



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

7th Session

10th Assembly

HANSARD  
Official Report  
DAY 2

THURSDAY, FEBRUARY 13, 1986

Pages 16 to 48

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

# LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

## Speaker

The Hon. Donald M. Stewart, M.L.A.  
P.O. Box 1877  
Hay River, N.W.T., X0E 0R0  
Office (403) 874-2324  
Home (403) 874-6560  
Office (403) 873-7629 (Yellowknife)  
(Hay River)

Angottitauruq, Mr. Michael, M.L.A.  
Gjoa Haven, N.W.T.  
X0E 1J0  
Office (403) 360-6600  
(Natilikmiot)

Appaqaq, Mr. Moses, M.L.A.  
Sanikiluaq, N.W.T.  
X0A 0W0  
Home (819) 266-8808  
(Hudson Bay)

Arlooktoo, Mr. Joe, M.L.A.  
Lake Harbour, N.W.T.  
X0A 0N0  
Home (819) 939-2363  
(Baffin South)

Ballantyne, The Hon. Michael, M.L.A.  
P.O. Box 1091  
Yellowknife, N.W.T.  
X1A 2N8  
Office (403) 873-7658  
Home (403) 920-2968  
(Yellowknife North)  
Minister of Justice and Housing

Butters, The Hon. Thomas H., M.L.A.  
P.O. Box 908  
Yellowknife, N.W.T.  
X1A 2N7  
Office (403) 873-7128  
Home (403) 920-4411 (Yellowknife)  
(403) 979-2373 (Inuvik)  
(Inuvik)  
Minister of Finance and Government  
Services

Cournoyee, Ms Nellie J., M.L.A.  
P.O. Box 156  
Tuktoyaktuk, N.W.T.  
X0E 1C0  
Office (403) 979-2737 (Inuvik)  
Home (403) 977-2405  
(Nunakput)

Curley, The Hon. Tagak E.C., M.L.A.  
P.O. Box 36  
Rankin Inlet, N.W.T.  
X0C 0G0  
Office (403) 873-7139  
Home (819) 645-2951  
(Aivilik)  
Minister of Economic Development  
& Tourism

Erkloo, Mr. Elijah, M.L.A.  
Pond Inlet, N.W.T.  
X0A 0S0  
Office (819) 899-8903  
Home (819) 899-8845  
(Armittuq)  
Deputy Chairman, Committee of the  
Whole

Gargan, Mr. Samuel, M.L.A.  
P.O. Box 2131  
Yellowknife, N.W.T.  
X1A 2P6  
Office (403) 873-7999  
Home (403) 699-3171  
(Deh Cho)  
Deputy Chairman, Committee of the  
Whole

Lawrence, Mrs. Eliza, M.L.A.  
P.O. Box 2053  
Yellowknife, N.W.T.  
X1A 1W9  
Office (403) 920-8052  
Home (403) 873-2457  
(Tu Nedhe)

MacQuarrie, Mr. Robert, M.L.A.  
P.O. Box 2895  
Yellowknife, N.W.T.  
X1A 2R2  
Office (403) 873-7918  
Home (403) 873-8857  
(Yellowknife Centre)

McCallum, Mr. Arnold, M.L.A.  
P.O. Box 454  
Fort Smith, N.W.T.  
X0E 0P0  
Office (403) 872-3224  
Home (403) 872-2246  
(Slave River)

McLaughlin, The Hon. Bruce, M.L.A.  
P.O. Box 2637  
Yellowknife, N.W.T.  
X1A 2P9  
Office (403) 873-7113  
Home (403) 873-6200 (Yellowknife)  
(403) 393-2939 (Pine Point)  
(Pine Point)  
Minister of Health and Social Services

Nerysoo, Mr. Richard W., M.L.A.  
Fort McPherson, N.W.T.  
X0E 0J0  
Office (403) 979-7112 (Inuvik)  
Home (403) 979-2668 (Inuvik)  
(Mackenzie Delta)

Paniilo, Mr. Pauloosie, M.L.A.  
Clyde River, N.W.T.  
X0A 0E0  
Office (819) 924-6336  
Home (819) 924-6340  
(Baffin Central)

Patterson, The Hon. Dennis G., M.L.A.  
P.O. Box 310  
Frobisher Bay, N.W.T.  
X0A 0H0  
Office (819) 979-5993 (Frobisher Bay)  
(403) 873-7123  
Home (819) 979-6618  
(Iqaluit)  
Minister of Education

Pedersen, The Hon. Red, M.L.A.  
Coppermine, N.W.T.  
X0E 0E0  
Office (403) 873-7959  
Home (403) 982-5221  
(Kitikmeot West)  
Minister of Renewable Resources and  
Culture & Communications

Pudluk, Mr. Ludy, M.L.A.  
P.O. Box 240  
Resolute, N.W.T.  
X0A 0V0  
Home (819) 252-3719  
(High Arctic)

Richard, Mr. Ted, M.L.A.  
P.O. Box 1320  
Yellowknife, N.W.T.  
X1A 2L9  
Office (403) 873-7920  
Home (403) 873-3667  
(Yellowknife South)

Sibbeston, The Hon. Nick G., M.L.A.  
P.O. Box 560  
Fort Simpson, N.W.T.  
X0E 0N0  
Office (403) 873-7112  
Home (403) 695-2565  
(Nahendeh)  
Government Leader, Chairman of  
Executive Council and Minister  
of Personnel

T'Seleie, Mr. John, M.L.A.  
Fort Good Hope, N.W.T.  
X0E 0H0  
Home (403) 598-2325  
(Sahtu)

Wah-Shee, Mr. James, M.L.A.  
P.O. Box 471  
Yellowknife, N.W.T.  
X1A 2N4  
Office (403) 873-8099  
Home (403) 873-8012  
(Rae-Lac La Martre)  
Deputy Speaker and Chairman,  
Committee of the Whole

Wray, The Hon. Gordon, M.L.A.  
Baker Lake, N.W.T.  
X0C 0A0  
Office (403) 873-7962  
Home (819) 793-2700  
(Kivallivik)  
Minister of Local Government and  
Public Works & Highways

## Officers

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

Clerk Assistant  
Mr. Henry Zoe  
Yellowknife, N.W.T.

Law Clerk  
Mr. Joel Fournier  
Yellowknife, N.W.T.

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

Sergeant-at-Arms  
Mr. Mickey Akavak  
Lake Harbour, N.W.T.

TABLE OF CONTENTS  
THURSDAY, FEBRUARY 13, 1986

	<u>PAGE</u>
Prayer	16
Oral Questions	16
Written Questions	22
Petitions	23
Tabling of Documents	23
Notices of Motion	23,47
Notices of Motion for First Reading of Bills	
- Bill 2-86(1) Income Tax Act	24
- Bill 3-86(1) Institute of Chartered Accountants Act	24
- Bill 7-86(1) Official Languages Act	24
First Reading of Bills	
- Bill 1-86(1) Appropriation Act, 1986-87	24
- Bill 7-86(1) Official Languages Act	25
Second Reading of Bills	
- Bill 1-86(1) Appropriation Act, 1986-87	25
Reports of Standing and Special Committees	
- On Finance	33
Consideration in Committee of the Whole of:	
- Bill 1-86(1) Appropriation Act, 1986-87	35
Report of Committee of the Whole of:	
- Bill 1-86(1) Appropriation Act, 1986-87	47
Orders of the Day	48

YELLOWKNIFE, NORTHWEST TERRITORIES

THURSDAY, FEBRUARY 13, 1986

MEMBERS PRESENT

Mr. Angottitauruq, Mr. Arlooktoo, Hon. Tom Butters, Hon. Tagak Curley, Mr. Erkloo, Mr. Gargan, Mrs. Lawrence, Mr. MacQuarrie, Mr. McCallum, Mr. Nerysoo, Mr. Paniloo, Hon. Dennis Patterson, Hon. Red Pedersen, Mr. Richard, Hon. Nick Sibbeston, Hon. Don Stewart, Mr. T'Seleie, Mr. Wah-Shee, Hon. Gordon Wray

ITEM 1: PRAYER

SPEAKER (Hon. Don Stewart): O God, if Your Spirit be in us; if our minds be ready; our hands strong; we will work together, leaving behind every small and selfish motive, to care for this good land and to build a just and peaceful society to Thy glory. Amen.

Orders of the day for Thursday, February 13th. Item 2. We will have order at the Executive tables or I will have this Assembly cleared.

Item 2, Members' replies. There appear to be no Members' replies today.

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

ITEM 4: ORAL QUESTIONS

Question 2-86(1): Transfer Of NCPC

MR. NERYSOO: Thank you, Mr. Speaker. If I can have the attention of the Government Leader. Thank you, Mr. Speaker. I would like to ask the Government Leader if during this session they will be presenting to this House a position on the transfer of the Northern Canada Power Commission and whether or not that position will be positive in encouraging the Northern Canada Power Commission to transfer its responsibilities to this government as quickly as possible.

MR. SPEAKER: Mr. Sibbeston.

Return To Question 2-86(1): Transfer Of NCPC

HON. NICK SIBBESTON: Mr. Speaker, the answer to the Member is yes. The Executive Council is considering the matter of the transfer of NCPC to the North and the Minister directly responsible for this, Mr. Curley, will be tabling or making an announcement in this regard in the next few weeks.

MR. SPEAKER: Thank you, Mr. Sibbeston. Oral questions. Mr. Nerysoo.

Supplementary To Question 2-86(1): Transfer Of NCPC

MR. NERYSOO: Sorry, Mr. Speaker, just a supplementary. Is the Government Leader also going to communicate with the Government of the Yukon to resolve what might be some differences of opinion with regard to that transfer and the position that the GNWT has taken with regard to the transfer of NCPC, or the lack of position? Because there seems to be some confusion and some major concerns are being expressed by the Government of the Yukon.

MR. SPEAKER: Mr. Sibbeston.

Further Return To Question 2-86(1): Transfer Of NCPC

HON. NICK SIBBESTON: Mr. Speaker, we have had discussions with the Government of the Yukon and the Minister indicated to me that he would be in touch with them again shortly. So I believe that there are co-operation and communications with the Government of the Yukon and this will continue.

MR. SPEAKER: Thank you. Oral questions. Mr. T'Seleie.

Question 3-86(1): Action On Use Of School Facilities For Candidate

MR. T'SELEIE: Thank you, Mr. Speaker. I would like to direct my question to the Minister of Education. It concerns the use of school facilities for a municipal candidate in Yellowknife. I would like to ask the Minister whether or not he has taken any action on this problem. I ask that, Mr. Speaker, because I do not think that the city of Yellowknife should be exempt from any of the other rules that we have to live by in the Northwest Territories.

MR. SPEAKER: The question, basically, is with regard to the Elections Act and if the Minister has a reply that would not be in conflict with anything that may be transpiring as far as the Elections Act is concerned, I will take his answer. Mr. Patterson.

Return To Question 3-86(1): Action On Use Of School Facilities For Candidate

HON. DENNIS PATTERSON: Yes, thank you, Mr. Speaker. There has indeed been concern about use of school facilities in the city of Yellowknife in connection with the municipal election campaign in the latter part of last year. I did commission an inquiry into the matter according to my powers under the Education Act and have taken action as a result of findings of that inquiry. I took certain disciplinary action as a result of determining that there was certain improper use of school facilities in connection with the recent municipal election.

However, Mr. Speaker, I would like to make it clear that while my inquiry focussed on improprieties or possible improprieties related to the use of school facilities, it in no way touched on the municipal election and in no way will I comment on any matters relating to the municipal election. I think my concern was from an education point of view about use of school facilities. In no way was the inquiry directed toward election results or the election itself. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Mr. T'Seleie.

Supplementary To Question 3-86(1): Action On Use Of School Facilities For Candidate

MR. T'SELEIE: Mr. Speaker, my other question in relation to this is whether or not any new rules will be coming out of the Minister's action on this subject so that this type of situation does not occur in other places in the Northwest Territories.

MR. SPEAKER: Mr. Patterson.

Further Return To Question 3-86(1): Action On Use Of School Facilities For Candidate

HON. DENNIS PATTERSON: Yes, Mr. Speaker, as a result of this matter, I have decided that it is important to ensure that current government policies respecting the conduct of government employees in connection with any election should be communicated to all staff including school staff. I also wish to clarify those policies with respect to the use of school facilities and students' and employees' time. I do intend to provide before the next round of municipal elections, information packages for students and teachers which will clarify how principles of democracy might appropriately be respected in our schools. Thank you, Mr. Speaker.

MR. SPEAKER: A question arises of how do you spell "principle" in this particular case?

MR. MacQUARRIE: No problem for the Minister of Education.

---Laughter

MR. RICHARD: No problem for the Hansard staff either.

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



Question 4-86(1): Problems With School Bus Services

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Education, Dennis Patterson. The Baffin divisional board of education, at an annual general meeting in Pond Inlet, were discussing the problems of bus services. I think the problem is that the communities are growing in population and the housing units are expanding. I was wondering as to how you can rectify this problem or resolve this kind of problem with bus services in some communities.

MR. SPEAKER: Mr. Minister.

Return To Question 4-86(1): Problems With School Bus Services

HON. DENNIS PATTERSON: Mr. Speaker, I have become concerned that our school bussing policy to date in all parts of the Northwest Territories has developed in something of an ad hoc fashion, that we have provided the services as best we can, according to our budget based on community preferences wherever possible. Therefore, I have determined that what we need to do is make sure that every community is treated fairly and that communities with the same size schools and the same distances to those schools are provided with the same amount of bussing service so there can be no complaint that one community might be being treated differently than another. So I have asked my officials to work to develop as quickly as possible, a bus policy which will ensure equality in all parts of the Northwest Territories and I expect that policy will be firmly in place when we address the issue of the levels of services in the coming year's appropriations. I hope that answers the Member's question. I would be willing to provide more detail when I present the main estimates later on in this session. Thank you.

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

Question 5-86(1): Regulations Concerning Raven Population

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Renewable Resources. It is concerning the ravens in the communities. In Lake Harbour there are a lot of ravens. The population has increased and there are a lot of them in my community. I do not know if there is such a policy or regulation concerning the population of ravens, birds that do not migrate. In some communities there are dog catchers, in the hamlet municipalities. I was wondering if these ravens could be treated the same. As they have dog catchers, could they have "raven catchers"? I wanted to get this kind of clarification. I know I feel sorry for the ravens but we do not eat them and they can be hazardous to airplanes. Thank you.

MR. SPEAKER: Mr. Minister.

HON. RED PEDERSEN: Thank you, Mr. Speaker. That is quite an inaugural question. I am not aware of any policy on ravens, Mr. Speaker. I will research it further though. Perhaps the Member's suggestions might be good. We might get some high flying dog teams if we could apply the same principle or possibly we could export to Yellowknife. They seem to like them better and use them as a symbol.

AN HON. MEMBER: Question.

---Laughter

HON. RED PEDERSEN: But I will take it as notice and look into it and see if there are any policies and get back to you.

MR. SPEAKER: Thank you, Mr. Minister. Your answer was strictly for the birds.

---Laughter

I think that just as a matter that may be of interest, the Arctic Winter Games committee that I had association with some years ago tried for six months to catch ravens and we did not catch one. So they are very, very difficult to catch. Any further oral questions? Mr. Nerysoo.

Question 6-86(1): Policy On Petroleum Exploration In NWT

MR. NERYSOO: A question, Mr. Speaker, for the Minister responsible for Energy, Mines and Resources. Is the government going to be presenting a policy or position with regard to petroleum exploration in the NWT? Recent announcements, in particular by Esso Resources, suggest that they are going to be laying off some 240 employees in the NWT. If the case applies to all other operators in the North, then we would be in for significant layoffs. Unless government is prepared to support exploration and develop a very positive response to exploration in the NWT, we could have some very serious economic problems. I am wondering if the Minister could table in this House, or make a statement that in fact encourages the exploration of oil and gas, so that we can maintain this employment opportunity for residents of the NWT.

MR. SPEAKER: Mr. Minister.

HON. TAGAK CURLEY: Thank you, Mr. Speaker. I would like to indicate to the House that the Executive Council will be meeting with one of the main actors in the oil and gas development, particularly with respect to Gulf Oil. We will be meeting with them on 24th February and I have also asked them to see if they would be prepared to meet with the caucus for lunch in order that the Members of the Assembly would be able to get a better picture of what is happening with the oil company. As far as Esso Resources is concerned, we are still gathering that information. Once we have some of their decisions with respect to the layoffs, I will be making some statement in the House.

MR. SPEAKER: Thank you. I understand then that the Minister is taking the question as notice and will give a reply at a later date. Mr. Nerysoo.

Supplementary To Question 6-86(1): Policy On Petroleum Exploration In NWT

MR. NERYSOO: Thank you, Mr. Speaker. Just a supplementary question. Has the Minister of Energy, Mines and Resources communicated with the federal Minister of Energy, Mines and Resources and the Minister of Indian and Northern Affairs with regard to the possible implications of their policy? If so, will that also be part of the discussions that go on between now and the end of this particular fiscal year?

MR. SPEAKER: Mr. Curley.

Return To Question 6-86(1): Policy On Petroleum Exploration In NWT

HON. TAGAK CURLEY: Mr. Speaker, this government continues to deal with a number of main issues, as well as the issues such as land claims negotiations as applicable to the recent federal energy policy which was announced by the Minister responsible for Energy, Pat Carney. As well we have continued to try and see that we have a fair policy with respect to the northern development. The Minister of Indian Affairs has a number of concerns; therefore his approach is that we should jointly, with the native organizations, attempt to establish policy so that we are not prejudicing land claims and so on. So he is well aware of our concerns and I have recently received correspondence from him, mainly dealing with the fact that some of the oil exploration leases will be expiring within two years. So we have attempted to get some clear indication as to whether or not exploration will proceed, taking into consideration the fact that the land selection of the native organizations is taking place, but he has not given us a clear statement on that.

I look forward to meeting with him when he comes through here early next month. He will be in Inuvik travelling up to Beaufort Sea. My colleague, Mr. Butters, and I will be dealing with him on that matter and I would think also that the other Members of the House will have an opportunity to try and get some better understanding as to where he stands as far as the oil and gas activities are concerned. Thank you.

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

Supplementary To Question 6-86(1): Policy On Petroleum Exploration In NWT

MR. NERYSOO: Thank you, Mr. Speaker. Supplementary. My belief is, it is not so much where the federal government stands but where the Government of the Northwest Territories stands. I think that the decision of the Minister of Indian and Northern Affairs, and the position he takes will be very reflective of the position. Mr. Speaker, a further question, is the Minister, in his review

of an energy policy for the NWT, in particular exploration, going to consider the projects such as the Fort Good Hope joint venture and the possibility of another venture coming forward from Arctic Red River and High Level Energy, where they lease land on a joint venture basis involving communities? Is the policy also going to include such types of projects and ventures?

MR. SPEAKER: Mr. Minister.

Further Return To Question 6-86(1): Policy On Petroleum Exploration In NWT

HON. TAGAK CURLEY: Thank you, Mr. Speaker. Yes, Mr. Speaker, we were in full support of the proposal put forward by Fort Good Hope and as a result I think that agreement has been reached between the parties and therefore we supported it on the condition that this was a one-time deal because federal laws should apply to any exploration agreement being negotiated. It must agree with Pat Carney's energy policy, the criterion being that the highest bidders and financial consideration are the most important factors. But we did indicate to the federal Ministers, to Mr. Crombie and Pat Carney, that the Fort Good Hope agreement was important in order for the native organizations as well as the communities to maximize their northern benefits in terms of contracts and so on. But as for the other areas, there are other communities and regions that are now putting forward socio-economic plans for oil exploration.

I know that Fort Norman area is one example where they are putting forward a proposal. We have indicated to them that we will work with them provided that they are prepared to deal with the present rules that are being applied in the NWT because Ms Carney has indicated that no other exploration agreement should be issued unless the federal policy applies to those programs. So all I can say to the Member is, yes, we are in support and we are working with the Fort Norman area to try and put forward the socio-economic components to their proposal. Once exploration permits, calls for proposals have been issued, they would be one of the groups which would probably have a better chance in getting some involvement.

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

Question 7-86(1): Public Servants' Involvement In Political Activities

MR. McQUARRIE: Thank you, Mr. Speaker. Mine is for the Minister of Education and it follows on the question that Mr. T'Seleie asked earlier. The Minister indicated that he will be coming out with policies with respect to participation in political affairs. Could I have an assurance from the Minister that he would not intend to restrict the right of the teachers to participate in political activities but that what he is referring to is doing that during working hours and using public materials and supplies and services and that sort of thing?

MR. SPEAKER: Mr. Patterson.

Return To Question 7-86(1): Public Servants' Involvement In Political Activities

HON. DENNIS PATTERSON: Mr. Speaker, thank you for the opportunity to reply to this question. I would like to remind the honourable Member for Yellowknife Centre that in fact I had the pleasure of working with him several years ago in the Ninth Assembly in order to ensure that there were amendments put in place to the Public Service Act to in fact give public servants a much greater degree of political freedom than had hitherto been allowed under that legislation. So I certainly would confirm that in fact what I intend to do is simply restate and if necessary clarify the current policies that are in place as a result of that legislation which do simply place limits on the use of employees' time and public premises in order to exercise their political rights. But otherwise public servants have the same right as every other citizen to become actively involved in political activity, subject to the restrictions we do place on senior managers in the act and in the policy. Thank you, Mr. Speaker.

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

Question 8-86(1): Society Status For Local Education Committee, Fort Smith

MR. McCALLUM: Thank you, Mr. Speaker. I have a question for the Minister of Education. For some time the Fort Smith local education authority has been seeking to attain society status. There have been some reservations on the part of the Minister to grant this society status to the local



education authority until such time, I think, as it would be more reflective of the population of the town and that elections were being carried out with some other added factors involved with it. I wonder if I can get some indication from the Minister now. Is he prepared to grant the Fort Smith local education authority society status and when?

MR. SPEAKER: Mr. Minister.

Return To Question 8-86(1): Society Status For Local Education Committee, Fort Smith

HON. DENNIS PATTERSON: Yes, thank you, Mr. Speaker. I am certainly aware of the good work that the local education committee in Fort Smith has done recently and in the past years to prepare themselves for assuming increased responsibilities over education. I did meet with the committee last fall prior to the then-forthcoming education authority elections and expressed my principal reservation which was that the previous election had resulted in a number of acclamations. Therefore I was concerned that it would not necessarily be representative of the public concerns in that community. Subsequently I was pleased to learn that in fact the education committee responded to the challenge that I had given them and there was a full slate of, I believe, nine candidates for four vacant positions on the committee. In all other respects I am therefore now quite well satisfied that the Fort Smith education committee is ready for society status.

Mr. Speaker, I should point out that I was concerned recently to receive a copy of a resolution from the band council in Fort Smith asking me to defer the granting of society status for two years in order to allow the band to have a greater opportunity to become represented on the local education authority. I must tell the honourable Member that although I took that communication very seriously, I cannot really see how granting the local education committee a different area of jurisdiction and more responsibilities would either threaten or prejudice the band's desire to become more involved. I would say they have the same opportunity to participate in the control of the education authority in Fort Smith at the next election, whether it is a society or whether it is a committee. Therefore, I am not inclined to follow the band's request in that regard because I think that the democratic process will look after their concerns adequately if more band members can be encouraged to vote. I believe they have a population of around 1200 in Fort Smith and this would certainly give them a very good opportunity to possibly take over this society in terms of numbers, and if not, to have a very good representation of native people on the society. So having explained that background, Mr. Speaker, I would like to inform the Member that I am prepared to grant the Fort Smith committee society status effective 1st April, 1986. Thank you.

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

Question 9-86(1): Status Of Egg Production Proposal, Hay River Reserve

MR. GARGAN: Thank you, Mr. Speaker. I would like to direct my question to the Minister of Local Government. This issue has been dragging on for, I believe, about two and a half years and it is with regard to the Hay River Reserve proposal for an egg production facility that has been addressed for quite some time. I would like to ask the Minister what has occurred since two years ago. I believe at the last winter session the Minister indicated that this particular issue was going to be brought to court to look at the results of whether the Canadian Egg Marketing Agency was violating the Canadian Charter by ignoring the wishes of the North to have a quota for egg production. So I would like to ask the Minister what the status is on that. I believe this issue was addressed by Mr. Curley and it is still being addressed.

MR. SPEAKER: Mr. Sibbeston.

Return To Question 9-86(1): Status Of Egg Production Proposal, Hay River Reserve

HON. NICK SIBBESTON: Mr. Speaker, may I answer that question? Members know that at the First Ministers' Conference at the end of November in Halifax I had the occasion to speak very briefly -- 10 minutes though it was -- to the Ministers there and to all Canadians concerning this matter. I spoke in particular about the frustration of the Dene band in Hay River not being able to build a poultry farm and to sell its produce throughout the rest of Canada. Our government has taken steps and, just on February 11th, we have referred the matter to the supreme court of the NWT on the question of whether the federal act can truly restrict residents of the NWT trading into other provinces in Canada. My colleague, Mr. Curley, has been the Minister most directly involved with this matter and he has attempted to negotiate the matter with the egg marketing agency and also has

met with the federal Minister responsible for this matter, but all to no avail. So because of this we have referred three questions to the supreme court of the NWT and Judge de Weerd has set the date of June 3rd for the questions to be heard.

We have also notified all the attorneys general of the provinces of the hearing and likewise the federal government of it. Legal notices will be published in southern and Northwest Territories papers. So I wanted to indicate that we have indeed begun doing something about the matter through the court system that we have available to us.

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

Supplementary To Question 9-86(1): Status Of Egg Production Proposal, Hay River Reserve

MR. GARGAN: Thank you, Mr. Speaker. I would like to direct again my question to the Government Leader with regard to egg production. This is one area where the residents of the reserve have taken an active interest for the last three years. In the meantime while it is in the hands of the court, the economic potential of the reserve has been brought to a standstill and I would like to ask the government whether for further economic ventures they would be in support of the reserve since this is one area that they have been interested in and it might be at a standstill. I do not wish the reserve to be denied any other economic potentials if they do have proposals submitted.

MR. SPEAKER: The question is rather vague. Mr. Sibbeston, do you have a reply to that?

Further Return To Question 9-86(1): Status Of Egg Production Proposal, Hay River Reserve

HON. NICK SIBBESTON: Yes, Mr. Speaker. I appreciate the concern of the Member for the people of the Dene reserve in Hay River, particularly his concern that the reserve have economic viability. The viability of this particular project, that of a poultry farm to be able to sell eggs and chickens, really depends on the project's ability to be able to sell its produce, not just in the North but in other parts of Canada. This question is still very uncertain. We have been told, no, we could not trade into other parts of Canada, and now it is before the court. The viability of the project is really in question until this matter is finally determined by the courts. So I cannot tell the member that our government will launch forth and go ahead with respect to any aspect of this economic project. It is a matter where we would obviously have to wait and see what the court says and of course if the court does indicate that the present legislation is ultra vires or unconstitutional and permits us now to trade in other parts of Canada, the project would likely be heavily supported by our government. Until the decision is made I am afraid that the matter would have to be held in abeyance.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Item 5, written questions. Do we have any written questions for today? Mr. Gargan.

ITEM 5: WRITTEN QUESTIONS

Question 10-86(1): Fort Providence Housing Assistance Program

MR. GARGAN: Mr. Speaker, I just wanted to direct my written question to the Minister of Housing who is not here but I would like him to answer it perhaps on Monday. It is with regard to the wage component of HAP units. The wage component is no longer included in the HAP units.

I believe the HAP units should be designed or constructed by the communities affected and in the best way the HAP clients know how, other than the existing HAP designs. Would the Minister responsible for Housing consider the designs as submitted by the client or community where appropriate? Also that this be supported and implemented this fiscal year as a demonstration project. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Are there any further written questions? There do not appear to be any further written questions.

Item 6, returns. Item 7, petitions. Mr. Gargan.

ITEM 7: PETITIONS

MR. GARGAN: Thank you, Mr. Speaker. I have a petition from the Hay River Reserve, Petition 1-86(1), and I would like to read the petition and the signatures that are on it. I just want to read the petition. "We, the undersigned residents of the Hay River Reserve, urge the Government of the Northwest Territories and Department of Local Government, to consider construction of a multipurpose hall for the Hay River Reserve as soon as possible." It then explains the need for that facility is urgent. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Gargan. Are there any further petitions? Mr. Gargan.

MR. GARGAN: Thank you, Mr. Speaker. This petition, Petition 2-86(1), is signed by the senior citizens of the Hay River Reserve and it reads, "We, the undersigned senior citizens of the Hay River Reserve, give our consent to have the senior citizens home slated for construction in 1987 to a later date in order to have the much needed multipurpose hall for the Hay River Reserve constructed in its place. The Hay River Dene Band in the summer of 1985 have renovated all our homes and we are quite happy to live in these homes for an additional few years." Last year they renovated most of the senior citizens accommodation at the Hay River Reserve so they have that flexibility now. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Gargan. Are there any further petitions?

Item 8, reports of standing and special committees. Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Speaker. It is at this time that we usually present reports of standing and special committees. However, I will seek unanimous consent to return to this item after the Minister of Finance has made his statement with regard to the budget.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Unanimous consent is being requested to proceed with reports of standing and special committees after the report of the Minister of Finance. Are there any nays?

---Agreed

You have unanimous consent. Are there any further 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 2-86(1), 31st Annual Report of the Northwest Territories Liquor Commission, April 1, 1983 to March 31, 1985. I guess that is April 1st, 1984.

MR. SPEAKER: You guess or are you sure now, Mr. Butters?

HON. TOM BUTTERS: I am sure of it.

---Laughter

MR. SPEAKER: Thank you, Mr. Butters. Item 9, tabling of documents. Item 10, notices of motion. Mr. Gargan.

ITEM 10: NOTICES OF MOTION

Notice Of Motion 1-86(1): Hay River Reserve Senior Citizen Facility And Community Gym

MR. GARGAN: Mr. Speaker, I give notice that on Monday, February 17th, 1986, I will move the following motion: Now therefore, I move, seconded by the honourable Member for Sahtu, that the Legislative Assembly recommend to the Executive Council that it consider exchanging the order of construction of the senior citizen care facility and the community gym on the Hay River Reserve to this fiscal year. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Gargan. Notices of motion. Item 11, notices of motion for first reading of bills. Mr. Butters.



ITEM 11: NOTICES OF MOTION FOR FIRST READING OF BILLS

Notice Of Motion For First Reading Of Bill 2-86(1): Income Tax Act

HON. TOM BUTTERS: Mr. Speaker, I give notice that on Monday, February 17th, 1986, I shall move that Bill 2-86(1), An Act to Amend the Income Tax Act, be read for the first time.

MR. SPEAKER: Thank you. Notices of motion for first reading of bills. Mr. Butters.

Notice Of Motion For First Reading Of Bill 3-86(1): Institute Of Chartered Accountants Act

HON. TOM BUTTERS: Mr. Speaker, I give notice that on Monday, February 17th, 1986, I shall move that Bill 3-86(1), An Act to Amend the Institute of Chartered Accountants Act, be read for the first time.

MR. SPEAKER: Thank you. Notices of motion for first reading of bills. Mr. Sibbeston.

Notice Of Motion For First Reading Of Bill 7-86(1): Official Languages Act

HON. NICK SIBBESTON: Mr. Speaker, I wish to give notice that on February 17th, 1986, I will move the first reading of Bill 7-86(1), An Act to Amend the Official Languages Act.

MR. SPEAKER: Are there any further notices of motion for first reading of bills? That last notice of motion for first reading of bills has to do with Bill 7-86(1), is that correct, Mr. Sibbeston? Let the record show that that is Bill 7-86(1), notice of motion has been given.

Item 12, motions. Item 13, first reading of bills. Mr. Butters.

ITEM 13: FIRST READING OF BILLS

HON. TOM BUTTERS: Mr. Speaker, might I have the unanimous consent of the House to give first reading to Bill 1-86(1) today?

AN HON. MEMBER: Agreed.

MR. SPEAKER: Unanimous consent is being requested to give first reading to Bill 1-86(1). Are there any nays?

---Agreed

Proceed Mr. Butters. You have unanimous consent.

First Reading Of Bill 1-86(1): Appropriation Act, 1986-87

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 1-86(1), An Act Respecting Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1987, be read for the first time.

MR. SPEAKER: I have a motion on the floor. To the motion. Ready for the question. All those in favour? Opposed, if any? The motion is carried.

---Carried

First reading of bills. Mr. Sibbeston.

HON. NICK SIBBESTON: Mr. Speaker, I seek unanimous consent to proceed with first reading of Bill 7-86(1), Official Languages Act.

MR. SPEAKER: Unanimous consent is being requested for first reading of Bill 7-86(1), Official Languages Act. Are there any nays?

---Agreed

You have unanimous consent, Mr. Sibbeston.



First Reading Of Bill 7-86(1): Official Languages Act

HON. NICK SIBBESTON: Thank you. Mr. Speaker, I move, seconded by the honourable Member for Aivilik, that Bill 7-86(1), An Act to Amend the Official Languages Act, be read for the first time.

MR. SPEAKER: I have a motion on the floor. Are you ready for the question? All those in favour? Opposed, if any? The motion is carried.

---Carried

First reading of bills. This appears to conclude Item 13. Item 14, second reading of bills. Mr. Butters.

ITEM 14: SECOND READING OF BILLS

Second Reading Of Bill 1-86(1): Appropriation Act, 1986-87

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 1-86(1), An Act Respecting Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1987, be read for the second time. The purpose of this bill is to make appropriations for the Government of the Northwest Territories for the fiscal year ending the 31st day of March, 1987.

MR. SPEAKER: Thank you, Mr. Butters. To the principle of the bill. Ready for the question? Mr. Butters.

Minister's Budget Address, 1986-87

HON. TOM BUTTERS: Mr. Speaker. This is the second budget to be introduced under the new financial arrangements with the federal government, which were announced last year. These new financial arrangements were an historic step toward responsible government for the North. Your Executive Council has welcomed this opportunity and continues to seek a further devolution of provincial-type responsibilities.

Mr. Speaker, many pressing issues face our government and paramount among them is the provision of basic necessities to our residents. Many necessities, such as adequate housing, education and training opportunities, employment and job security, are not enjoyed by all people living in the NWT. These deficiencies demand our immediate attention. Social issues, such as spousal assault, alcohol and drug abuse, and youth alienation require commitment and innovation to resolve. Major initiatives in these areas are key elements of the budget I am introducing.

Mr. Speaker, in addressing current priorities, our collective responsibility to the future cannot be ignored. Steps must be taken to build a strong and stable economy, yielding maximum benefits to northerners. It is also necessary to pass on to those who will follow, a financially sound government that will be capable of reacting to tomorrow's needs and not a government burdened with debt.

Each Minister has participated in the development of the budget. As Financial Management Board Members, each has been involved in striking the balance between immediate needs and the long-term financial viability of the government.

The budget I am presenting, Mr. Speaker, provides for a spending increase of 10.6 per cent over last fiscal year's revised budget. Spending growth of this magnitude will not be seen in the budgets of our federal and provincial counterparts. These other jurisdictions, however, already have the transportation and municipal infrastructure, the hospitals, schools, colleges and other facilities available in developed regions. The North does not yet have this physical infrastructure, nor can we provide all of our residents with education, health and other services at the level enjoyed by most Canadians. It is far easier to tighten your belt when your basic needs are already met. It is much more difficult when you are still striving for basic levels of housing, education and jobs.

The need to address program deficiencies does not in itself fully justify increased spending. This government must be able to accommodate the increased spending without jeopardizing its future financial health. The recession, from which our country is in the process of recovering, has left a legacy of high debt burdens and servicing costs for the federal and many provincial governments. This weak financial position, in conjunction with only a slow recovery in the economy, has placed severe spending limitations on most governments. The Northwest Territories, however, did not suffer as severe a recession as the rest of Canada. This fact, coupled with responsible fiscal management, has enabled the Government of the Northwest Territories to maintain a sound financial position.

Mr. Speaker, it would be misleading to create the impression that what is happening in the world and national economies does not affect the North. It can and does affect us dramatically. This reality is clearly evident to your Executive Council and is reflected in the measures found in this budget.

#### Economic Overview, Canada

In 1985, improvement in the Canadian economy surpassed most analysts' expectations. It was a year of strong growth for Canada as declining interest rates led to substantial increases in investment in non-residential construction and machinery and equipment. Overall, the Canadian recovery compares favourably with other nations. Among the seven largest industrial countries of the Organization for Economic Co-operation and Development, OECD, Canada's industrial production was second highest from 1982 to mid-1985. Successive Canadian governments have embarked on an exercise of restraint in public sector spending. At the same time, they have introduced innovative policies to address the issues of unemployment and inflation. In 1985, Canada's seasonally adjusted unemployment rate fell from an average of 11.1 per cent in the first quarter to 10.3 per cent in the third quarter. Inflation remained fairly steady in the 3.5 to 4.3 per cent range while wage increases accepted by labour were moderate.

In contrast to the European economies, Canada has had an impressive record of job creation. However, large increases in the size of the Canadian labour force, due to higher levels of female participation and increases in the number of young people looking for employment, prevent this from being reflected in lower unemployment rates.

The declining Canadian dollar may put upward pressure on federal and provincial deficits, as the cost of servicing borrowings from United States sources increases. At the same time, a lower Canadian dollar increases the demand for Canadian goods both domestically and externally, which is stimulative to the industrial sector of the economy.

For the US, 1985 was not a year of strong economic performance. Real growth in 1985 was 2.5 per cent and the same low rate of growth is forecast for 1986. Interest and unemployment rates remained relatively stable and inflation was moderate, but the trade balance deteriorated further to reach a deficit of close to \$150 billion. Economists expect the weak US net trade position to persist in 1986, which will have a dampening effect on the Canadian economy.

#### Northwest Territories Economic Review

Mr. Speaker, December 1985 statistics indicate that NWT inflation, as represented by Yellowknife prices, increased 4.5 per cent between 1984 and 1985. This understates the actual inflation faced by most NWT residents, particularly those located in isolated communities, but is still 12.5 per cent higher than the national average inflation rate for the same period.

The Northwest Territories, in 1985, experienced a year of mixed economic activity. Poor world market conditions had a detrimental effect on both the mining and the oil and gas industries. In the mining sector, the value of mineral production remained relatively stable throughout the year. The recent increase in the price of gold is an encouraging development for Northwest Territories gold mines; however, price declines in zinc and tungsten in the mid to latter months have placed some producers in a marginal position. These declines in prices have forced some mines to reduce substantially their production and employment levels or deplete their high-grade ore reserves.

Uncertainty continues to plague the oil and gas industry. If world oil prices continue to plunge there will be fierce competition by the industry's main players to increase their market share. Decisions made by OPEC members throughout the year will have worldwide repercussions for both prices and production levels. This could have severe consequences for further development of high-cost oil and gas resources in the North. Not all signals would project a downturn for the northern oil and gas industry. Gulf's report of a major oil find in the Beaufort Sea reinforces the possibility of the North playing an important role in the Canadian pursuit of self-sufficiency in petroleum resources. The federal government has introduced initiatives to promote continued frontier oil and gas exploration. Petroleum incentive program grants have been replaced by an exploration tax credit and the petroleum gas revenue tax is being phased out. Thus far, the response from industry to these initiatives has been favourable. It remains to be seen whether the stimulative effect of these policies will be sufficient to offset the negative effect of declining world prices.

Price and quantity figures for the fur industry show some areas of improvement over 1984 but for the most part, the value and numbers of pelts produced remain unchanged. The European seal boycott continues to cast a long shadow on this market that is so important to northern native people.

Sectors of the NWT economy that have shown continued growth in 1985 include retail trade, tourism and construction. Retail trade registered a strong performance, with mid-1985 levels up 19 per cent over the same period in 1984. Moderate growth in personal disposable income, low interest rates and improved consumer confidence continue to bolster this sector of the economy. The northern construction industry flourished in 1985. Increases in both residential and non-residential construction activity were observed across the Territories.

Mr. Speaker, 1986 is expected to be a year of moderate growth in the Northwest Territories. Tourism, retail trade and construction industries are all forecast to remain strong, while the oil and gas and mining industries expect a somewhat slower year. International market conditions are particularly influential in these latter industries and considerable improvement is required in these areas before growth can be expected.

#### Fiscal Strategy

Mr. Speaker, it is the responsibility of the GNWT to take action, within its financial capability, to bolster the economic performance of the key sectors of our economy and further improve the quality of life of our residents. Such action would broaden the North's economic base by providing financial and training support to access new business opportunities; improve employment by providing a wider range of vocational and on-the-job training opportunities and by introducing stimulative capital spending in high unemployment areas; strengthen community economies by providing for the fair allocation of new resources; and improve government services by increasing their range, responsiveness and accessibility at the community level.

Achieving these goals, Mr. Speaker, will require increased resources and the development and implementation of effective policies. We must realize that each new expenditure initiative introduced increases our requirement for revenue. While the formula financing arrangement provides for a basic level of expenditure growth, the Government of Canada cannot be expected to provide additional revenues to support the demands for new or enhanced programs.

Potential sources of new revenues to finance new or expanded programs include:

Revenues generated by the Northwest Territories from its own sources. Although there is a limited tax base in the Northwest Territories, some of the financial burden of paying for increased services must be borne by northerners. However, the identification and design of new revenue initiatives must consider the high cost of living and doing business in the North. Such initiatives must not jeopardize our economic and social development, or create an undue tax load on northern residents already financially burdened by the cost of northern isolation.

Resource management and revenue sharing. The signing of the Atlantic and Nova Scotia accords set a new precedent in the area of non-renewable resource development. Currently, the federal government, territorial government and native organizations are examining the options for northern resource management and revenue sharing.



Mr. Speaker, simply spending more money does not guarantee solutions. Effective spending requires effective policies and management of the public purse. The management record of this and previous territorial governments is impressive. Policies introduced by the Executive Council have ensured that maximum northern benefit was received from program expenditures. The implementation of a new staff housing policy in 1981 had a tremendous effect on the residential construction industry and retail sector in communities that have a developed housing market. The redirection of funding into public housing construction under the National Housing Act accessed three dollars of federal funding for every territorial dollar spent. The resulting economic impact in the communities involved was, and continues to be, of a large magnitude. The introduction of the business incentive policy has been a major stimulus to small northern firms and continues to be a stabilizing factor in the northern business community. The government's ability to clearly formulate and communicate its plans has resulted in the recognition of our budget presentations by the Government Finance Officers Association of North America as being of distinguished quality for the past two years.

The Executive Council, Mr. Speaker, continues to introduce new policies designed to optimize the impact of territorial spending. Recent decisions have been made to emphasize the leasing of buildings to meet government office and staff housing requirements in communities where it can be done cost effectively and where the private sector is capable of undertaking the construction; to privatize services whenever this can be done at a reasonable cost, meeting current standards of quality and timing; and on an experimental basis, relocate some program department operations among communities where this can be accomplished cost effectively. These policy actions I have mentioned, Mr. Speaker, illustrate our government's desire and intention to play an important and constructive role in the development of the North.

#### The Fiscal Position

In 1985-86 fiscal year is projected to result in an approximate break-even position with both revenues and expenditures being very close to the \$647 million mark. Mr. Speaker, this anticipated result reflects very closely the projection I provided this House in my budget address last year and it means that our revenues and expenditures both grew by approximately 15 per cent over 1984-85. This growth was achieved with little increase in the tax burden on NWT residents in 1985-86. However, in future years, revenue growth will require increased contributions, in the form of higher taxes and service charges, from our residents.

The expenditure increases which occurred in 1985-86 were allocated by the Financial Management Board to the major priority areas, particularly housing and education. In my last budget address to this Assembly I indicated that the budget of the NWT Housing Corporation was being increased for 1985-86 by over 18 per cent. In addition to this, an increase in excess of four million dollars is being provided to the Housing Corporation through supplementary funding in 1985-86. These funds will address the specific needs identified in the Legislative Assembly's special committee on housing report. The Department of Education's budget for 1985-86 grew by six per cent from the previous year and over five million dollars has been added to this amount in 1985-86 through supplementary appropriations. These increases were used to provide increased funding to school districts, enhance in-service training programs and expand the range and accessibility of college programs.

Other key areas receiving significant supplementary funding in 1985-86 were the Department of Social Services, in the amount of \$3.5 million to provide increased services and facilities to comply with the provisions of the new Young Offenders Act and to enhance the alcohol and drug program; the Department of Economic Development and Tourism, to construct and prepare for the operation of the NWT pavilion at Expo '86; the Department of Local Government, to undertake major residential land development projects.

Mr. Speaker, our current financial position is sound and has been achieved through prudent financial management over several years. Existing financial resources will afford this government a large part of the funding it requires to fulfil its responsibility to address the issues confronting us today. It is this financial strength that enables me to present, with confidence, a budget in which current expenditures exceed current revenues.

#### Expenditure Priorities

In 1986-87 budgeted expenditures will increase by 10.6 per cent, or approximately \$67 million, over 1985-86.



### Housing

Mr. Speaker, in recent months no problem has occupied a higher priority with the Executive Council than that of northern housing. Prior to 1985-86 approximately 60 public housing units were being constructed each year. In 1985-86 the number of public housing units to be constructed annually was raised to 200. In addition, an increase of approximately five million dollars was allocated to the home-ownership assistance program.

The measures introduced in 1985-86 were a good start, Mr. Speaker, but more must be done before the severe overcrowding in community housing is reduced and home maintenance achieves an acceptable standard. In 1986-87 the 200 unit per year construction rate for public housing will be maintained and a further enhancement to the home-ownership assistance program will be introduced which will almost double the program bringing the number of HAP units that will be funded for 1986-87 to 175. In addition, a further eight million dollars will be provided to the NWT Housing Corporation to increase the maintenance standard of public housing; to implement an experimental home improvement program to provide assistance to home-owners to upgrade their homes to meet minimum health and safety standards; to increase technical and administrative support to housing associations; and finally, to increase the salary and benefit package for housing association staff to allow our associations to compete for and retain qualified employees. These actions respond to many of the recommendations of the special committee on housing and presently my colleague, the Hon. Mike Ballantyne, Minister responsible for the NWT Housing Corporation, is undertaking a comprehensive review of the corporation in order to improve the delivery of programs and ensure greater community involvement.

The total increase to the NWT Housing Corporation's 1986-87 budget, over the amount allocated in the 1985-86 main estimates, is \$9.8 million, an 18 per cent increase. The corporation's 1986-87 budget, when compared to the original budget for 1984-85, shows a 50 per cent increase in the amount of funding allocated to housing over the two years. Mr. Speaker, no government could have reacted more decisively and appropriately to this serious housing problem than has the Executive Council.

### Education

Mr. Speaker, the standard of living in a region is integrally linked to the training and educational achievements of the residents of that region. An improvement in the standard of living in our communities will require that our residents obtain the necessary skills and training to participate fully in the economic growth of our territory.

Our education system must be responsive to northern need and be accessible to all. To address this requirement, the 1986-87 budget provides an operational funding increase of \$9.7 million over the 1985-86 main estimate allocation to the Department of Education. Mr. Speaker, this increase will allow the department to increase the emphasis on native language curriculum development and establish language centres in several communities to extend the progress made to date in aboriginal language research and development work; to expand the provision of grade 10 to additional communities to increase the accessibility of college entry education to residents living in small communities; to expand adult training programs and offer these opportunities closer to the participants' communities; and to provide additional teachers and assistants to work with children requiring special instruction and attention. The Northwest Territories has had an abysmal record in providing this critically needed support.

The 1986-87 budget includes over \$16 million to provide school, student residence and college facilities to meet increasing enrolments, enhanced programs and replacement of aging, inadequate buildings. The Department of Education will also be taking steps to improve the management of its programs. Major effort will be focussed on development of policy, the evaluation of programs and the development of a formula for the staffing and funding of schools.

Mr. Speaker, the education initiatives I have outlined cover some of the more significant actions being taken to improve the responsiveness of, and accessibility to, the education system. Further initiatives will be identified by the Hon. Dennis Patterson during the budget review of his department.

## Employment

Mr. Speaker, from 1981 to 1986 the number of Northwest Territories residents of working age is estimated to rise by 23 per cent for native northerners and by 9.6 per cent for non-native northerners. In 1981, 50 per cent of working age native northerners were employed or actively seeking employment. By 1984 this participation in the labour force by native people had risen to 54 per cent and is projected to climb to 57 per cent in 1986. The percentage of non-native northerners of working age employed or actively looking for work stayed constant at 84 per cent between 1981 and 1986. There is an error there; that should be "unemployed" rather than "employed". These two factors, the increase in the number of people of working age and the increasing percentage of working age people unemployed or actively seeking employment, are expected to produce a 21 per cent increase in our labour force between 1981 and 1986. Almost eight per cent of this increase will occur between 1984 and 1986, resulting in approximately 1500 additional people seeking employment.

Mr. Speaker, the labour force is defined as the number of people employed plus those actively seeking work. It does not include those unemployed working age people who are not seeking employment, or have given up trying to find a job. Many more Northwest Territories residents would be participants in the labour force if the opportunity for employment existed. The unemployment rate measures only the percentage of the recognized labour force that is employed yet actively seeking employment.

I wonder if I might sit down for a minute, Mr. Speaker.

MR. SPEAKER: Certainly, Mr. Butters. The House will recess for 15 minutes for coffee.

--- SHORT RECESS

Mr. Butters, you have the floor.

HON. TOM BUTTERS: Yes, thank you very much, Mr. Speaker. I think I will wear my glasses from now on so I won't have so much difficulty seeing.

Mr. Speaker, the labour force is defined as the number of people employed plus those actively seeking work. It does not include those unemployed working age people who are not seeking employment, or have given up trying to find a job. Many more Northwest Territories residents would be participants in the labour force if the opportunity for employment existed. The unemployment rate measures only the percentage of the recognized labour force that is unemployed yet actively seeking work. Even so, the Northwest Territories unemployment rate currently stands at approximately 17 per cent. The unemployment rate among native northerners is estimated to be in the range of 31 per cent or higher and among non-native northerners seven per cent.

This unbalanced employment situation demands that the Government of the Northwest Territories do everything possible to increase the permanent job opportunities available to native northerners while maintaining the employment rate of non-native northerners. The attainment of this goal will not be accomplished overnight. An improvement in native employment will require that jobs and business opportunities be developed in the smaller Northwest Territories communities, the mobility of the northern labour force be facilitated, the economic viability of traditional pursuits as a means to self-sufficiency be fostered, and residents obtain the skills and training necessary to take advantage of job and business opportunities as they arise.

The creation of permanent jobs in smaller communities is largely dependent on providing encouragement to the private sector to establish business enterprises in these communities. Several steps are being taken to accomplish this goal. A privatization policy has been approved and is designed to support the expansion of the northern private sector. Over three million dollars has been provided in the 1986-87 budget to build and operate the Northwest Territories pavilion at Expo '86. The exposure of our natural attractions and products to an international market should increase tourism and the sales of arts and crafts and other northern products beyond our borders. Capital spending on tourism and park facilities will increase by 47 per cent in 1986-87 to over two million dollars.

Mr. Speaker, the private sector is the primary instrument to create jobs at the community level. In the North, however, the government sector accounts for approximately 40 per cent of all employment and this fact cannot be ignored. It is incumbent upon the Government of the

Northwest Territories to do what is in its direct capability to create employment for native northerners. In February of 1985 the Executive Council approved the native employment policy which is designed to support and foster equity in the employment and career development of aboriginal peoples indigenous to the Northwest Territories. To further this goal, the 1986-87 budget includes a number of directly related initiatives. The Equal Employment Directorate has been established to co-ordinate affirmative action planning and implementation and to monitor and report progress to the Executive Council. A native employment counsellor position has been established in each region. A labour market information system is to be developed in 1986-87 to assist in job identification and placement activities. An enhanced training on-the-job program will provide salary subsidies to small northern businesses willing to undertake the training of northerners lacking job skills and work experience.

#### Other Initiatives

Mr. Speaker, the budget for 1986-87 takes the major initiatives in housing, education and employment necessary for the government to address its responsibilities in these areas. However, other pressing issues will be addressed in 1986-87. A spousal assault program totalling \$1.9 million is being introduced and will involve a major public awareness program, establishment of family life co-ordinator positions, arrangement of safe shelters in communities, establishment of community action groups and provision of counselling for offenders. Enhancements to the alcohol and drug abuse program totalling over \$600,000 will see a major increase in funding to community groups active in this area and the provision of regional consulting services. A \$1.3 million increase has been provided to the Department of Renewable Resources to strengthen the resource management capability in the Northwest Territories and expand the needed resource information for the Territories. Recreation and youth initiatives totalling over \$500,000 will see the introduction of a recreational leadership training program, a sport outreach program and a contribution program for youth groups and activities.

In the area of capital expenditures, the 1986-87 budget includes a two million dollar increase in spending on highway design and construction, bringing total expenditures in this area to over nine million dollars. The new Stanton Yellowknife Hospital construction will boost Health department capital spending in 1986-87 to over \$19 million from a 1985-86 level of seven million dollars.

Mr. Speaker, one area not yet addressed is that of government requirements for work space and staff housing. With the major actions being taken in 1986-87 and future years comes a heavy demand on office and work areas and, in many communities, staff housing. These costs are integral elements of the new initiatives and program enhancements being undertaken. Expenditures of this nature account for the major portion of a \$12 million increase in operational spending by Public Works for 1986-87 and a five million dollar capital spending increase in Personnel. Most of these expenditures will be associated with building leases and staff housing construction.

Mr. Speaker, the budget for 1986-87 contains no provision for the expenditure requirements or revenues associated with the new Young Offenders Act. Because of continuing uncertainty over the expenditure and revenue implications of the Young Offenders Act, funding for this program will be presented for approval in Supplementary Appropriation No. 1 for 1986-87. To date, no base funding commitment has been received from the Government of Canada.

#### Revenues

I will now turn to the area of government revenues. Earlier I indicated that we expect revenues and expenditures for 1985-86 to be approximately equal. This means that the government is currently spending at the same level as its income. To maintain a balanced budget, revenues must grow at the same rate as expenditures. If the revenue growth rate does not match the expenditure growth rate, a budget deficit will result and will have to be financed by borrowings or a reduction in available reserves.

Mr. Speaker, the budget for 1986-87 projects a \$15.8 million deficit. I recommend this level of deficit to you as I believe it can be incurred without impairing our financial health. In arriving at the deficit level careful consideration was given to all factors. The level of deficit could not be so large as to prevent the government from returning to a balanced budget in the near future. A future balanced budget is a necessity if the government is to avoid large borrowings, leading to future rounds of tax increases.



Expenditure growth rates cannot be allowed to exceed the revenue growth rates for an extended period since this could result in an expenditure base which is beyond the means of the Northwest Territories to finance on a continuing basis. Inadequate consideration of this limit to expenditure growth could lead to dramatic curtailment of government programs and services in future years.

Mr. Speaker, as a responsible government, the Government of the Northwest Territories cannot introduce a budget which carries a deficit level that will erode its financial stability and impair its future ability to respond to changing circumstances and new issues. Nor can the government cut programs substantially as, given the current stage of development of the private sector, the government must take steps that will lead to a strengthening of the Northwest Territories economy and necessary improvements in the social environment and standard of living of all residents.

For these reasons, the Executive Council made the decision to terminate, effective January 1, 1986, the tax holiday NWT residents had been given on fuel tax rates since the six-and-five program was put in place several years ago. This measure was estimated to increase 1986-87 revenues by \$3.5 million. In taking this step, the Executive Council has mitigated the impact on northern consumers by removing aviation fuel from the ad valorem fuel tax system and keeping the aviation fuel tax at the current level; by reducing the tax rate for railway diesel to a preferred level; and by maintaining the tax exemption for heating fuels. These exemptions will reduce the effect of the fuel tax on transportation costs and building heating costs in the North.

Mr. Speaker, the elimination of the tax holiday on fuels will close the gap between our revenues and expenditures for 1986-87 to a manageable level. It will not, however, solve the continuing problem of expenditure growth rates exceeding those of revenues. Expenditure growth must be slowed and means of increasing revenues identified. In developing the 1986-87 budget, the Executive Council thoroughly examined a variety of possible new revenue initiatives. In its deliberations, the Executive recognized the critical concern of "timing" and the presence of a number of current taxpayer uncertainties which include the impact on consumers of the upcoming federal budget; the taxation of northern benefits; the current circumstances of the Northwest Territories mining industry; the possible restructuring of unemployment insurance; the increase in Canada Pension Plan contributions effective January 1, 1987; the ever-present inflationary conditions that northern residents face relative to southerners. As a result, it was decided that, at this time, the government should instead look to reducing overall government expenditures rather than introducing new taxes.

#### Value For Your Tax Dollars

Taxpayers must be confident that they are receiving maximum value for their tax dollars and that duplicate, redundant or inefficient programs are being identified and eliminated. With the current and foreseeable economic climate, all governments are placing tremendous emphasis on economizing and on increasing the efficiency and effectiveness of government programs.

Improved planning and program evaluation systems have been a priority with the Executive Council, as have associated restraint programs. The Financial Management Board recently approved government-wide implementation of program performance measurement systems by April 1, 1987, after a successful pilot project in the Department of Social Services. These systems are designed to provide key program performance measures to managers. This improved information will result in more effective delivery and design of programs.

An incentive award program is being put in place to foster creative thinking and innovation in developing and implementing cost saving proposals made by employees. Mr. Speaker, while these measures will help to ensure that our tax dollars are spent on the right things for the right reasons, the Executive Council is taking a further step. A ministerial task force has been established to conduct a fundamental review of government programs. It will be examining programs to eliminate duplication and identify ineffective or inefficient activities. In addition, the Financial Management Board has reduced the supplementary estimates reserve to a six million dollar level, a level well below that of 1985-86. The government is therefore committing itself to live within the main estimates appropriation for 1986-87 except in the most extreme circumstances.

#### Fiscal Outlook

Mr. Speaker, the 1986-87 budget projects revenues of \$698 million and expenditures of \$714 million. The proposed deficit is projected to reduce Government of the Northwest Territories



reserves to the \$24 million range. A reserve of \$24 million will be adequate to provide the government's financing requirements for its loan funds and inventories. Borrowings for financing purposes are not expected to be required in 1986-87. The continued adequacy of our reserves to meet our financing needs will be carefully monitored. There will be \$476 million or 68 per cent of our total revenues received in the form of a federal grant in accordance with the formula financing agreement. Territorial revenues are forecast to be \$193 million or 28 per cent of total revenues, while revenues received for third party programs are estimated at \$29 million or four per cent of the total. Operations and maintenance spending is budgeted at \$557 million in 1986-87 and capital spending at \$128 million, with third party program expenditures at \$29 million for a total of \$714 million.

#### Conclusion

The Northwest Territories faces tough challenges and difficult decisions. Leadership is needed that can find solutions and choose the paths that will satisfy the aspirations of all our residents. Mr. Speaker, the budget I have presented today provides such responsible and responsive leadership. It does not, and cannot, address all the issues, nor solve all the problems we face. It does provide an action plan for dealing with pressing needs in many crucial areas such as the provision of adequate housing, educational services and job creation.

In developing this budget we have struck a balance between the government's obligations to address current problems and its responsibility to maintain a financially sound government. The foundation for future prosperity is in place and awaits our constructive and co-operative action. I thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Minister. To the principle of the bill. Are you ready for the question?

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question being called. All those in favour? Opposed, if any? Bill 1-86(1) has now had second reading.

---Carried

Mr. Clerk, it is ordered into committee of the whole for today. We have an arrangement agreed upon to allow the standing committee on finance to return to committee reports. Do you wish to do that at this time?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Item 8, reports of standing and special committees. Mr. Nerysoo.

#### ITEM 8: REPORTS OF STANDING AND SPECIAL COMMITTEES

##### Report Of The Standing Committee On Finance, 1986-87 Estimates

MR. NERYSOO: Thank you, Mr. Speaker. Mr. Speaker, the standing committee on finance has concluded its review of the main estimates and capital estimates of the Government of the Northwest Territories for the 1986-87 fiscal year. The elected Ministers and their witnesses were all in attendance as their departmental responsibilities were discussed. Notable mention should be given to the Minister of Public Works and Highways for providing the largest contingent of witnesses during his department's review. Runner-up was the Minister of Local Government who also happens to be Mr. Wray, the Minister responsible for Local Government. I think we set a precedent for providing awards to our elected Executive in future. We may even suggest the most defensive Minister, or most offensive, whatever.

However, Mr. Speaker, the report of the standing committee on finance will be tabled Monday, February 17th, 1986, for distribution to all Members of this Assembly. In particular our report is

directed to the Members of the Executive Council and senior officials with whom responsibility for the administration of governments rests. The budget review process was carried out this year in a smooth and efficient manner. The efficiency of this review was in large part due to the efforts of the Financial Management Secretariat which provided the committee with pertinent and timely information. In addition the committee was pleased with the prompt response by departments to requests from committee Members for any additional information. The overall performance and significance of the committee is greatly enhanced with this co-operation. The essence of our report for the 1986-87 estimates deals with government initiatives that will have significant impact on the Northwest Territories in this year and the years to come.

We have noted the reasons for the growth of the 1986-87 budget is due to the deficiencies in the base levels of certain departments from previous years. This is especially true in the areas of housing and education. The impact of these deficiencies on future years caused the committee great concern. Such deficiencies affect the adequacies of federal transfers that have occurred and transfers that will continue to occur in the future.

The committee also noted that the role of the Member of the Legislative Assembly in the capital planning process can still be improved. It is necessary that for the reduction of inequities among communities and the establishment of harmonious regional plans, the local Member of the Legislative Assembly must be involved in the capital planning process. Our committee is pleased to see the continued efforts of strengthening internal accountability through departmental program evaluation. The drive toward results-oriented management, together with a budget planning process, will facilitate positive results in the expenditure of public funds.

The transfer of federal programs to the control of the people of the Northwest Territories was a common discussion through much of the review of the 1986-87 estimates. However, the committee did express and continues to have concern over the confusion surrounding the continued devolution of federal programs. A clear indication of the government's intention will assist the committee in determining the extent to which our present resources may be strained, and will better inform the people of the Northwest Territories. Our committee recommends that the Minister of Finance continue to pursue tax initiatives and fiscal policies to provide for the government's own revenue sources. We encourage these endeavours and support continued efforts in developing the Northwest Territories own share of tax revenues.

#### Specific Issues And Departments

Mr. Speaker, I would like at this time to address specific issues and issues the committee has identified which pertain to various departments. First the Department of Justice. We fully endorse the continued efforts of the program for recruitment of native persons either as constables or special constables. The Department of Local Government. It is recommended that future recreation facilities be developed with the goal of increasing intercommunity competitions. In addition, the role of continued participation in the Arctic Winter Games should form part of this objective. It is further recommended that a policy be developed for consistent and equitable capital assistance for community recreational facilities. With regard to the Municipal Act, the committee urges the department to finalize and bring to the Assembly this long awaited legislation without further delay. On the matter of regional and tribal councils, it is recommended the Minister review all aspects of these emerging political bodies and define the role, legislative authority and levels of financial support. On the arctic airports program it is recommended that new and continued attempts be made to obtain funding for these vital community projects.

AN HON. MEMBER: Hear, hear!

MR. NERYSOO: Under the Department of Public Works and Highways, it is recommended that federal transfers and program enhancements adequately cover any increase in accommodation for facilities cost. On the matter of a lease policy, it is recommended that public tenders be used for the acquisition of leased properties. With respect to contract tenders, it is recommended the department adhere to established policies and ensure equitable practices are maintained in the tender process. On the matter of access roads, it is recommended a policy outlining the multiple use of roads be developed and utilized wherever possible.

Under the Department of Health, it is recommended an immediate plan of action be developed which will provide for adequate levels of funding for federal program transfers. In addition,

improvements are suggested in the areas of medical transportation and recruitment of native hospital workers. On the matter of mental health programs, the department is recommended to increase funding levels targeted for this area of health services in the Northwest Territories.

Under the Workers' Compensation Board, it is recommended the Minister responsible for the Workers' Compensation Board report to the Legislative Assembly with its position concerning the use of Workers' Compensation Board funds for government loans and other northern investments. Under the NWT Housing Corporation, it is recommended that the NWT Housing Corporation institute a five year capital plan in time for the inclusion for the 1987-88 operation planning cycle.

Mr. Speaker, I would like to assure the Assembly that this budget review is both beneficial and a worth-while process. I believe it enhances our Legislature by making the public aware of our proceedings and aids in the scrutiny of government spending. Further, Mr. Speaker, Members of the standing committee may have further comments with regard to this budget particularly since this is the first deficit budget ever proposed by a government.

Mr. Speaker, may I say thank you to all witnesses who appeared before us for their co-operation and assistance. In particular I would like to thank the Hon. Tom Butters, Mr. Gord Aumond, Mr. Eric Nielsen and Mr. Bob Stewart for co-ordinating the departmental responses and arranging for the appearance of witnesses, and the committee staff, the Clerk, Mr. David Hamilton, Henry Zoe, Toni Wells and Brian Cosier. We would also like to thank the Hansard staff for their work on the transcript of our proceedings. Mr. Speaker, again I will be tabling the report of the standing committee on finance on Monday, February 17, 1986. Thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Nerysoo. We are on reports of standing and special committees. Any further reports?

We will return then to Item 14, second reading of bills. No other bills for second reading today? Item 15, consideration in committee of the whole of bills and other matters: Bill 1-86(1), with Mr. Gargan 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 1-86(1), APPROPRIATION ACT, 1986-87

CHAIRMAN (Mr. Gargan): The committee will now come to order. We are dealing with Bill 1-86(1). Mr. Butters, general comments.

HON. TOM BUTTERS: Mr. Chairman, before accepting any general questions I just would like to run over the order of departments and the Ministers appearing before the Assembly. I believe all Members are aware of this but I could just provide you with the departments in the order in which they will appear. Mr. Pedersen will appear first bringing Renewable Resources, Culture and Communications and Status of Women; followed by Mr. Patterson with Education, Aboriginal Rights and Constitutional Development Secretariat; Mr. Wray, Local Government, Highway Transport Board, Public Works and Highways; myself with Finance, Financial Management Secretariat and Government Services; followed by Mr. McLaughlin with Health, Social Services and the Workers' Compensation Board. Mr. Curley will come next with Economic Development and Tourism, Energy, Mines and Resources, Public Utilities Board; Mr. Sibbeston with the Executive, Personnel and the Equal Employment Directorate; Mr. Ballantyne, Justice and the NWT Housing Corporation; and Mr. Stewart, our Speaker, the Legislative Assembly last in the budget consideration.

I would also ask the House, sir, if we might proceed in the same manner in which we have in the past and that is that the Ministers would sit at the table with whomever witnesses they may wish to bring forward providing the House would support this request.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Butters. Is it agreed that we so proceed?

SOME HON. MEMBERS: Agreed.

---Agreed



CHAIRMAN (Mr. Gargan): Thank you. I just want to indicate to the Members that we do have two different booklets. One is the main estimates and the other one is the capital estimates. Mr. Butters.

HON. TOM BUTTERS: Thank you very much, Mr. Chairman, for reminding me of that. Members will recall that there was a suggestion that we attempt to split away the capital estimates from the operations and maintenance estimates and, if it could be worked out, even present the capital estimates at the fall session in future. The first step we made toward that objective was actually separating them physically even though we are presenting them at the same time. So you are absolutely correct, we will have to look at the two separate documents here. The O and M and then the capital or the capital and then the O and M, whichever way the committee wishes to examine the departments.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Butters. General comments on the budget as a whole. Mr. McCallum.

MR. McCALLUM: Thank you very much, Mr. Chairman. I, as other Members have, looked forward to the Finance Minister's budget in hopes that we can see and try to determine just what direction the government is taking as regards the goods and services as well as programs for people of the Territories. I must say that in some instances it does cause me some alarm. Obviously the Minister has brought about a budget that the Executive Council has spent some time developing.

As Mr. Nerysoo has indicated as well as the Finance Minister, we have now a deficit budget, the first one, brought about because of deficiencies and certain particular departments and enhancements within the government itself. Not the least of which, Mr. Chairman, is the enhancement of approximately 200 person years within the government. The Finance Minister did indicate that that is one of the areas that has not yet been properly addressed by the government, that is, the provision of government requirements for housing, office space, etc. The Minister had also indicated that the government is apparently spending at the same level as its income. Obviously it cannot be spending at the same level of its income if we have a deficit budget of approximately \$16 million.

AN HON. MEMBER: Current year.

MR. McCALLUM: Last year there was an increase, as the Minister reminded us, of 15 per cent in both revenue and expenditures. Now again this year we have an increase of 10.6 per cent in expenditures. The Minister also indicated that for the last two years the government has been given some credit by a North American group in recognition of its ability in budget presentations. That was when we were not under a deficit budget. I wonder what the award will be this year given that we have a deficit budget?

#### Reducing Expenditures Or Introducing New Tax Initiatives

The total amount of this budget becomes awesome. We are talking about approximately \$700 million. And in the budget direction, Mr. Chairman, I look at the kinds of things that the Minister has indicated that the government is going to embark upon -- certain particular programs, the value for tax dollars, improved planning and program evaluation systems. In our discussion with various Ministers on their particular department review, the indication was that there was not very much going on in this particular area. There is an incentive award program provided for the people within the government to foster creative thinking and innovation in developing and implementing cost saving proposals. Those are the steps that should ensure that our tax dollars are spent for the right things.

We have as well a ministerial task force established to conduct the fundamental review of the government programs. I am concerned, Mr. Chairman, that our reserve now totals \$24 million only. I am not too sure that that is the kind of funding that the government should have, given the level of the budget. The Minister has indicated that we cannot go on providing more taxes, that we are going to have to try to tighten the belt on our expenditures and look to reducing overall expenditures. I do not see much here that is going to indicate that the government is going to tighten and look at reducing expenditures. I think that is a good particular goal to move toward but I do not see anything in here, rather than introducing new tax initiatives.

I would have thought that there would have been some instance where there would be new tax initiatives by the government. Tax initiatives that would not place an increased burden on people who live in the Territories who are already facing heavy costs of living, including taxes. The proposal that had been bandied about by the Finance Minister and government in the past of a pay roll tax -- I would have thought that would have been one area where the government would have received a great deal of support from the rest of this House to push toward that. Regarding taking back the tax holiday on fuel tax rates, I am not too sure that it will have very much of an effect on reducing the transportation costs for people who are now having to pay to have their gasoline in.

There are a number of statements that are made, Mr. Chairman, about what they have to do -- that is, the government -- in the way of trying to bring about a better fiscal arrangement. I have some concern that if this is a deficit budget, the first one, that we are going to have to go into our reserves at a greater extent when we look at the kind of grant money that we get from the federal government under our formula financing in future years. I do not think that we have the reserves to do that. I have some concern that if we are going to embark upon certain programs and enhancements of programs that it is going to eat up our reserves, that we will not have enough. I have some concern that under the formula financing arrangement the federal government will look with distaste and everything else on what kinds of programs our government is embarking upon and trying to have the federal government put out more money under the formula financing. I do not think it is going to work that way.

As we go through various departments in our review, Mr. Chairman, we will find that there are indeed some large increases in the amounts of money that the government is asking us to approve. The budget is unique in that it represents a fairly substantial increase, as Mr. Butters said, that differs quite drastically from other jurisdictions across the country. I appreciate his rationale that we have to provide the basics for people in the Territories, that people outside are able to enjoy at the present time. But again I have some concerns that we are going to be able to pay for it given the kind of responsibility that we have now. I would have hoped that the government within the last while would have made some inroads on resource revenue sharing with the federal government. This is one of the things that they intend to pursue. I would have hoped that there would have been something told to us that there is something tangible coming about at the present time.

One particular statement within the budget, dealing with the fiscal strategy of the government was to privatize services. Again, when we went through our particular review by departments, the general response was "There is very little in my department that can be privatized." I understand that the government has now embarked upon a plan to privatize. We were told in the review that this was being done. We would hope that we, as a committee, would be made aware of what the particular program or policy will be, fairly rapidly.

The relocation of program department operations among communities is going to be a costly project, if you like, for the government. Anytime you relocate, devolve or decentralize, you are going to duplicate. So it is going to be costly. Again, to my understanding, in the words of the Government Leader in our standing committee review, that is a policy that is already in place. It is already going on.

Just having received the budget address of the Minister, Mr. Chairman, it is very difficult without jumping back and forth on it, to pick out particular areas of concern. There will be more areas obviously as we get into departments. But I wanted to comment basically on the thrust of the government in its budget in a general way. I recognize that we as Members ask and demand in a lot of cases, new programs and services, for our constituents. The government, to their credit, have responded. But at the same time I think there has to be a clear direction as to how we are going to provide the cost of those particular programs, goods and services. There has to be, within this ministerial task force, a commitment on the part of the government to not just carry out the review but to take a hard look at things. We cannot afford to have our government continually come forth with deficit budgets. We are not in the position to do so because the only alternative to that, I am afraid, will be taxation schemes that are going to hit northerners who are living here now and who are already being taxed a great deal.

#### Large Increase In Person Years

I have to indicate, as I will when we go through departments, I have a very great concern about the addition of such a large number of person years for this government. They are the ones that we hear now. If things progress, we will hear during the year about additions to the person years.

I welcome the Member's comments about economies and I welcome his comments that as we proceed through the budget he will be examining every decimal point and every dollar sign to determine where economies can be affected. We would welcome this and if the Members of the House have programs or projects which they feel should be deleted or removed, tell us about them. That is one power that you people do have. You have the power to delete programs from the budget and we would welcome the direction of what programs should be deleted. That is what responsible government is all about, too, providing us with that advice.

There were a few other points made but as Mr. McCallum indicated, Mr. Chairman, they will come up as the budget is addressed department by department and we can look at the concepts. I have no problems with the budget put before us. As I said I think we can maintain our buoyant position and that we will not see ourselves put in such a position that we will lose our financial credibility.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Butters. General comments. Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. I think that one of the intents of general comments is to raise some of the concerns that we have as Members and not necessarily to get into a debate with the government. I had some concern about the idea of a deficit budget in the past because I am not a man that forgets too easily about deficit situations and I can go back and look at the reserve situation that we had in 1982-83. It is much more than what is being proposed here. I think the question of deficits can be interpreted whatever way one wishes.

#### Financial Stability

I think that the major concerns that arise are, first, the point that Mr. McCallum raised and that is, Mr. Chairman, whether or not this government will continue to bear the cost in future of the programs that they are initiating at this particular time. The other issue is whether or not your ministerial task force will in fact identify programs and services that they may have to reduce in future. I think that will be the test of whether or not we are capable in future of ensuring for the people of the Northwest Territories that we will run a government that is capable of maintaining its financial stability. I have no problems about congratulating the government for responding to the needs of the communities and the needs that have been expressed by the Members of this Legislature but I think you also have to be very cautious about how far you go in responding to those needs.

I will give you an example and maybe I will raise it with the Minister of Education at the time that we deal with his budget but I would like to raise it now. It is the idea of developing colleges. How far do you go in developing the college system knowing that your major problem area happens to be in the primary or secondary educational institutions and in the adult education programs? It is a nice idea to develop a college complex and the edifice for a college program in the North but we cannot continue building onto the college system when the primary education requirements, the secondary education requirements are important. We have got to make a decision to stop at some time so that we can address that particular problem. I think those are the kinds of things, when one raises a concern, that I would like to see addressed.

On the question of capital expenditures for instance, I am not so sure we need to expend more capital money on buildings. I know that the Minister of Public Works is trying to address the question of expenditures on capital projects such as housing units and office space for this government. The government is trying to address this by going to the private sector but you also have to be careful about how far you go in that direction; how many buildings you start renting and the cost of those buildings. What you have to address is, what is private industry going to do to invest, how much money are they going to invest and in the end, what is it going to cost this government? These are the kinds of questions you have to address.

#### Sources Of Revenue

The question of revenues. The point raised by the Minister of Finance is a very valid one, that we cannot do things that are unconstitutional because when we are questioned by the Government of Canada, we ourselves will be in trouble. But, also, you have to realize that there are factors, additional revenue sources that might be available to us. The employee tax might have been an idea and it could still be possible. On the other hand, with the recent decision of the oil and gas industry to reduce its complement of employees in the North, maybe it is not in our interests to go



that route. Maybe I would rather see them investing more money in the North, with people coming in from southern Canada to work here, so we at least get taxes out of the oil and gas industry because they are working in the Northwest Territories. That is the kind of balancing the Minister of Finance has to do and the government has to do.

Let's talk about the question of resource management and revenue sharing. You pointed out two very important issues or two very important documents: the Atlantic and the Nova Scotia accords. Those are positive in the context of how the provinces of Nova Scotia and Newfoundland got involved in various areas of revenue sharing, also in impact funding. But you failed to point out the problems the recent western accord causes the Northwest Territories. There are some very serious consequences of that accord to the Northwest Territories and the potential of developing oil and gas and the petroleum industry in the Northwest Territories. That western accord gives to Alberta, Saskatchewan and British Columbia advantages that are much greater than to the Northwest Territories. That has to be addressed.

When I pointed out earlier my concern and the question I raised about what is the government going to do with policies and the question dealing with the federal government, that is one of the major concerns I have, particularly if it causes a reduction in investment in the NWT by the oil and gas industry because even to maintain the level of investment as it is now is in our interest. But the moment we try or find ourselves in the position of having to regain the investments that are here now, then we lose revenues. We have to address those questions and those problems. It is not the question of, obviously, the recent issues with regard to the price of oil causing major concern with regard to the federal, in fact the Canadian-wide, policy on the development of our resources but it really calls into question the corporate strategies. The government has to deal with that and become very positive about how we maintain the investments that are here. The potential for joint venturing that is being proposed by Fort Good Hope and another one I raised, the potential for another joint venture coming out of Arctic Red River are the kinds of things we have to be very clear about. We have to be sure, we have to give some positive signs to industry that the communities are going to be involved so we can bring into the NWT that investment.

#### Input From Standing Committee On Finance And Individual Members

I also want to raise the point about the review of the programs and policies that I have mentioned. I would hope that the government could allow the standing committee on finance or individual Members of the Legislature to express or somehow communicate some of the concerns we might have with regard to existing programs and services that are being offered. How we might be able to help the government improve those services and programs to the people. If it means we have to reduce the programs, so be it. These are the decisions we have to make.

If it means we move money from one program to another program that is the kind of information or suggestion you should be receiving from other Members of the Legislature. I do not think we would want to call into question your decision or the direction that you take but none the less we want to be involved in that process. Let me also say that there are other obvious questions that we still have to deal with.

I would hope that at some time again we could have another overview or review of Expo '86. It is important that we know where we are going with regard to that expenditure and I would hope and I believe that the Minister of Economic Development and Tourism will at some time provide information to this House with regard to the expenditure and the possible costs that would be associated to that particular project. If we know those things then we may help the situation. On the other hand we may be in a situation of a deficit there but that is the decision that was made before and hopefully it is a long-term advantage to the people of the North and to the tourist industry.

#### Revenue From Tourism

There is another issue, in my opinion we have to deal with seriously, and I probably have to review the budget again, but it is the tourist industry. If we are going to be losing revenues in the other areas such as non-renewable resource development, then we have to pick it up in those other areas -- the renewable resource sector, the tourist sector -- and try and find a way of taking advantage of raising revenues in that particular area as well. I know that probably the Minister of Renewable Resources will be considering some new ideas that might improve the tourist industry, including the Ministers of Education and Economic Development and Tourism. It might be encouraging. I have noted that he has made available funds to regional organizations and community organizations, but I think that there has to be more in the way of trying to, you might say encourage that particular revenue source.

I know that there are probably others that would like to make a few comments. I just wanted to make those types of comments to alleviate some of the kinds of differences that might arise from the comments that were made. To make suggestions that would be constructive to the government.

Just one other point that I guess that I should raise. Regarding the employment section in the presentation that was made by the Minister of Finance, my belief is that was the projection that was given from the labour survey taken in 1984 and 1985. The only concern that I have with regard to the way that it is now laid out, is that hopefully the concern that you raised earlier with regard to the mining sector or the oil and gas sector will not have a major effect on that, because it seems that we are employing more and more people because of the expansion of work in the oil and gas and mining sector -- particularly the resource sector. I should not say it is just one particular sector, but it is all the sectors with regard to resource development. I would hope that the intention of the oil and gas industry to reduce its employee complement in the Northwest Territories would not shatter the information given, but my belief is that it could. Even if it is over a long-term period, if it is over a year, two, three year period, you will have a situation where you start a reducing effect on the revenues and the effect of that reduction of employment on the economy. Whether it is in the community economy or whether it is the regional economy or in the territorial economy, we start losing money, we start losing investments. These are just some areas that I wanted to raise with you. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Nerysoo. General comments. Mr. Butters.

Direction From Committee Members Is Welcome

HON. TOM BUTTERS: I realize that this is not a debate as the Member indicated, but the exchange, I think, is valuable. I welcome the very positive remarks of the Member. I think that we can accommodate many of them. I think that the task force will certainly look very favourably at his recommendation of including the standing committee on finance or Members thereof or delegates therefrom, because obviously the Assembly does propose with regard to our expenditures and with regard to programs as well as dispose.

On the matter of the resource revenue sharing that you raised, we were acting and responding to a motion made by, I think, Mr. Ballantyne and Mr. Richard of some two years ago, and under your leadership, under Mr. Nerysoo's leadership, Mr. Chairman, we were attempting to move in that direction. So, I think that we would welcome further direction in what we might be doing to carry on negotiations. I think that all Members are aware of the hiatus that has occurred in recent months, and if we could get further direction from the Assembly, we would certainly welcome that.

With regard to the employment section in the speech, I did consider and checked with Esso Resources, because I was very alarmed at the announcement that came out of the Delta 48 hours ago. It would appear that the report, as carried on CBC, was a little overblown, and when we checked with Esso Resources found, I think, that Esso was disconcerted that the report had come out of the North as grave as we heard it to be, that while there is a diminishment, yes, I think that that situation could turn around very, very quickly. As the Member pointed out, the world price of oil has a major impact and reflection upon this matter.

Also, I did not ignore the western accord. I suggested in my remarks that the industry working in the North in exploratory ways, has spoken, so far, quite positively about it and I do not know that the bottom line has yet been calculated on the effects and results of that accord on the Northwest Territories.

While I have the opportunity, on the employment section, I said that there is an error, that it should be "unemployment". The text that was provided is correct.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Butters. General comments. Mr. Richard.

Effect Of Decision By Esso To Reduce Number Of Employees In Beaufort

MR. RICHARD: Thank you, Mr. Chairman. Just briefly by way of general comments. Mr. Chairman, I too was wanting to get the Minister's reaction to the recent announcement, I believe it was Esso, on reducing jobs in the Beaufort. I would hope that the Minister of Finance and his colleagues

will be able to, before the session is out, find out more about that decision by that company, and indicate to the House what the government's predictions are as to the effect of that decision. I have this feeling, Mr. Chairman, not being an expert at all in the oil and gas industry or in pricing policies, that the recent reduction in world prices is not in itself responsible for the decision.

In recent months the federal government made a substantial change in the tax regime affecting exploration companies in the Beaufort, when they went from the PIP grants -- and the Minister mentioned this in his address -- to the new regime. It occurs to me, Mr. Chairman, that in all likelihood, that taxation decision of the federal government also resulted in Esso's decision, not just the world oil price, in that for non-Canadian companies like Imperial, there is less incentive now to explore in the Beaufort, as I understand the difference between the PIP grants and the new regime. Mr. Chairman, I appreciate the Minister of Finance has indicated that the CBC initial report may have been unreasonably alarming, but those figures that they did give are startling to me. In excess of 200 resident jobs with no mention of even the transient workers who do leave some dollars in the North. So, Mr. Chairman, I hope that the Minister of Finance or his colleagues come back before the session is out, with some appraisal or assessment of that announcement by industry.

#### Concern About Approving Deficit Budget

Generally, Mr. Chairman, on the budget, I hope that the Minister is not defensive when I, as did Mr. McCallum, raise some concern about the notion of a deficit budget. I do not have the solutions either. The Minister concluded his address in the Assembly today by stating that the budget does not address all the issues nor solve all of the problems. I appreciate that, but when we are asked to approve a deficit budget, a deficit of \$16 million, I am a little bit concerned. We are told that we have reserves in round figures of \$40 million. In one fell swoop we are going to reduce that to \$24 million and I believe the Minister indicated that he and his colleagues have committed themselves to limiting any supplementary estimates to come in later this year to six million dollars. I presume that six million dollars would come out of the \$24 million although I am not sure. So, I too, Mr. Chairman, feel that we must indicate this concern.

#### Collection Of Income Taxes From Transient Workers

The other issue that Mr. McCallum and the Minister spoke of was the need to find our own revenues. I appreciate, Mr. Chairman, that the Minister of Finance did brief Mr. McCallum and myself in the standing committee on finance -- we were the only two left there to hear the Minister's briefing -- on the attempts the Minister has made with his officials to bring in a tax scheme that would collect income taxes from transient workers that unfortunately our government is not now collecting. Mr. Chairman, the Minister did indicate to us that there are certain difficulties, both legal and political, with some of the proposals that the Minister had in mind, with the result that the Minister and his colleagues have decided not to pursue those particular proposals. As I recall, Mr. Chairman, the one avenue that the Minister is committed to pursuing is lobbying with the federal and provincial governments to amend the reciprocal taxation agreement -- or whatever it is called -- to enable our government to collect income taxes from non-residents who earn their salaries and wages in the Northwest Territories. I believe, Mr. Chairman, that the Members of the standing committee on finance, or those that were there for the briefing, did indicate to the Minister of Finance that we would support the government in that pursuit. Hopefully, Mr. Chairman, before this session is out we, as Members, can put forward a motion that would assist the government in those negotiations with the federal and provincial governments.

#### Effect Of Fuel Tax Rates On Mining Industry

In the area of revenues, Mr. Chairman. The Minister of Finance indicated in his address today in the Assembly that the Executive Council had made a decision to terminate the tax holiday on fuel tax rates as of January 1st of this year. I am aware, Mr. Chairman, that the mining industry has responded to that announcement by writing to the Minister of Finance and pointing out the negative effect on the mining industry of this decision to increase the fuel taxes. Now, Mr. Chairman, the Minister of Finance in his address this afternoon in the Assembly did point out in the economic review which he gave us that the mining industry is in some difficulty. As was pointed out in some of the correspondence that the Minister received from the mining industry, government implemented taxes that are not based on profitability are an ever-increasing financial burden to the mining



industry. The NWT Chamber of Mines in particular advised the Minister that the chamber considered the recent decision to increase fuel tax rates a punitive measure as it affected the mining industry. And they also pointed out, Mr. Chairman, that this decision came at a time when the mining industry had just over the previous year been subjected to other increases in direct taxes from all levels of government. Specific reference was made to the federal government decision to lift the ceiling on air transportation tax, the changes in the employer contributions to both Canada Pension Plan and Unemployment Insurance Commission. Mr. Chairman, I know that the mining industry has requested to meet with the Minister of Finance to discuss the effect of that fuel tax increase on the industry and I would hope, Mr. Chairman, that the Minister can, during this session, indicate to the Assembly the results of his discussions with the mining industry.

Finally, Mr. Chairman, by way of general comment, I am pleased to see that the Minister and his colleagues have established this ministerial task force and I would ask that again sometime during this session we have more details about the task force; the terms of reference, what deadlines the task force is going to set for itself, whether it will be reporting the results of its deliberations to the Assembly and when those reports might be made. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. Mr. Butters.

#### Follow-Up Action On News Story

HON. TOM BUTTERS: Maybe if I could just respond to a couple of items. The Esso statement was alarming to me and it was alarming enough, as I said, to have had a check made to see whether or not Esso was -- I guess we were wondering, too, why they had not advised us. Now, the response I got from Esso was that it was not an announcement by Esso -- that is, the CBC report. It was not an announcement by Esso but a speculative comment in reaction to a hypothetical question in a DIZ group meeting by a local Esso employee. Now, I am not saying that there may be fire where there is smoke but it was not an Esso release. I know that Mr. Curley is working on the matter. He will be in consultation or in communication with the Esso officials in the very near future and I believe it is his intent to invite them to Yellowknife during the session so that Members would be able to meet with them in caucus, as he has arranged with officials of Gulf. So there is something being done to see just exactly what that particular news story means.

#### Meeting With Representatives Of Mining Industry

On the matter of the mining industry concerns and I did receive three or four letters from various mine managers or senior officials of mines and I did meet with a number of representatives of the industry on that. Dave Johnston, vice-president of Cominco Northern Group; Wayne Lenton, president of Canada Tungsten; Dave Emery, president of Giant Yellowknife Mines Ltd.; Hugh Tamblyn, vice-president of Echo Bay Mines; Fred Sveinson, Echo Bay Mines; Ray Jenner, Echo Bay Mines; Ken Blower, president of the Chamber of Mines and Dave Nutter, general manager of the Chamber of Mines. During that meeting, and I have the minute record here that says that the fuel tax increase -- and this seemed to be the general consensus -- our particular fuel tax increase will not make or break the industry but they are worried and they are concerned about increases generally and about their future, especially when they are operating so very close to a break-even basis, especially with the current prices of minerals. What I suggested we were willing to do was that we would meet with the management of each and every one of the mines experiencing problems and see whether we could in a co-operative way look at their situation and address it in the same way, on a case-by-case basis, as we did with Pine Point some two years ago when they were experiencing problems.

Another major concern related to this is that obviously the mines have been and are very good corporate citizens. We recognize this. If they are forced into a position where there is no return, they will embark on a practice, which I think is an economic rape of the country, which is "highgrading" and they will take out of the country in two years what they would have ordinarily taken out in 10 or 20. We do not want to see a highgrading situation taking place in the Northwest Territories.

I agree with the Member and I am aware of his concerns and share his concerns and assure him that the Executive similarly shares those concerns and particularly my colleague for Economic Development, Mr. Curley. So we will be meeting with the various mine managers, senior mine officials over the weeks ahead and see what we can do to come to grips with the particular problems that they are experiencing.

I was in Ottawa last week and met with Mr. Crombie and I was willing to take a representative from the mining industry with me to take up 10 minutes of my time with the Minister. The Minister fortunately agreed that he would meet with the industry when he comes to Yellowknife, I think in April. So that will occur as well, because the NWT industry has experienced a diminishment in communication since a special assistant for mining is no longer attached to the Minister's office. I think Members will remember that Bob Spence at one time served that responsibility with Mr. Munro and now that communication no longer exists. I expect and hope that Mr. Crombie will recognize the concern raised by the Member, that it is also a collective concern of this Assembly and the people of the NWT and he will respond to that concern.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Butters. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I just want to make a comment, if you like, to rebut Mr. Butters, not in any great detail. Comment was made that when I wore the hats that they have now, things were different and how soon I forget. I well remember each and every one of those on the other side when they wore different hats, how they would go on and on about budgets. In fact, I think you were talking about records. A couple of them held records for longevity in it. So it should not come to the Minister or Ministers as any great surprise that I would make comments about their particular presentation to us.

AN HON. MEMBER: He is just doing his job.

MR. McCALLUM: I think you should just remember that you didn't get an 'A' but you didn't get an 'F' either. If we put the awards in next year, you are in line for most defensive.

---Laughter

CHAIRMAN (Mr. Gargan): Thank you, Mr. McCallum. General comments. Mr. T'Seleie.

MR. T'SELEIE: Mr. Chairman, I would like to just make a few general comments. There have been some comments about the fact that maybe this budget was a little bit fat and I just want to say that the fat is not in my area. It has to be somewhere else.

---Laughter

Also, there seems to be some concern about a deficit and I guess I am being facetious about it but I see in the capital plan that there is a \$17 million expenditure for a hospital in Yellowknife and that is just about the amount it would take to balance the budget.

---Laughter

One thing I cannot understand about that item is how it gets to be a territorial expenditure when we are told that expenditures for nursing stations and such, are still a federal responsibility. I agree with some of the initiatives that the Executive Council has undertaken on the whole. I have been on the finance committee now for two years and I have to say that I still do not quite understand how it works, how the government plans its budget. It seems to me, in principle anyway, that the whole business should be very simple. The way that I think about it is in the Northwest Territories we have something like 50,000 people which is I guess the size of a very small city in the South. One quarter of it is right here in Yellowknife and yet it seems to me that the whole business of budgets and government expenditures is really extremely overcomplicated. As MLAs we are sometimes caught in the bad position of having to talk with constituents who are very unsatisfied with government, with expenditures of government and yet as MLAs, we really do not have a heavy hand in how the government spends its money. When I think about that, I have thought about washing my hands of the whole thing, but after you think about it for awhile you have to, I guess, sort of take up your role and try and agree to sharing some of the responsibility for how public funds are spent. I guess in that sense, I am glad that I am not one of the Ministers, who are really the guys who make up these budgets. So, Mr. Chairman, those are all the comments that I would like to make. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. T'Seleie. Mrs. Lawrence.

Ministerial Task Force

MR. LAWRENCE: Thank you, Mr. Chairman. I just have one brief comment to make on this report. When I mentioned reviewing the programs, when we were in the finance committee, I did not realize that there was a ministerial task force already established. I guess my main concern with that task force, is that every Minister will try to defend his own programs, whether they are effective or useful or not. I just thought that with the formula funding established now, that we could review the programs, so more resources could be made available at the community level.

When I see the teachers and people like that at the community level working their butts off for many hours and at the same time in headquarters, I see a lot of people sitting around doing absolutely nothing, I just wonder where their priorities are. I just felt that it should have been up to the Members of the Legislative Assembly to have that task force instead of making a task force of the Ministers because I just felt that every Minister will defend their programs, whether they are working or not. I just wanted to comment on that, because I see it so many times at the community level. That more resources could be made available, if they could just review some of the programs that are existing right now. Mahsi cho.

CHAIRMAN (Mr. Gargan): Thank you, Mrs. Lawrence. We will take a 10 minute coffee break. Thank you.

---SHORT RECESS

Call the House to order. We are now on the budget. Are there any more general comments? Mr. Richard.

Revenues From Resources

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, it occurred to me after I had spoken, and listening to the Minister of Finance and some of the others on the difficulty that we have in continuing to provide the programs and services as a government on the one side, and finding the revenues to pay for those programs and services on the other side, that our sources of revenue are very, very limited here in the North. One avenue of revenues, of course, as we all know which we do not tap, is resource revenue. I know that it is an objective of the government, I know that the Minister of Finance and the Minister of Economic Development for example, in recent years have lobbied hard for this government to get a resource revenue sharing agreement with the federal government, but I am looking, Mr. Chairman, at the pie charts on page 24 of the Minister's address, which clearly shows some of the difficulty that we have. In the provinces, presumably these are average figures or perhaps total, the provinces receive eight per cent of the revenues from what is called resource revenues, whereas we in the Northwest Territories do not receive anything by way of resource revenues. Clearly, that is a major area of a source of revenue. This Assembly must continue to support the government in seeking revenues from the resources of the Northwest Territories. I simply wanted to put that on the record by way of general comment as well, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. Are there any more general comments? Mr. Butters.

HON. TOM BUTTERS: Just to point out that the matter of resource revenues would not really see us in that much of a positive position. What would occur, is that any negotiated resource revenues that we could obtain from the federal government would be negotiated with the understanding that there would be a reduction in our deficit grant. So what we pick up in one area, we could lose in another. I do not think that that really is an additional source of taxation, but it would give us a greater degree of independence from the 28 per cent raised by ourselves, it would be more like 48 per cent or 38 per cent. But, at the present time, with the Norman Wells pipeline which I guess is the only system that is really exporting product now, the returns from revenue resources would not be very great, I think. They would be significant in our particular revenue situation, but it would not answer too many of our problems.

One other point too, I remember advising the House some two years ago, that we were looking, along with the pay roll tax, at taxation of pipelines. Well, the bill on taxation that will be introduced by Mr. Wray will give us the opportunity to look at taxing that piece of infrastructure that is carrying out the Norman Wells oil.



CHAIRMAN (Mr. Gargan): Thank you, Mr. Butters. General comments? Are there any more general comments? What is the committee's wish? Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, Mr. Pedersen and his people are ready to go if the committee would wish, but alternatively he could appear tomorrow morning as the first order of business in committee of the whole, if that would be satisfactory.

CHAIRMAN (Mr. Gargan): Is that agreeable by the committee?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Gargan): Agreed. I need a motion to report progress. Elijah Erkloo moved that we report progress. All those in favour? Agreed?

SOME HON. MEMBERS: Agreed.

---Carried

CHAIRMAN (Mr. Gargan): I will now rise and report progress.

MR. SPEAKER: Mr. Gargan.

ITEM 16: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 1-86(1), APPROPRIATION ACT, 1986-87

MR. GARGAN: Mr. Speaker, your committee has been considering Bill 1-86(1), and wishes to report progress and requests leave to sit again.

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.

---Carried

MR. SPEAKER: Mr. T'Seleie.

MR. T'SELEIE: Mr. Speaker, I would like to request unanimous consent to return to Item 10, notices of motion.

MR. SPEAKER: Unanimous consent is being requested to return to notices of motion. Are there any nays?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: You have unanimous consent, Mr. T'Seleie.

REVERT TO ITEM 10: NOTICES OF MOTION

Notice Of Motion 2-86(1): Trapper Incentive Grants

MR. T'SELEIE: Mr. Speaker, I give notice that on Monday, February 17th, I will move the following motion: Now therefore, I move, seconded by the honourable Member for Deh Cho, that this Legislative Assembly recommend to the Executive Council that the trapper incentive program be enhanced by raising the minimum amount of eligible fur sales to \$1000 and eliminating the maximum amount of eligible fur sales, and that these changes become effective in the 1986-87 fiscal year.

MR. SPEAKER: Thank you, Mr. T'Seleie. Notices of motion. Are there any others? That appears to conclude notices of motion. Back to orders of the day. Mr. Clerk.

ITEM 17: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton): Orders of the day for Friday, February 14th 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
13. First Reading of Bills
14. Second Reading of Bills
15. Consideration in Committee of the Whole of Bills and Other Matters: Bill 1-86(1)
16. Report of Committee of the Whole
17. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until 9:30 a.m., Friday, February 14th.

---ADJOURNMENT

Available from the  
Publications Clerk, Department of Information,  
Government of the Northwest Territories, Yellowknife, N.W.T.  
\$1.00 per day; \$30.00 for 1st session, \$20.00 for 2nd and 3rd session; or \$50.00 per year  
Published under the Authority of the Speaker of the Legislative Assembly  
of the Northwest Territories