shortage here that there were people living in public housing who actually were earning too much to be living in public housing but there was nowhere else for them to move. That certainly was the situation a few years ago but the housing authority, at least according to my information, has been pushing those people to find other accommodation and over the period of time many of them have. In fact I think you said that if those people were to move that might free up 60 public housing units in Yellowknife and there is sure a great disparity between your assessment and the information that I have.

The Yellowknife housing authority tells me that perhaps there is one family now who would be in that circumstance in public housing in Yellowknife. So, that would not help the situation at all. This would be a family who may now in public housing, be paying somewhere between \$700 and \$1000 a month because of the family income that they have. At the same time while that is the case, that nearly all of the people in public housing now are people who need to be there because of their income, we also find that there is a waiting list. They cull it down and revise it every once in a while. That was done very recently and the waiting list is 35 to 40 people for public housing in Yellowknife.

Public Housing For Single Parents With Families

I do know that at the special committee on housing's hearing in Yellowknife the housing authority did say that there was some need and they identified, specifically, single parents with families. They said there is a need for one and two bedroom accommodation, maybe 20 units or something like that. So, to get to my question then, at least could you give an undertaking that, if Yellowknife does not seem to fit into the needs survey in other ways that the corporation would look specifically at that need and see if there could not be some public housing units in Yellowknife in the next year or two years directed specifically toward that problem -- single parent families with one or two children. If there is that need, take steps to fill it, because even if that were done it is probable that the waiting list for public housing would not drop from the 35 to 40 that there are now, simply because the situation exists in Yellowknife now where many people could get low income jobs, there are some of those available, storekeepers need people like that, but they cannot afford to stay here and they are going elsewhere. So, if a little of the public housing was freed in Yellowknife, there would soon be others to take the place; that is almost certain. So, I would ask could you at least examine that specifically?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I think, generally speaking, I can give you an undertaking that with regard to Yellowknife housing we will not rule out any possibility. However, when I spoke of Lanky Court and Forrest Drive, I guess maybe I did not make myself clear, but Lanky Court, as I understand it, is split right now between public housing and what you might call ordinary housing, just the normal economic rent housing. Our hope, or what we would like to do, would be that if private sector could develop other housing to take up the slack then we would like to take Lanky Court and turn it entirely into a public housing program which would free up a number of units for that specific purpose. I think 60 is the number we have rented out right now at the economic rent or the market rent and we would like to turn that into a public housing project. The problem, of course, is that those people right now living there paying market rent have nowhere else to go, so, obviously, right now that is not a viable alternative.

Potential For Private Sector

My comments were not meant to be a back-handed compliment, I do compliment Yellowknife on the fact that it is a very self-reliant community and with the fact that we do have a lot of private sector involvement in this community, there is, I know, potential for private sector involvement in housing. I am aware that the city council the other night passed a resolution approving land for a 54 apartment unit complex. I am hoping that other developments like that will take place because I honestly believe that if we cannot address the problems in Yellowknife through private enterprise, then we do not have much chance anywhere else in the Northwest Territories. I want to just watch the situation for a little while to see if anything happens, if anything is moving. I think I indicated earlier on in my remarks that if in the next couple of years there does not appear to be movement, particularly by the private sector, then I think the corporation and the government will have to seriously look at providing alternative housing. I think we have to give them the chance.

People say, well, there has been a housing shortage in Yellowknife for a long time and the private sector has never taken up the slack but I think you have to admit that only about in the last year and a half, due mainly to the efforts of the special committee on housing, has that need really been highlighted to a great extent in this community. I think it has got a lot of private sector people now thinking, which maybe they were not doing before. But I will certainly undertake and I can give you the guarantee that no possibility will be ruled out. Thank you.

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

MR. MacQUARRIE: Yes, I agree there are signs that there is some easement and yet because it is a larger centre you will always have people at the lower end of the income scale who need that assistance and I think there is still a need. I am just asking you to keep looking, look at that very seriously, and see if something cannot be done in that area.

A clarification and also one other question, then. The clarification, at one point you said that if there were some entrepreneur who came forward with a proposal, maybe, to put up some form of housing for low income people, did I understand you to say the government might look at guaranteeing some leasing for that kind of thing? If you could clarify that?

My one other point is, in your answer on co-operative housing, you did say that in a general way you are trying to get a co-operative housing allotment under section 56(1) and that is very good. Specific to Yellowknife, could I ask that if there were an initiative to try another co-op housing project in Yellowknife, that the government would do what it reasonably could to foster that particular one because really it is a way of getting a kind of home-ownership. It gives people responsibility themselves for doing it and it can be done at no cost nearly to this government. So, if there were \$20,000 or \$40,000 or \$60,000 required in some way to help, is the government willing to look at that?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. As I indicated, we will not rule out anything. I would be very interested in seeing a proposal from a private developer for the leasing of public housing units. I think it is that particular kind of program that might not only be applicable to Yellowknife but to other places, but as yet nobody has ever come forward with a proposal so it is very difficult for me to assess it.

Co-op Housing Proposals

In terms of the co-op housing, I think obviously while there appears to be a movement generally across the country, in southern Canada, to get away from co-op housing, I think perhaps in the North we have never really had the chance to utilize co-op housing to the extent that we might. The problems in southern Canada are problems of targeting. Co-op housing is included in section 56(1) under social housing but what southern Canada has found is that co-op housing is not going to what we would call the proper target group. It is going to moderate and higher income families as opposed to the low income families. Well, in the NWT, you know, the moderate to upper income families are the families that we have problems with in housing. Generally speaking that is a large segment of the population that we are having a hard time finding housing for. They do not have enough money or enough capital to build their houses but they do have enough money to pay the maintenance and to put a small amount toward mortgage. So, I think, co-ops are a viable alternative in the North particularly because of the targeting problems. So, no, I would not rule anything out and I would be very interested in seeing any proposals that do come forward in this area. We will certainly take a very hard look at them and not dismiss them out of hand.

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

MR. MacQUARRIE: Okay, I think that the remarks the Minister has made are encouraging and I hope that he will follow through on them. One last comment from me is that -- just a little information that I just received -- sure, we may have more privately sponsored rental accommodation in Yellowknife but the fact is that an average price for three bedroom rental accommodation in Yellowknife is about \$1200 a month. That is not going to help low income earners very much. And so there is that kind of need.

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

MR. BALLANTYNE: I, too, am encouraged by what the Minister is saying and to emphasize what Mr. MacQuarrie has said, I think one of the flaws in the whole needs study criteria is I think the Minister had said that some of the larger municipalities have been ignored because the corporation has not had the resources to carry out a proper research in those communities.

Home-Ownership Beyond Lower Income Groups

The reality is Yellowknife has the largest single group of people on welfare in the Territories. And what we often forget when we talk about Yellowknife is there is more than one Yellowknife. I brought that up in my original reply to the Commissioner, that there are probably 2000 lower income people who live in this community whom private enterprise cannot help. The Minister has also said that there is a need in the West; obviously home-ownership is more viable and a more attractive option. In the East public housing for a number of reasons seems to be, at the moment anyhow, a more attractive option. But we must remember also that in the West there are many people in every community in the West that will never be able to qualify for HAP so there will always be some sort of need for public housing everywhere, including the West.

The Minister says that he will wait for two years to see what private enterprise will do. I would ask the Minister to look at even sooner than that because it is this targeted group who also -- the low income people, are not helped by co-ops. If you look at co-ops I think some 15 per cent of the units are made available to people with lower incomes. And generally the same situation is valid here in the North as it is in the South, that co-ops are answering the needs of middle income people and not of the lower income people. So, what has not been addressed in Yellowknife, and I think in Fort Smith, Inuvik and many of the larger communities are the needs of those lower income people who really cannot take advantage of private entrepreneurial initiatives. So I would ask the Minister if he would look very seriously at trying to address some of those problems in Yellowknife and some of the other larger communities in the West. Frobisher Bay, also.

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

HON. GORDON WRAY: Thank you. I will take the Member's comments. I would just like to indicate though in terms of the number of public housing units, I think Yellowknife in terms of its public housing units lies within the top three in the Territories for the number of public housing units that are available to it. Now that does not say much given that it is four times bigger than most places, but we are looking and we are constantly looking and I do not rule anything out.

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

Home-Ownership Would Help Solve Other Problems

MR. T'SELEIE: Thank you, Mr. Chairman. I guess I just want to contribute to this discussion about Yellowknife. I am not from Yellowknife myself but I see Yellowknife and I know that there are a lot of native people that live here. Most of them cannot afford \$1200 rent. So, I think if you are going to be doing anything about this you should keep that in mind. I just have a couple of general comments. I like the statement that you gave us and I think that from my point of view on housing when you say that you are going to be moving into home-ownership, I agree with you. I think that that is the answer to many of the ills of housing today in the North. I think as much as the government can support types of home-ownership would lead to improving a lot of other problems. I have some questions but I will wait until we get into the different parts of the budget. Thank you.

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

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I will probably be off the track by making a comment. I am pleased about what the Minister has had to say so far.

Firstly my question is, last year if I recall, I recall asking the same thing. The building that had been demolished by fire I did ask about that last year and it seems to me that it has not been reported back to me, nor any information given to us. It seems to us that it has been undecided or no action has been taken on this matter. I would like to get an answer in regard to that, Mr. Minister.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, indeed, the Member did ask and I believe that I indicated in the House that we would replace that unit. What happened though was that we went to tender for the unit and because only one house was going to Sanikiluaq, the price came back for that unit at over \$300,000. We were forced to cancel simply because we just did not have enough money. What we have done in this years budget is to include that replacement with the other houses so that we can get a better price. When people are bidding, if you are putting in three or four houses you get a better price than if you are only getting one house. But the tender for that particular house came back at well over \$300,000 and we just did not have the money to do it.

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

Situation With Contracts And Tendering In Sanikiluaq

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I will have quite a few general comments to make on this issue regarding the contracts and tenders. During the last summer and up to the present there have been contracts allocated. We had a contractor that came from Rankin Inlet and there were a lot of problems because of the fact that headquarters was over at a different region. The Legislative Assembly may wish to hear it as it is, the situation at Sanikiluaq. We have no housing association members. At the present time the housing situation is run by the hamlet council and we are trying to clarify or get better assistance on these matters. Sanikiluaq is now being recognized as a hamlet and because of that we are trying to ask to run our own housing affairs and the president or the person who has the tenders is not able to be present at Sanikiluaq so it was a difficult situation to work with. My question is about contractors or tendering of contracts. I do not think it has even been heard of at Sanikiluaq. I do not know how they did that but it seems like the only time we knew about this contracting or tendering business was just a few days before any construction was going to take place. We were never informed of any such thing. The hamlet is now trying to take over a few things and I am just wondering if this sort of thing will continue to be the practice, if Sanikiluaq residents are not going to be informed of any tenders or contracts that are going to be going on at Sanikiluaq. We want to be able to take over these locally in our home community. I still have further comments to make.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I guess there are three components of Mr. Appaqaq's comments. First of all, with regard to the problems associated with the contractor. Yes, there have been problems in Sanikiluaq but not all contributed to by the contractor. There have been problems with the co-op there. There have been problems with the availability of labour. I was in Sanikiluaq about three weeks ago and in talking to some of the community residents was trying to inquire as to some of the problems with labour because the contractor was having a hard time getting the local people who were working there to come to work.

In some cases the pay roll figures for some of the local employees showed that some of them only showed up to work for something like 18 hours in two weeks, others with 38 hours. I was informed by the secretary manager of the hamlet that part of the problem was that when the contractor went there he was given a list of names by the government liaison officer, or who is now the ex-GLO, and that they perhaps were not the best names that could be given and that in future the contractor should contact the hamlet office and they could provide better names.

I think in terms of the announcement or the public awareness of tenders I cannot address specifically whether or not notice was given last year but I do know that on my last trip to Sanikiluaq three weeks ago, in the hamlet office I saw on the notice board the announcement of tenders for Sanikiluaq and the number of units that were going in there so that is in the community. I saw it in the hamlet office myself.

The other comment, because the contractor is not from the region, I am having a hard time northernizing the contracts without regionalizing them. I think, first of all, I have to establish northern contractors and then, perhaps, in some point in time, look at regionalizing it but I cannot do everything at once, to be quite honest with you.

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

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I have a shorter comment to make now regarding transporting the houses that are going to be built in Sanikiluaq, or the material supplies for renovating houses. I believe they come through Montreal and the time that they

usually come is sometime in the fall. They are not able to use ships that are usually going up that area because it is not possible. Somewhere in Moosonee there is a train or some kind of a vehicle that could be used to transport the housing supplies. I am talking about both the supplies for renovating housing and construction material to build new houses. I think there is a better way of getting them up to Sanikiluaq and a quicker way instead of from Montreal. I think they could be coming from Moosonee.

CHAIRMAN (Mr. Wah-Shee): Did you get that, Mr. Minister?

HON. GORDON WRAY: Yes, Mr. Chairman. In fact, I think the piling for the houses is actually coming from Moosonee this year. The materials will be coming out of Montreal, but essentially that was a decision because of price. When you go out to tender if you have one f.o.b. point you generally find that prices are lower, but, you know, we can certainly take a look at Moosonee and see what is there and see if, in fact, Moosonee is a better shipping point.

CHAIRMAN (Mr. Wah-Shee): Thank you. Mr. Richard. Mr. Richard, did you have comments you wish to make at this time?

MR. RICHARD: Pardon me, Mr. Chairman.

CHAIRMAN (Mr. Wah-Shee): You had your name up so I wrote it down. Are you prepared to speak at this time or should I call on somebody else? Proceed please.

MR. RICHARD: It is so difficult, Mr. Chairman, to get you when I want your attention, but you will not ignore me when I want you to. Mr. Chairman, if I could go back to some of the comments from my colleagues from the city of Yellowknife -- or now known as "anomaly".

---Laughter

As the MLA for Anomaly South, the Minister, Mr. Chairman, is now giving some encouraging comments to my colleagues from Anomaly North and Anomaly Centre and he has stated now that we will not rule out anything for Yellowknife and I hope that means...

MR. MacQUARRIE: He will rule in something.

MR. RICHARD: Something other than a railroad. I hope, sincerely, Mr. Chairman, that does mean that he will not rule out a needs survey. I appreciate his comments that it is a little more difficult in Yellowknife than in some of the smaller communities but it is not impossible. He does have a large budget and I am hoping that that is one of the things he will not rule out, so that he can see on a comparative basis what the needs are with other communities.

Turning to some of the positive comments this afternoon from the Minister, Mr. Minister, you indicated that these two new programs you have announced, supplementary financing program and the interim financing program, you did indicate that Yellowknife would be eligible for these programs. Appreciating that you have not worked out the fine tuning of those programs with your colleagues on the Executive Council, can you give us some of the parameters of these programs? Will there be a ceiling for an individual to receive interim financing or supplemental financing under these programs? You have indicated that it is a first-come first-served program. Can you confirm that that is with respect to both the interim financing and the supplemental financing? If that is so, will it go on the air on April 1st? Will there be some indication to the public of the availability of these programs? Can you give us more specifics about the availability of these two programs which will be available to the residents of Yellowknife?

AN HON. MEMBER: Not just there.

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

Supplementary Financing Program

HON. GORDON WRAY: Thank you, Mr. Chairman. With respect to the two programs, we are planning a PR program prior to implementation, to advertise it. As I indicated, Yellowknife will be eligible but would further say I would expect or think that probably Yellowknife is going to be the key user of these two programs. I just hope that they will be available at the district offices and it will be

on a first-come first-served basis. I can give you what I guess you would call the program overview, just by way of general explanation. The supplementary financing program will provide a loan to new home-owners who wish to build or buy a home. The Housing Corporation will match the home-owner's down payment dollar for dollar to a maximum of \$25,000, thereby encouraging the home-owner to put up as much money as possible. This is the supplementary financing program. Interest will be charged at a fixed rate of five per cent. The corporation will accept a second mortgage as security for the loan, payments of both principal and interest will return to the fund for program use. It will also encourage, we hope, CMHC to provide direct lending in higher risk communities.

Interim Financing Program

In terms of the interim financing program, it will provide interim or bridge financing up to 85 per cent of the principal amount of an approved first mortgage to a home-owner builder who cannot obtain similar financing from a private lender. The banks do not always provide interim financing because they may consider the owner-builder too big a risk or the construction period too long. The home-owner therefore requires interim or bridge financing to pay for the construction. The corporation will assist people by providing funds for the construction period, although the client cannot get those funds until the unit has reached various stages of construction. The client must show proof of his inability to obtain interim financing through private lenders. The client must have an approved mortgage and assign it to the corporation to secure the loan. Interest on the loan would be set at two per cent higher than the National Housing Act section 58 for a five year term mortgage at the time of approval. The program will operate as a revolving fund with payments of both principal and interest returning to the fund for program use.

Part of the reason for the interim financing program in Yellowknife, as well as any other community, is that in the North, because you do not have immediate access to materials, etc., a lot of materials have to be brought in from the South. Freight charges and the materials have to be paid for before you can get them here, unlike down south where you can basically get them in many places very close to your home community. Therefore there is a large gap in time between the time the person pays for the materials and gets them shipped here until he actually starts construction. People have been having a difficult time because the banks will not provide financing until construction actually takes place. So, people have been faced with laying out a lot of money and we are hoping to try and solve that problem. Those are generally just the overviews and, as I indicated, the fine details all have not been worked out and once they are they will be made available publicly in a major way.

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

MR. RICHARD: Thank you, Mr. Chairman. So, the interim financing program deals with new construction only. Now, with respect to, Mr. Minister, your answer that it will be administered by the districts and it is first come, first served, will the Housing Corporation take the supplementary financing program, for instance, that \$500,000, will you initially allocate that among your districts, so that it will be first come, first served within a district for that fund? If that is the plan, can you today give us an indication of how you will allocate the \$500,000 among your districts?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. That is one of the things we have not decided, whether we allocate it to the districts or keep it at headquarters. My inclination is to keep it at headquarters, provide the program to the districts and as soon as the districts get applications feed them into headquarters. I think assigning it to districts is very difficult because, you know, there is probably going to be a higher demand from, say, the Fort Smith Region than there is from the Keewatin Region, so there is no way for us to assess how to split the budget up. So, I am leaning toward just keeping the money in a pot in Yellowknife. As the districts approve or people approach the districts, they would phone Yellowknife and say, okay, we have a client and we would sort of take the money off the pot. I think that is probably the easiest way to go about it.

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

MR. T'SELEIE: Thank you, Mr. Chairman. I would like to ask the Minister a question. I want to ask it now because I do not know when I will be able to ask it again. It concerns the districts of the Housing Corporation. I was at a housing association meeting not that long ago in Fort

Franklin, along with a person from the corporation. The association had a truck that had a leaky tank. They were complaining that they were spending too many dollars on fuel for this truck and they requested that a mechanic be brought in to take a look at this truck to see what was wrong with it. Now, it was not a leaky tank, it was something to do with the carburetor, but the reply they got was not satisfactory to them so the matter was not taken care of. It leads me to my question. From the budget book I see that the Inuvik district will be getting quite a few public units and I would like to know how much the budget of the Inuvik district office has been increased from last year to this year, to the coming year, if you have that information, because I know that there are maintenance people that are quitting their jobs because they have not had an increase in salaries and these are trained people. Some of these units I know have a different heating system and because it seems to me I heard that the Inuvik district did not get much of an increase, it is of some concern to me and I would like to know.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Just briefly before I answer Mr. T'Seleie's question. In answer to the supplementary financing, one of the reasons that I would like to keep the money in Yellowknife is because it is a new program. We, as of yet, do not know where most of the requests are going to come from, so after a couple of years we might be able to assign district budgets because we will have some kind of record to go by, where the requests are coming from.

O And M Budget, Inuvik District

In terms of Mr. T'Seleie's question. Unfortunately, the Inuvik district is facing cutbacks in its O and M budget because of the fact that in 1983 they were given more than they should have been. In other words their allocation in 1983 was a higher percentage than anywhere else. And now that this has been brought home to roost I can only agree with him in terms of our inability to pay housing association staff the proper wages. I agree with him. This is the reason why we have made such a major submission to the federal Treasury Board. It is something that we recognize right across the Territories as a major problem. We just cannot compete with private, hamlet or government sector in any of our areas. I am hopeful that if this Treasury Board submission goes through, or even partially goes through, that we will begin to address some of that problem. Other than that I really cannot hold out much hope that, you know, we are going to be able to bring those people up to salary levels that are adequate without some major infusion of O and M funding to the corporation.

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

MR. T'SELEIE: Okay, my information is that the Inuvik district office is going to get a one per cent increase. I also understand that there are some regions in the East that will be getting a 20 per cent increase -- some district offices. I want to know if that information is correct?

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

HON. GORDON WRAY: I do not have a breakdown with me region by region for the increases as opposed to last year. Basically the maintenance money that was given to the district offices is based on the number of units that district has. So, if there has been a major increase in number of units in one region then obviously its budget is going to go up. And it may be 20 per cent. I really do not know, I would have to take a look through here but generally speaking the budgets are allocated on the basis of how many units are in that particular region. There is so much provided for each unit. Thank you.

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

MR. T'SELEIE: I wonder if the Minister will assure me that he will look into my concerns here and get back to me on some of the questions that I have raised to him now. About how O and M is allocated and what the increase in the Inuvik district was from last year to this coming year.

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

HON. GORDON WRAY: Yes, Mr. Chairman, I will but I will reiterate that the Inuvik district is not getting a major increase and there are going to be cutbacks because in 1983 they received far more money than they should have and now it is catching up to them.

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

MR. T'SELEIE: So there is a problem there that I think the corporation should look at. You are penalizing a region. Why did they get more than they should have last year? If you are holding the same piece of equipment that you held last year, then this year it is going to break down. So you penalize it for another year? What do they do when they do not have money to buy a pump for a house?

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

HON. GORDON WRAY: That is a little bit overly dramatic. They will have money to buy a pump for a house. We are not going to allow a house to go without water. But I will get back to the Member with the details as he has requested.

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

MR. T'SELEIE: Why were they overbudgeted in the first place last year?

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

HON. GORDON WRAY: I'll have the details of that for the Member tomorrow. It is going back to 1983 so we have to dig into the woodwork a little bit.

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. If there are none, may I suggest -- I was going to merely suggest that we call progress. But anyway, general comments. Mr. Richard.

MR. RICHARD: Mr. Chairman, I was of the same mind as you and I just simply wanted to give the Minister at least one easy question before we conclude for the day. Mr. Minister, just referring to your introductory remarks where you indicated that there is a plan afoot to appoint members to the board of directors of the housing associations. Will those appointments be in addition to locally elected board members and could you perhaps expand on that plan with some more details?

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

People Excluded From Housing Associations

HON. GORDON WRAY: Thank you, Mr. Chairman. Most housing associations generally speaking have about eight members. The plan would be for five to be elected and three to be appointed. It is in response to the ever growing number of people, say, in home-ownership units who once they move into a home-ownership unit are not eligible to be on housing association boards. Eligibility for housing association boards is limited to those people who live in Housing Corporation houses. So, what we are finding is that a lot of people with initiative and who have taken initiative to get home-ownership are now excluded from the housing process. It is also to allow the hamlets and the community and band councils to appoint somebody from the community on there, again, not necessarily a tenant but somebody from the community at large. It is sort of a half-way between a housing association and a housing authority, basically, because in the small communities I do not think we could ever go to a housing authority because we just do not have enough people living outside of Housing Corporation houses to appoint to boards. So it is attempting to redress that balance. I think that a lot of the people in the community, people with initiative, people with drive are now being excluded from the process and we have to find a way to bring them back in.

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

MR. BALLANTYNE: I have an easy question and as long as we return tomorrow on general comments I have no problem with reporting progress. My question is, the Minister tabled in this House a report from the Auditor General on the Housing Corporation. Does the Minister also have another document from the Auditor General on "any other matter"?

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

HON. GORDON WRAY: I think it is in my book actually.

MR. BALLANTYNE: Maybe you could check on that, I missed it. Is it there? I could have missed it but I do not...

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

MR. BALLANTYNE: Sorry, Mr. Chairman. I said I might have missed it, but I did not see it and if it is not in the book, which I do not think it is, I think the Minister could have that information and if the Minister does have it, before this committee of the whole approves a \$54 million budget, I think it would be irresponsible for us not to have a look at any concerns the Auditor General might have with the Housing Corporation. I mean, it is totally public money and we are charged with the responsibility of approving this budget. I wonder if that could be made available tomorrow morning?

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

HON. GORDON WRAY: I am afraid you are addressing the question to the wrong Minister. I can table the one on the Housing Corporation, but the one on "any other matter" is; I think, the Minister of Finance's responsibility.

MR. BALLANTYNE: Mr. Butters, if I could put this question to you, is there a document specifically that comes along with the Auditor General's report on the Housing Corporation, dealing with specific concerns of the Auditor General on "any other matter"? I would think that there must be.

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

HON. TOM BUTTERS: I will have to examine the question and report tomorrow. I cannot identify a document at the present time.

CHAIRMAN (Mr. Wah-Shee): For the information of the committee Members, there is a Tabled Document 13-85(1) which deals with the Auditor General's report on the NWT Housing Corporation which was tabled by...

MR. BALLANTYNE: We know. We have that.

CHAIRMAN (Mr. Wah-Shee): Are you referring to another document, Mr. Ballantyne?

MR. BALLANTYNE: Yes, I understand it is common practice that when the Auditor General is auditing any institution, as auditors do, there is the general report, and then there are the concerns of the Auditor General that are usually in the form of "any other matter". My question is, does the document exist? If it does exist I would like to see it tabled here tomorrow so that the committee could have a look at it before they finalize this budget.

CHAIRMAN (Mr. Wah-Shee): Mr. Butters. Would you put on your mike, please?

HON. TOM BUTTERS: Yes, Mr. Chairman, we will look for it but I believe the House has everything that has been provided by the Auditor General. However, we will look for it.

CHAIRMAN (Mr. Wah-Shee): Thank you. May I suggest we call progress at this time, recognize the time?

SOME HON. MEMBERS: Agreed.

---Agreed

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

MR. SPEAKER: Order, please. Mr. Wah-Shee.

ITEM 16: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF THE 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 and wishes to report progress.

Motion To Accept Report Of Committee Of The Whole, Carried

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

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

SOME HON. MEMBERS: Agreed.

---Carried

MR. SPEAKER: Are there any announcements from the floor? Mr. Clerk, announcements and orders of the day, please.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. The Eastern Arctic Members are reminded of their supper meeting this evening at 6:30 p.m. in the caucus room.

ITEM 17: ORDERS OF THE DAY

Orders of the day for Friday, February 15th at 9:30 a.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: Motion 1-85(1); Motion 2-85(1)
13. First Reading of Bills
14. Second Reading of Bills
15. Consideration in Committee of the Whole of Bills and Other Matters: Bill 7-85(1); Bill 3-85(1)
16. Report of Committee of the Whole
17. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Friday, February 15th at 9:30 a.m.

---ADJOURNMENT

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