



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

7th Session

10th Assembly

HANSARD
Official Report
DAY 33

THURSDAY, JUNE 26, 1986

Pages 1382 to 1448

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YELLOWKNIFE, NORTHWEST TERRITORIES

THURSDAY, JUNE 26, 1986

MEMBERS PRESENT

Mr. Angottitauruq, Mr. Appaqaq, Mr. Arlooktoo, Hon. Michael Ballantyne, Hon. Tom Butters, Hon. Tagak Curley, Mr. Erklou, Mr. Gargan, Mr. MacQuarrie, Mr. McCallum, Hon. Bruce McLaughlin, Mr. Nerysoo, Mr. Paniloo, Hon. Red Pedersen, Mr. Pudluk, Mr. Richard, Hon. Nick Sibbeston, Hon. Don Stewart, Mr. T'Seleie

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Thursday, June 26th. Item 2, Ministers' statements. Mr. McLaughlin.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 54-86(1): Agreement On Exchange Of Prisoners

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I would like to make a statement regarding the exchange of prisoners agreement. I would like to inform Members on behalf of this government, I recently signed an agreement with the Hon. Perrin Beatty which resulted in this government receiving three million dollars in capital funds to make the necessary physical changes to the Yellowknife Correctional Centre and the South Mackenzie Correctional Centre to accommodate those inmates who serve sentences longer than two years.

As many of you are aware, the Yellowknife Correctional Centre was in need of extensive up-grading as the building was old and in need of repairs in many areas. Capital moneys were allocated in the main estimates process to begin the job of bringing this building up to standard. An opportunity arose to work closely with the federal government in discussing ways in which federally sentenced inmates could be kept closer to their homes in the North. As a result of negotiations, the federal government agreed to provide the territorial government with a sum of three million dollars to provide additional renovations at the Yellowknife Correctional Centre and the South Mackenzie Correctional Centre, renovations which provide an adequate level of security and adequate space for programming for inmates serving longer sentences.

The exchange of prisoners agreement provides for the NWT to accommodate up to 20 federal inmates. At the same time, the territorial corrections system has access to specialized correctional spaces located in various institutions in southern Canada, should the need arise. In addition to the capital dollars, the agreement provides for a per diem allowance to be paid to the territorial government for the custody and care of the federal inmates. The department has developed a plan which will assist community groups in establishing community correctional residential beds in various centres throughout the Northwest Territories. Private and non-government agencies will be the major contractors in the endeavour.

Consideration is now being given to training initiatives which will assist community social service workers and non-governmental agency staff to acquire knowledge and skills designed to improve the delivery of community-based correctional services.

MR. SPEAKER: Thank you, Mr. Minister. Item 2, Ministers' statements. Mr. Butters.

Minister's Statement 55-86(1): Retail Selling Price Reduction On Petroleum Products

HON. TOM BUTTERS: Mr. Speaker, I have provided Members with a copy of the statement I am about to make. I apologize for not having it in Inuktitut, but time did not permit me to do this. However, I will read the document slowly to allow the interpreters sufficient time to interpret my remarks.

Mr. Speaker, I am pleased to provide to Members of the Legislative Assembly information regarding a retail selling price reduction on petroleum products at 41 community locations where GNWT provides these products. This reduction will be effective July 1st, 1986.

Normally price changes to GNWT retail selling price on petroleum products are not made until November of each year. However, because these changes reflect price decreases, the Financial Management Board approved implementation of changes in July to maximize the benefits to the northern consumers. The price decreases reflect the favourable world market prices obtained for our 1986-87 resupply season and price decreases which are now being enjoyed by the southern consumers.

These price changes reflect:

- 1) A 50 per cent reduction by July 1st, 1986, on the known price decrease based on the 1986 tender price for heating fuel and automotive gasoline.
- 2) A 100 per cent reduction on July 1st, 1986, on the known price decrease based on the 1986 tender price for aviation fuels.
- 3) A large decrease for naphtha products effective July 1st, 1986, due to adjustments on O and M, and overhead costs.
- 4) Retail prices will be re-examined by October/November 1st, 1986, after the resupply season is completed, to determine what further price reductions can be made.

There are presently a few communities which now have the lowest prices in the Northwest Territories for heating fuel and automotive gasoline and are now receiving the maximum benefits of GNWT pricing structure. For these communities the price reduction for July 1st was not approved.

In effect the government is passing on savings received from our suppliers to NWT consumers. The decreased prices in gasoline and naphtha will benefit hunters, trappers and fishermen while the reduction in aviation fuel should mean a decrease in the high cost of transportation in the NWT. The decreases in prices vary, depending on the community and the product. Gasoline price decreases range from two cents a litre in Lac la Martre to five cents a litre in Coppermine. Prices for aviation fuel, for 100/130 drop four cents a litre, while prices for turbo fuel drop six cents a litre in the Inuvik and Kitikmeot Regions and four cents a litre in the Baffin Region. Naphtha price decreases range from 30 cents a litre in Trout Lake to 57 cents a litre in Hall Beach, while heating fuel price decreases range from two cents a litre in Nahanni Butte to five cents a litre in Cape Dorset.

As I mentioned to honourable Members yesterday, I am still pursuing with the Minister of Indian Affairs and Northern Development the Norman Wells price scheduling as it was announced the first of this month.

MR. SPEAKER: Thank you, Mr. Minister. Item 2, Ministers' statements. That appears to conclude that item for today. Item 3, oral questions. Mr. Gargan.

ITEM 3: ORAL QUESTIONS

Question 341-86(1): Transfer North Of Present Federal Inmates

MR. GARGAN: Thank you, Mr. Speaker. I would like to direct my question to the Minister of Social Services with regard to federal inmates. The Minister indicated that there will be 20 beds set aside for federal inmates that will be in the care of corrections up here. I would like to ask the Minister whether it would be the case, too, that existing federal inmates down south could be perhaps maybe transferred back up here. I would like to ask the Minister that. Thank you.

MR. SPEAKER: Mr. Minister.

Return To Question 341-86(1): Transfer North Of Present Federal Inmates

HON. BRUCE McLAUGHLIN: Yes, Mr. Speaker. There currently are some federal inmates already being held in the Northwest Territories and under the new agreement the number held would be able to increase and existing prisoners in the federal institutions down south could be transferred up here, subject to the fact that we offer only minimum and medium security. So we would not take prisoners that we thought we could not handle. Also there is a possibility that in some cases the federal government would not want to release federal prisoners to us if they considered that we could not handle them. Thank you, Mr. Speaker.

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

Supplementary To Question 341-86(1): Transfer North Of Present Federal Inmates

MR. GARGAN: Thank you, Mr. Speaker. I did appeal on behalf of an inmate from down south in my own community. The gentleman's name is Tom Lafoin and I would like to ask the Minister whether it would be possible now to have this inmate, who has less than two years, I believe, to be transferred up.

MR. SPEAKER: Mr. Minister.

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I will revisit that prisoner's particular situation through the department and see what the federal government's response is and see if the person is classified in such a manner that we could handle him in our institution. Thank you.

MR. SPEAKER: Thank you. The Minister is taking the question as notice for Mr. Gargan. Mr. Gargan, if that will be satisfactory to you, he will report to you only. Are there any further oral questions this morning? Mr. MacQuarrie.

Question 342-86(1): Date Of And Reasons For Letter Of Intent To Northland Utilities Limited

MR. MacQUARRIE: Thank you, Mr. Speaker. My question is for the Government Leader. In the House yesterday, Mr. Government Leader, the Minister responsible for Energy, Mines and Resources indicated that he had sent a letter of intent to Northland Utilities Limited with respect to making that company a transitional operator of the NWT energy corporation. I hope this fits within the guidelines for open government but I would like to ask the Government Leader, on what date and for what reasons did your government make the decision to send a letter of intent to this company and, by making that decision, at the same time decide that it would not go for a fully integrated system, or a look-alike system, as the Minister calls it?

MR. SPEAKER: Mr. Minister.

HON. NICK SIBBESTON: Mr. Speaker, Mr. Curley will be here later and during the course of the discussion in committee of the whole maybe will be able to provide the answers that are the subject of this question here and also other answers that were asked of him in questions yesterday. Unfortunately, he is not here now. I can tell the Member that we did deal with the matter this morning in our short Executive Council meeting. We are generally attempting to provide as many answers and to be as open as we can in providing answers to the Members' questions.

MR. SPEAKER: Mr. MacQuarrie.

Supplementary To Question 342-86(1): Date Of And Reasons For Letter Of Intent To Northland Utilities Limited

MR. MacQUARRIE: Mr. Speaker, I quite pointedly asked this question of the Government Leader and not of the Minister of Energy because I can only assume that what in my estimation is such a fundamental policy decision, that the government made that decision and I do not think it ought to be outside of the knowledge of the Government Leader at the present time on what date, and if he cannot give me an exact date he can say three and a half weeks ago or four weeks ago, on what date and for what reasons did his government decide to make that policy decision.

MR. SPEAKER: Mr. Minister.

Return To Question 342-86(1): Date Of And Reasons For Letter Of Intent To Northland Utilities Limited

HON. NICK SIBBESTON: Mr. Speaker, I am taking a bit of time because I do find it a bit difficult to respond because I am not personally involved with the matter of NCPC and all the matters concerning this matter here. It really is Mr. Curley that is mostly responsible. I can tell the Member that we dealt with this matter in depth for quite a number of days approximately May 30th and at the time we talked and dealt with the subject of a letter of intent and it became the responsibility of Mr. Curley then to deal with the letter and send it off. As to precisely what has happened to date, I am not personally aware and so I simply cannot provide information that the Member is specifically asking with respect to the letter of intent.

With respect to the reasons of the government, if the Member asked a more direct question I can provide some general information as to the basis of the government's decisions and reasons.

MR. SPEAKER: Supplementary, Mr. MacQuarrie.

Supplementary To Question 342-86(1): Date Of And Reasons For Letter Of Intent To Northland Utilities Limited

MR. MacQUARRIE: I would like to clarify the last response, then I have another question. I understood the Government Leader to say that there was thorough discussion at the end of May. My question was, did the government make a decision at that time?

As to the question that came back to me, would I please be more specific about reasons, yes, Mr. Government Leader, I presume when that kind of decision is made there is a thorough analysis of both alternatives, that someone must have very persuasively tried to present a case for an integrated system, and someone else presented a case for this type of privatization and in the end some reasons persuaded the government to make the decision in favor of NUL. So what were the reasons that were decisive?

MR. SPEAKER: Mr. Minister.

Further Return To Question 342-86(1): Date Of And Reasons For Letter Of Intent To Northland Utilities Limited

HON. NICK SIBBESTON: Mr. Speaker, I can tell the Member, yes, approximately May 30th the Executive Council did make some decisions with respect to the matter of the approach that our government would be taking with respect to devolution of NCPC to the North. And, yes, there was a thorough analysis and discussion held as to the approaches that were open to us, and general reasons why we decided to go with the approach that we have, which is the territorial government setting up a corporation which owns all the assets and leaving a possibility of having a private company do the management and providing services to the community. As to the reasons why, does the Member want me now to go into the reasons as to why these decisions were made? The Member is nodding.

The general reason, I think, that we took the approach is because of our experience in the North with NCPC, having a crown corporation provide services to the government and to the people of the North. It was decided to certainly consider the other alternative of having the actual day to day work done by a private corporation. We decided to consider that approach because of the possibility of this approach being more efficient. The company in question is one that has some experience in the North and we are investigating with them the possibility of doing the work for us, based on their record to date and the possibility that they can do the work much more efficiently than we would by setting up a corporation and having all of the services provided by a crown corporation. That is the general reason, and the desire to see if the private corporation or private company can provide the services as well as or better than what we would have been able to provide as a crown corporation.

Also, I think as a government we are a bit concerned about getting into the business ourselves, setting up a crown corporation. We decided to see about using a company that is presently in existence, which is in the business of providing service, and going with a private company that is already in the market of providing these services. I think those are the general reasons why we decided to go with that approach.

MR. SPEAKER: Thank you, Mr. Minister. Supplementary, Mr. MacQuarrie.

Supplementary To Question 342-86(1): Date Of And Reasons For Letter Of Intent To Northland Utilities Limited

MR. MacQUARRIE: Yes, a final supplementary. Part of what the Government Leader said has confused me. Again, he said at the May 30th meeting the Executive decided to consider the alternative of going with NUL. But I am told by the Law Clerk that a letter of intent is, depending on how it is written, in the nature of a contractual agreement. So if a letter of intent has been signed, it seems to me that somewhere beyond the Executive Council considering that alternative, it has made a decision to adopt that alternative. So I ask the Government Leader, would he clarify whether there was a decision to consider the alternative or a decision to adopt the alternative?

MR. SPEAKER: Mr. Minister.

Further Return To Question 342-86(1): Date Of And Reasons For Letter Of Intent To Northland Utilities Limited

HON. NICK SIBBESTON: Mr. Speaker, the decision of approximately May 30th is that we, as a government, would enter into an agreement with NUL with respect to the pre-acquisition of the assets of NCPC and secondly, that we would enter into negotiations with NUL for the possibility of their entering into agreement with us for the post-acquisition for managing and running the operations of...

AN HON. MEMBER: (Inaudible comment)

HON. NICK SIBBESTON: Yes. So no decision has been made definitely that NUL is to be the operator in the future. The letter of intent is simply with respect to the pre-acquisition to obtain services and assistance from them with respect to the negotiations with the federal government. But secondly, as I said, we agree that we would consider various possibilities. We would explore the possibility of their doing management work for us after the acquisition of the assets of NCPC.

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

Question 344-86(1): Tabling Of Memorandum Of Understanding With Northland Utilities Limited

MR. NERYSOO: Thank you, Mr. Speaker. A further question to the Government Leader with regard to the memorandum of understanding with Northland Utilities. Is the government prepared to table in this House the memorandum of understanding so that it would rid the Members of this Legislature of the confusion that lies on the interpretation that is being given to the memorandum of understanding?

MR. SPEAKER: Mr. Minister.

Return To Question 344-86(1): Tabling Of Memorandum Of Understanding With Northland Utilities Limited

HON. NICK SIBBESTON: Mr. Speaker, what we have decided this morning in the Executive Council is to provide not the specific document that we have entered into with NUL but the general terms of the letter of intent and other documents that are attached to that. I believe Mr. Curley will provide this document later today.

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

Supplementary To Question 344-86(1): Tabling Of Memorandum Of Understanding With Northland Utilities Limited

MR. NERYSOO: Further, Mr. Speaker, a supplementary to the Government Leader. In his statement with regard to the expertise that exists, does he not consider the present expertise in Northern Canada Power Commission capable of delivering electrical services to the people of the Northwest Territories? Because he made a statement suggesting that the people that exist in the Northwest Territories that are now presently providing the service are not capable, the people that are in Edmonton are not capable. And I would like some clarification as to whether or not he considers the people that are now on staff capable of delivering the service?

MR. SPEAKER: Mr. Minister.

Further Return To Question 344-86(1): Tabling Of Memorandum Of Understanding With Northland Utilities Limited

HON. NICK SIBBESTON: Mr. Speaker, I think my response to that would be that NCPC at the moment has a contingent of staff in Edmonton to manage the operations of NCPC, both in the Yukon and the Northwest Territories. It is generally decided that all of that contingent of employees in Edmonton would not be necessary when NCPC is devolved to the NWT. The government is not of a view that the staff in Edmonton are not competent or capable. The government does feel, though, that there may be some personnel that may not be necessary when the North takes over the operations of the electrical system in the North. As a government I think we have taken a view that we will attempt to hire and integrate into the operations in the North many of the staff that are presently working in Edmonton. We have that general commitment to do so but as to the numbers and the persons, I guess that will be left until later when we deal with, on a very practical basis, the persons needed and the numbers in the North.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Mr. Nerysoo, supplementary.

Supplementary To Question 344-86(1): Tabling Of Memorandum Of Understanding With Northland Utilities Limited

MR. NERYSOO: Yes, supplementary to the Government Leader. He indicated, as I said, or insinuated that the staff were not capable of providing the service. He also just made a statement a few minutes ago that we would be moving the staff from NCPC to our corporation but in the last few days Mr. Curley, speaking on behalf of the government indicated that Northland Utilities would be assuming the responsibility for management and administration of the services of the present company to provide utilities services to the communities of the Northwest Territories now serviced by NCPC. So, how can on one hand the Government Leader indicate to this House that we are going to take the staff on to administer and manage the service when at the same time the Minister of Economic Development and Tourism or Energy, Mines and Resources, indicates that Northland Utilities is going to assume management and administration? How can those two separate policies exist?

MR. SPEAKER: Mr. Minister.

Further Return To Question 344-86(1): Tabling Of Memorandum Of Understanding With Northland Utilities Limited

HON. NICK SIBBESTON: Mr. Speaker, I do not think that what I have said and what the Minister has said are in contradiction to one another. I stated a long time ago, in fact I have written a letter to NCPC management saying that as a government we would try to ensure that we incorporate and integrate as many of the staff of NCPC into either the new crown corporation or into the operator that assumes responsibility for the running of power operations in the North. Whether we eventually set up a crown corporation ourselves and hire the staff or whether we enter into a management agreement, that is generally agreed -- that there will be an attempt to incorporate as many of the present staff of NCPC as possible into the operations in the future. I think that is as far as we can go at this stage because of the uncertainty as to who precisely will be in charge of running the day to day operations of NCPC in the North or the power corporation in the North.

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

Question 345-86(1): Holdback Moneys For Karl Mueller Construction Ltd.

MR. GARGAN: Mr. Speaker, I just want to direct my question to Mr. Butters concerning Karl Mueller Construction Ltd. It is with regard to holdback moneys that the government has on construction. Because of litigations in January the Minister replied that there cannot be anything done until the dispute is settled by the court. I would like to ask Mr. Butters whether there has been any progress toward the litigation of this holdback and whether Mr. Mueller will be getting the holdback moneys?

MR. SPEAKER: Mr. Butters.

HON. TOM BUTTERS: I am not aware at the moment of the answer to that question. I will attempt to obtain it and provide it later in this question period.

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

Question 346-86(1): Possibility Of Corporation Similar To NCPC

MR. McCALLUM: Thank you, Mr. Speaker. I have a question for the Government Leader relating to his reply that if the possibility does exist, if it still is open, to set up a look-alike NCPC crown corporation, can the Government Leader indicate to me and to committee Members, when will this decision be made and how will it be made? Who will have input into that decision? Will we as a group of people, as legislators, have a chance to have input into it or will it be done while this House is not sitting at a session and we will have to find out about it after the fact?

MR. SPEAKER: Mr. Minister.

Return To Question 346-86(1): Possibility Of Corporation Similar To NCPC

HON. NICK SIBBESTON: Mr. Speaker, the matter of negotiations with the federal government about NCPC and the possibility of that corporation being devolved to the North is a very long, drawn-out process. Negotiations have begun and some progress has been made and this has been the subject of discussions in the last few days. Members know that we have entered into an agreement with respect to NUL to provide some pre-acquisition advice and help to our government in this matter. But the question still remains -- there is still an uncertainty as to precisely the way that we will be dealing with the matter. A number of questions still are unresolved inasmuch as we are negotiating with the federal government for the takeover of NCPC. It still has not been determined finally if we are going to. We of course will try desperately, very hard, to be sure that the transfers are made but if in the end as a government we are not able to succeed and provide assurance that it is going to be for the benefit of people of the North to take over NCPC under the terms given to us by the federal government, we will not take it over. So our taking it over depends on successful negotiations with the federal government.

As I said, I expect it to be a drawn-out process and as to when the decision will be made, I do consider that the matter is one of the cabinet's responsibilities and we obviously do our best on behalf of you MLAs and the people of the North. As to when the decision will be made, whether it will be between now and the fall or during the session after that, I cannot tell the Member when we will be making the decisions. As to whether we will consult, I think the way that matters seem to be progressing is that we perceive, we understand and think that we have the mandate from the MLAs and people of the North to negotiate with the federal government and we will do our best. I do not think that we will come back to the Assembly necessarily to get final approval for our finally taking over NCPC but consider it a matter for the Executive to decide and deal with.

HON. BRUCE McLAUGHLIN: That is the way you would have done it, Arnold.

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

Supplementary To Question 346-86(1): Possibility Of Corporation Similar To NCPC

MR. McCALLUM: Well, Mr. Speaker, maybe I am being naive as opposed to a lot of people and I would be the first one to agree that I am.

AN HON. MEMBER: Sometimes.

SOME HON. MEMBERS: Agreed.

---Laughter

MR. McCALLUM: It was my impression, as I am sure the impression of a lot of other people in the Territories, that with this whole issue of taking over, having NCPC moved into the Territories, it was with the idea that the Territories would benefit from it -- that we would set up a territorial power corporation that would be responsible to the Public Utilities Board of the Northwest Territories for rate increases, that we would have our own board of directors from the Northwest Territories and not from all over the country, and the employees, whatever number would be necessary to operate this corporation on our government's behalf. That is what it would take, that is what we would get from it.

Now, the Government Leader has indicated that he does not think that it will be likely that he will come back and ask the Assembly to have any input to ratify the decision of the Executive Council. Now, Mr. Speaker, I simply want to know from the Government Leader, does he intend to make this

kind of decision before the fall session? Is the government determined to make a decision on what kind of a set-up it will have before the fall session or will it be during the fall session? Obviously you are not prepared to do it now. When will you be able to do it?

MR. SPEAKER: Mr. Minister.

Further Return To Question 346-86(1): Possibility Of Corporation Similar To NCPC

HON. NICK SIBBESTON: Mr. Speaker, in consultation with the Minister most responsible for this whole matter, the government's view is that negotiations will continue in earnest this coming summer and certainly by the fall we will be in a position to know what our actions will be in this matter. So certainly the fall session will be a good time for the Members to become more aware of the negotiations to date and what decisions have been made, if they have been made, to that point. If they have not been made, obviously we will get the benefit of Members' questions and points of view in this matter. So I do think that the Members will have an opportunity to still have input into our decisions in this matter.

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

Question 347-86(1): Mandate To Determine Nature Of New Corporation's Structure

MR. MacQUARRIE: Yes, for the Government Leader, it is on the question of mandate. The Government Leader indicated that he does believe that the government is mandated to embark on negotiations for the takeover based on resolutions in this House in the past and so on. I certainly agree with that, Mr. Minister. I have no problem there but the question is, does the Government Leader feel that he has a mandate to determine the nature of the structure that is going to receive those assets and operate them? That is the question of the moment, I think, Mr. Government Leader. If so, if he feels that he has that mandate, where has it sprung from?

MR. SPEAKER: Mr. Minister.

Return To Question 347-86(1): Mandate To Determine Nature Of New Corporation's Structure

HON. NICK SIBBESTON: Mr. Speaker, the government does feel that we have a mandate to deal with this matter in determining the nature of the way that we will take over responsibilities of NCPC. We consider that the precise manner and nature in which we take over that responsibility is of an Executive nature and feel that it is not a matter that the Assembly should become involved in. We have a general mandate...

HON. TAGAK CURLEY: Join the cabinet.

HON. NICK SIBBESTON: ...as the Member says, I do feel we have a mandate to negotiate with the federal government. As to the precise nature and way it is done, I think it really has to be left to the Executive or cabinet to determine that. I do not think we need to come back to the Assembly on every point as to how we are going to be doing our work.

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

Supplementary To Question 347-86(1): Mandate To Determine Nature Of New Corporation's Structure

MR. MacQUARRIE: Thank you, Mr. Speaker. Does the Government Leader recognize this situation as a clinching argument for the introduction of party politics in the Northwest Territories?

MR. SPEAKER: The question is by way of supposition, there is no answer required. Anybody else have a question? Mr. Ballantyne.

Return To Question 324-86(1): Regional Funding Affected By Decentralization

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I hesitate to interject...

---Laughter

Mr. Speaker, I have a reply to an oral question asked by Mr. Gargan on June 24, 1986. I am making it on behalf of the Hon. Gordon Wray and it is to do with the allocation of capital funding and

decentralization. Mr. Gargan's question consisted of three different parts that I wish to respond to accordingly.

The first part deals with how capital funding is allocated. At an overall government level, capital is allocated to departments through an evaluation of program needs as related to government priorities. Funding is therefore not allocated to regions or districts and summaries which show the budget broken down this way in main estimates are provided for information purposes only. Public Works and Highways' capital budget is therefore determined by weighing its individual program needs against the needs of all the other government departments.

The second part of Mr. Gargan's question was concerned with government decentralization. Last year the Executive established a subcommittee to assess in detail the staff accommodations, offices and other infrastructure required in regions due to new staff growth planned for the next three years. The subcommittee was also asked to assess the current accommodation and office space shortfall associated with the existing staff of our government. It was found that significant new infrastructure was required in most NWT communities to meet the current shortfall and planned growth. As various MLAs had requested in the past that some of the significant employment and business benefits associated with regional offices be shared with other communities in the regions, the Executive felt this represented an opportunity to relocate some regional offices to other communities in the same region. The decentralization is therefore being undertaken without significant new costs, as the infrastructure was required in any event to meet growth and existing shortfalls.

Lastly, I would like to advise Mr. Gargan that the land being made available in Coppermine for housing and offices due to decentralization is Commissioner's land. I would also like to clarify that both the housing and offices will be leased rather than constructed by this government. Thank you.

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

Question 348-86(1): Priority Classification Of Fort Providence Area

MR. GARGAN: Mr. Speaker, I would again like to direct my question to the Minister of Public Works. The Minister did indicate that, depending on the needs of an area, this is how the moneys are allocated to the regions depending on the job required. I would like to ask the Minister then, where do the high priorities or lower priorities come in? I did not hear anything about that and I would like to ask the Minister what the area of Fort Providence -- the highways in that area -- what are they classified as? Is it a high priority area, a low priority area? I do not know because I understand that the last time I asked the same question of the Minister he did indicate that the money was reallocated to a higher priority project. What exactly is the classification of the area in Fort Providence if it is not a high priority area?

MR. SPEAKER: Mr. Minister.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. If I could ask the Member to clarify -- it would depend on the nature of specific projects, what nature it would fall under for high priority in his region. Is he talking specifically about the asphalt servicing in Fort Providence? Perhaps he could specify what project he is talking about.

MR. SPEAKER: Mr. Gargan, could you be more specific with your question, please?

MR. GARGAN: Thank you, Mr. Speaker. This summer there were \$438,000 allocated for the resurfacing of the access road in Fort Providence. This money has been deferred to a different project. The response I got is that the money has been deferred to another project. However, I do not know which project it has been deferred to. Is it because a different project that was not part of the capital plan has now been classified as a higher priority area and that they have reclassified Fort Providence as a lower priority area? I would like to know from the Minister what made them decide to defer that money which was allocated for this summer to resurface the access road in Fort Providence.

MR. SPEAKER: Mr. Minister.

HON. MICHAEL BALLANTYNE: Mr. Speaker, if it is allowable I have a return to an oral question that answers specifically this particular question.

MR. SPEAKER: Proceed, Mr. Minister.

Return To Question 348-86(1): Priority Classification Of Fort Providence Area; And Return To Question 322-86(1): Resurfacing Of Access Road, Fort Providence

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. This is a return to oral Question 322-86(1) asked by Mr. Gargan on June 24th to do with the Fort Providence access road asphalt surfacing. GNWT funding for the reconstruction of highways, including the application of pavement on existing gravel roads, is budgeted under the intra-territorial highway reconstruction program. This program was transferred from the federal government in 1984 at a funding level of approximately six million dollars. The department has established a system to prioritize potential projects in order to prepare the capital plan and annual main estimates within this funding level. The three priority areas, Mr. Speaker, established for this program are: priority one, to preserve existing bridges and paved or gravel highways; priority two, to upgrade existing substandard gravel or paved highways to acceptable standards; and priority three, to provide for new asphaltic surfacing of existing gravel roads.

Based upon known projects, ranked within these three priorities, the 1986-87 main estimates included approximately \$500,000 for the asphaltic surfacing of the Fort Providence access road, although this particular project would fall under priority three which is the government's lowest priority.

Since the main estimates were developed, a number of other projects have been identified which required the government to reschedule projects planned for 1986-87 and for future years. These projects all fall within priority one. Some of the problems this government has encountered include the following:

In the spring of 1985, flooding in the Hay River area caused washout of the Birch Creek bridge on the Fort Smith highway. A temporary bridge was installed. This bridge is to be replaced this summer at a cost of about \$750,000. Secondly, signs of distress appeared in the spring of 1984 on the paved section of road between Rae and Edzo. Some remedial repairs were made but failures progressed rapidly in the spring of 1985. Studies undertaken in the summer and winter of 1985-86 have indicated that substantial work will be required to restore this pavement. Work will commence this year. Thirdly, Mr. Speaker, failures also appeared in the spring of 1984 on the Fort Smith highway between Hay River and a point 30 kilometres east, toward Pine Point. Despite significant maintenance efforts, failures have progressed rapidly. Major strengthening and repair will be required to restore the pavement. This work will commence in 1987.

The failures of these pavement sections have resulted in revisions of the NWT pavement design practice. When these highways were originally built by the federal government, they were not designed to be paved. In recent years, this government has been attempting to upgrade roads by the addition of a gravel base and pavement. The required thickness of gravel base was determined by measuring the bearing strength of the existing road embankment. We have found that in areas of silt/clay subgrades, the addition of pavement causes a steady increase in subgrade moisture, loss of support strength and pavement failures. This phenomenon was unforeseen and appears to be peculiar to this type of subgrade combined with a relatively short summer drying period. Similar failures have not been experienced on sandy subgrades.

Current NWT pavement designs for silt/clay subgrades allow for this loss of subgrade strength by incorporating substantial drainage and subgrade improvements and thicker granular base layers. Paving costs will increase substantially from those previously estimated. For example, the estimated cost for paving the Fort Providence access has doubled to almost one million dollars. In order to accommodate the higher priority projects described above within existing capital targets, it has been necessary to defer the Fort Providence project. It must be made clear that many other projects falling under priority two and three have also been deferred.

The government has started negotiations with federal DIAND for transfer of reconstruction responsibility and funding for all remaining NWT highways. Transfer is scheduled for April 1st, 1987. Once this is accomplished and the total program funding level is known, this government will assess all highway reconstruction priorities and establish a comprehensive long-term capital plan. The rescheduling of the Fort Providence access road paving project as well as other priority two and three projects will be a part of this process. Thank you, Mr. Speaker.

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

Return To Question 288-86(1): Chronology Of Events Re Official Languages Act

HON. NICK SIBBESTON: Mr. Speaker, I would like to give returns to a number of oral questions that were asked a number of days ago. Firstly, with respect to the Question 288-86(1), asked by Mr. Nerysoo on June 17th concerning the chronology of events related to the implementation of the Official Languages Act. I have had the chronology prepared based on the information we have available within our government's records. The chronology, which begins with the announcement of the federal government's intention to impose official bilingualism, is attached and because of the length of the document, I do not intend to read this into the record. The chronology also responds in part to other questions raised in committee in regard to implementing the French language services throughout the NWT.

MR. SPEAKER: Thank you, Mr. Minister. You have another reply?

Return To Question 315-86(1): Mail Withheld By Post Office

HON. NICK SIBBESTON: Mr. Speaker, I have a return to oral Question 315-86(1) asked by Mr. Gargan on June 19th concerning the withholding of cheques by the post office. The federal government cheques are scheduled to be released on specific days of the month. For example, old age security cheques are released on the third last banking day of the month. In order to ensure that cheques are not late, they are often sent well in advance of the release date and post offices are required to hold them until the day they are scheduled to be paid. As I understand it, the reason this is done is because the federal government only places sufficient funds in their current account to cover these cheques on the day they are due to be released. This is done in order to maximize the interest benefits accruing to the federal government and to manage their cash flow efficiently.

Return To Question 272-86(1): Funding For Metis Association National Conference

Mr. Speaker, with respect to oral Question 272-86(1) asked by Mr. Wah-Shee on June 16th concerning a grant to the Metis Association, the grant was approved for the Metis Association in the amount of \$15,000. It was issued under the Executive Council grants and contributions to non-profit organizations. Under this policy, applications are normally required by April 1st of the fiscal year in which they are required and in this case the Metis Association's application was received May, 1986. The Member is correct in stating that the Metis Association requested \$50,000. In considering the application, the Executive Council took into account past practice and funds available at the time of this late application for the 1986-87 fiscal year.

Return To Question 253-86(1): Passing Information To Field Service Officers

I also have another reply to an oral Question 253-86(1) asked by Mr. Erkloo concerning the field service officers not always being informed. I would like to thank the Member for bringing this matter to my attention. Field service officers play an important role in keeping the public informed about government programs and services in the communities. I have written to all regional directors to stress the need to keep our field service officers informed about government initiatives. I have confirmed with the regional director in Baffin in particular that field service officers must be kept informed about events related to the Department of the Executive.

I would like to advise that the recent changes in regional directors' responsibilities have not affected the information they receive. This has not changed.

Return To Question 283-86(1): Response To And Finances For Mackenzie Delta Concerns

Mr. Speaker, lastly, in response to oral Question 283-86(1) asked by Mr. Nerysoo on June 17th, concerning commitments made during the Mackenzie Delta tour which I made earlier this spring. On June 17th, Mr. Nerysoo asked for the details of the commitments made during my recent tour of Mackenzie Delta communities, particularly with respect to the cost and time it would take to meet these commitments. Although Mr. Nerysoo specifically mentioned six items in his question, I would like to indicate to the Member that in total over 40 issues were raised with me by the communities of Aklavik, Fort McPherson, Tuktoyaktuk and Inuvik. Many of these issues fell within the responsibility of other Ministers and where this was the case I wrote to them, giving details of my discussions, within a few days of returning from the region.

To answer the specifics of the Member's question, I would like to inform him of what has been done about the matters he raised. In regard to the present downturn in the oil industry, the Executive Council has begun consideration of a report prepared by the Inuvik Region staff on the effects of the downturn and possible actions this government could take to assist the region's economy. Decisions will be made in the coming weeks on this matter and I will ensure that the Members of this House are kept informed.

Role Of Regional Directors

The matter of the role of regional directors was raised by a number of communities. I think this reflects the good work that the present regional director, Dan Norris, has been doing. I explained in some detail the changes that have been made in the regional director's role to bring it into line with increased ministerial responsibility. At the same time, I emphasize the continued importance of the regional director as a co-ordinator of government programs. I confirmed my confidence in the good work done by Mr. Norris. I also indicated that there would be an increased ministerial presence and accessibility in the regions. Generally, communities seemed satisfied with this.

The matters of a new office complex for the hamlet council and erosion control in Aklavik are both matters under the responsibility of the Hon. Mr. Gordon Wray. I passed the concerns on to him and asked that he consider dealing with them in his capital plan. In particular, I indicated my support for the idea that the community's expertise with respect to erosion control be fully utilized.

The office complex proposed in Fort McPherson is a somewhat different matter. There, the Metis Development Corporation wishes to construct an office complex and is seeking commitment from the government to rent portions of it. I gave no commitment to do so but did instruct the regional director to do a thorough review of the government's office space in the community. This should be completed shortly. With respect to the request by the community to have their office complex expanded so that both band and community councils can be accommodated, I have passed on this request to Mr. Wray for his consideration. I also intend to approach the Hon. David Crombie on behalf of the band to see if funding for an office can be provided by the federal government. I will do this in the next few weeks.

Outside Contractors To Hire Local People

I have raised the matter of outside contractors not hiring local people with my colleagues on the Executive Council as well as with regional staff. This is a very serious matter and we will be examining ways to ensure that contractors live up to their commitments to hire local people. This is in response to a concern expressed in Aklavik about a company who came into the community and was not using local people to work on the public housing. So the majority of the matters mentioned by the Members have been followed up on. In those areas under my responsibility, I have already taken some steps to fulfil my commitments. In other matters, my sole commitment was to raise communities' concerns with appropriate Ministers, which I have done.

Mr. Speaker, the matter goes into further details and I will just provide the written response which will provide more detail.

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

Question 349-86(1): Possibility Of Change To Highways Priority System

MR. GARGAN: Thank you, Mr. Speaker. I would like to direct a question to the Government Leader concerning highways. One of the particular difficulties that the communities are going to experience, especially in the Deh Cho area, as well as in the Delta area, where there are large communities that are, perhaps, going to be considered in future years for paved access, the communities that are going to have difficulty due to the priority system that is now in place -- which, in fact, gives the existing areas where resurfacing is done a higher priority than communities that do not have asphalt on their highways. I would like to ask the Minister whether in the future that priority category would be changed because I do not think it will give the other communities any chance of ever getting their roads resurfaced, especially with the type of priority that is now in place. I would like to ask the Government Leader -- it does affect his own area with regard to this whole program and I would like to ask the Government Leader whether that priority system that is now in place could be changed so that -- I think that it should be the other way around -- the lower priority should be the higher priority, not vice versa.

MR. SPEAKER: Mr. Minister.

HON. NICK SIBBESTON: Mr. Speaker, the matter of highways is a matter that is the responsibility of Mr. Wray and I confess to being not that familiar with the details of the various road construction and improvement programs. I will undertake to provide a response to the Member directly in the next few weeks.

MR. SPEAKER: Taking the question as notice. Oral questions.

Further Return To Question 271-86(1): Participation In Aboriginal Languages Program

HON. RED PEDERSEN: Thank you, Mr. Speaker. I have a return to oral Question 271-86(1), asked by Mr. Wah-Shee on June 16th. On that date, the Member for Rae-Lac la Martre asked if I would indicate the government's expenditure plans for the 1986-87 fiscal year under the Canada-Northwest Territories agreement on contributions for aboriginal languages.

The project proposals for this period amount to \$3.1 million and include the following allocations: to the Department of Education for language development, \$910,000; enhancement of aboriginal education, \$70,000; field-based teacher education, \$380,000; Inuit Broadcasting Corporation, which is a contractual thing, \$120,000; project co-ordinator, \$49,000, for a total to Education of \$1,529,000. The Department of Health has a medical terminology program for \$182,000. The Department of Culture and Communications, language bureau enhancement, \$1,241,474, and for a language bureau administrator, \$52,000. The Department of Justice -- development of interpreting, translating framework and approach for aboriginal languages within the NWT justice system, \$94,640. That comes to the total of \$3,100,000, Mr. Speaker.

By far, the greatest amount of money available this year is being spent on the NWT language bureau and on the various projects advanced by the Department of Education. That is a combined total of \$2.8 million. The language bureau allocation is consistent with the information items contained within the government's 1986-87 budgetary estimates reviewed by Members during the winter session. The allocation to the Department of Education provides for a continuation of projects, many of which are community-based that began under the indigenous language program and were subsequently funded under year one of the languages agreement in 1985-86. One of the Department of Education's projects, totalling \$70,000, is for a Dene education awareness program to be directed by the Dene Nation education co-ordinator. Basically, that program would provide an educational information and advisory service to band councils and local education authorities. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. That appears to conclude oral questions for today. Item four, written questions. Mr. Pudluk.

ITEM 4: WRITTEN QUESTIONS

Question 350-86(1): Increase In Capital Funding To Communities

MR. PUDLUK: Thank you, Mr. Speaker. This is a written question and is going to be addressed to the Minister for Local Government concerning the money allocated for the front-end loader for the hamlet in Baffin. That \$80,000 is only enough for the front-end loader type 910, and because of the growing population and activities, they want to know if the type of front-end loader 966 will be more suitable for the settlements. I wonder if the money could be increased in the settlements. Thank you.

MR. SPEAKER: Thank you, Mr. Pudluk. Written questions. Are there any further written questions? That appears to conclude this item for today. Returns. Do we have any returns today?

MR. McCALLUM: Mr. Speaker, I wonder if I could have unanimous consent to go back to oral questions.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Request to return to oral questions. Are there any nays? Mr. McCallum, you have the floor.

REVERT TO ITEM 3: ORAL QUESTIONS

Question 351-86(1): Statement On Personnel Benefits In Transfer Of NCPC

MR. McCALLUM: Thank you, Mr. Speaker. I just want to ask a question of the Minister responsible for Energy. Yesterday in reply to a question I raised on benefits of personnel, he indicated to me that he would make a statement during today's question period on it. I just wonder whether he intends to do so.

MR. SPEAKER: Mr. Minister.

Return To Question 351-86(1): Statement On Personnel Benefits In Transfer Of NCPC

HON. TAGAK CURLEY: Mr. Speaker, I did indicate that yesterday but I think during the question period some of the statements that I was going to make were very well covered by the questions as well as the answers provided by our Leader. Therefore, I will be making a very short introductory statement to some of the information that I will be releasing later during the committee of the whole. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Item 4, written questions. Are there any further written questions? Item 5, returns. Are there any further returns? Mr. Pedersen.

ITEM 5: RETURNS

Return To Question 302-86(1), Lighthouse, Sanikiluaq

HON. RED PEDERSEN: Thank you, Mr. Speaker. I have a return to written Question 302-86(1), asked by Mr. Appaqaq on June 18, 1986, regarding the lighthouse in Sanikiluaq.

The Department of Renewable Resources fully appreciates the Member's concerns but is not responsible for the lighthouse. However, we are presently discussing the problem with the Canadian Coast Guard. Officials from the department have contacted the federal Canadian Coast Guard and relayed Mr. Appaqaq's request. I will forward a copy of the federal government's reply when it is available. Thank you.

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

Return To Question 326-86(1): Polar Bear Hunting Season Tags

HON. RED PEDERSEN: I have one further return to written Question 326-86(1), asked by Mr. Pudluk on June 24, 1986, regarding polar bear quotas for Resolute Bay.

The opening date of polar bear season is set for December 1st to prevent accidental harvesting of denning females. Pregnant female polar bears seek out maternity dens in late November and December on the land. This delayed opening date allowed the department to assign additional quotas in many areas. These are the special so-called "red tags". The red tags are not a reward for good co-operation or a punishment for not co-operating. Our goal with the quota system is to ensure long-term, sustained yield for polar bear hunting by making sure the population remains healthy and abundant. If we knew it was possible to take more bears, the quotas would be increased.

Hunters may not intentionally kill a female that was coming ashore to den. However, it is not always possible to tell the sex of the bear until after it has been shot. If too many females are killed, the population will decline and the hunters will have to reduce their take, as they have done in the north Baffin area, or even stop if the population became too low. Polar bear hunters from Resolute Bay are among the most successful in the Arctic. All of the allotted tags are filled in most years under the current, that is the December 1st, opening season dates. We do not feel it would be in the interest of the hunters or the bears to open the season any earlier.

Co-operation and support from all the HTAs would be very useful in demonstrating to the international conservation community that we are managing our polar bears responsibly and effectively in the Northwest Territories even when it means some inconvenience to the hunters. Thank you, Mr. Speaker.

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

MR. PUDLUK: Mr. Speaker, a point of order.

MR. SPEAKER: Point of order, Mr. Pudluk.

MR. PUDLUK: Or a point of privilege. I would like to ask for unanimous consent to go back to oral questions to get an answer from the Minister of Renewable Resources.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Request to go back to oral questions. Are there any nays? Mr. Pudluk, you have the floor.

REVERT TO ITEM 3: ORAL QUESTIONS

Question 352-86(1): Status Of Red Tags If Hunting Season Changes

MR. PUDLUK: Mr. Speaker, that written question I asked about the polar bear quota in Resolute Bay -- I was not going to bring this up if you did not bring it to my attention. The reason why I bring this up is because it was brought to my attention that they want to change the hunting season for polar bears and if it is changed to October, are they going to lose the red tags? The reason why they want to change is because there seem to be more polar bears hanging around in the settlements in the fall.

The question was, if we change that are we going to lose those four red tags for the season? Thank you.

MR. SPEAKER: Mr. Minister.

Return To Question 352-86(1): Status Of Red Tags If Hunting Season Changes

HON. RED PEDERSEN: Thank you, Mr. Speaker. Mr. Speaker, the answer to that is, no, you would not lose red tags but the department's answer also is, no, that they are not prepared to move the season back to October. The polar bear quota that Resolute Bay has now is being filled every year and it would therefore indicate that the difficulty is not that great in harvesting the bears within the season that is now set.

In the answer I gave to the Member I alluded in the last paragraph to the necessity to impress on the international community the fact that we are managing, we have to demonstrate to them, that we are managing our polar bears responsibly and effectively. It would be very easy to accommodate and say, sure, you want the season set back and we will do it, that is the easy and the nice way out, always to say, yes. If we did that, Mr. Speaker, we would be severely criticized and accused within the international conservation and preservation movement of making it possible to shoot denning females and that is a position which is very hard to defend internationally. If we cannot defend our position internationally and convince the international movements that we are doing a good job in management of polar bears or any other species, we will, in my own opinion and in the opinion of the department, and incidentally of most organizations such as Indigenous Survival International, we will then lose the market and we will be facing bans as we have on sealskins and it would be no good to any of us.

It is fine, we could recommend a season, we could recommend more quotas but if the price as a result of that is going to disappear, then we have all lost. So, Mr. Speaker, I did understand the Member's question and I hope that answers his question somehow, otherwise I can try again.

MR. SPEAKER: Supplementary, Mr. Pudluk.

Supplementary To Question 352-86(1): Status Of Red Tags If Hunting Season Changes

MR. PUDLUK: Yes, I wonder if the Minister, himself, could tell me if he can tell the difference between the female and the male when he is looking at it?

MR. SPEAKER: Mr. Minister.

Further Return To Question 352-86(1): Status Of Red Tags If Hunting Season Changes

HON. RED PEDERSEN: Mr. Speaker, I am not one of these people privileged to be allowed to hunt polar bears, so I never look at them through a scope. No, I cannot tell the difference between one and the other at the distance that I would pull the trigger at if I had permission.

MR. SPEAKER: Oral questions. Mr. Butters.

Return To Question 345-86(1): Holdback Moneys For Karl Mueller Construction Ltd.

HON. TOM BUTTERS: Mr. Speaker, I have an answer to the oral question asked by the honourable Member for Deh Cho. Mr. Mueller is currently proceeding with litigation on three contracts, two of which are federal contracts and one of which is a Government of the Northwest Territories contract. The two federal contracts are being dealt with through the federal courts. The GNWT case has had discovery examination and will probably be dealt with by the courts later this year. Mr. Mueller has been advised and is aware of these proceedings. Holdbacks cannot be released until litigation is concluded and I believe the Member is aware that Mr. Mueller is bringing these actions.

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

Question 353-86(1): Snow Removal Equipment, Clyde River

MR. PANILOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Local Government. I just heard this from my constituency settlement. The firemen in my community have asked a question of the hamlet. Those snowblowers, D-6, are not suitable for our community. Recently there was a fire and they could not plow the road because that machine is too small. I am asking if we could sell this vehicle and get an E-9 instead? The firemen had difficulty, especially in the wintertime, as the road is not suitable for this machine. Thank you.

MR. SPEAKER: Mr. Minister.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I will take the question as notice and I will have the department respond to the honourable Member as soon as possible.

MR. SPEAKER: Thank you, Mr. Minister. You are taking the question as notice. Any other oral questions? Mr. Curley.

HON. TAGAK CURLEY: Mr. Speaker, I would like to have permission to go back to Item 2, to make a Minister's statement.

MR. SPEAKER: Are there any nays? You have the floor, Mr. Curley.

REVERT TO ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 56-86(1): Short Term Employment Program Transfer

HON. TAGAK CURLEY: Mr. Speaker, it is not translated, so I did not give it to Members. Mr. Speaker, I am pleased to announce that the Department of Economic Development and Tourism has agreed to assist the Housing Corporation in its commendable efforts to encourage home-ownership in the Northwest Territories.

In the past, the department's short term employment program, better known as STEP, has been used to fund a variety of community projects designed to give many people a chance to earn some cash income during periods of extremely high unemployment. This year, I have agreed to devote the entire \$420,000 budget for STEP to the labour and construction training component of the HAP program.

---Applause

In this way, Mr. Speaker, STEP will provide employment for those who need it but it will also give those people a chance to develop some valuable skills and at the same time assist the corporation in furthering its aims.

Inuit Community And Human Resources Strategy Program

Mr. Speaker, I am also pleased to announce that my department is in the final stages of negotiations with the Hon. David Crombie, Minister of Indian and Northern Affairs, on an agreement to transfer responsibility for the federal government's Inuit community and human resources strategy program to the Government of the Northwest Territories. The Inuit community and human resources strategy program is similar to the STEP program in that it also provides work opportunities in communities suffering unacceptably high unemployment. This program, too, will be accessible to HAP owners although it will not be solely dedicated to HAP. Last year, the budget for this program was \$750,000. This year, under the terms of our agreement with the federal government, the budget will be increased to \$820,000. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Ministers' statements. Item 5, are there any further returns?

Item 6, petitions. Item 7, reports of standing and special committees. Mr. Nerysoo.

ITEM 7: REPORTS OF STANDING AND SPECIAL COMMITTEES

Report Of Standing Committee On Finance

MR. NERYSOO: Thank you, Mr. Speaker. Mr. Speaker, your standing committee on finance has had three meetings during this session, Wednesday, June 11th, Wednesday, June 18th and Tuesday, June 24th. It was the committee's purpose to investigate the financial implications of legislation which is being brought before it by the government during this session of the Assembly.

Your committee has reviewed the following bills: Bill 2-86(1), Income Tax Act; Bill 3-86(1), Institute of Chartered Accountants Act; Bill 10-86(1), Society of Management Accountants Act; Bill 12-86(1), Taxation Act; Bill 13-86(1), Write-off of Assets and Debts Act, 1985-86; Bill 14-86(1), Revolving Funds Act; Bill 22-86(1), Business Loans and Guarantees Act. It was agreed by the committee to allow discussion on these seven bills to be concluded within committee of the whole. The committee of the whole has now reported each of these bills ready for third reading.

The standing committee on finance has reviewed the following bills: Bill 23-86(1), Supplementary Appropriation Act, No. 4, 1985-86; Bill 24-86(1), Supplementary Appropriation Act, No. 2, 1986-87. The committee has no problem with Bill 23-86(1). In regard to Bill 24-86(1), however, the committee had and continues to have several concerns. The committee called several witnesses, the Minister of Education, the Minister of Local Government and of Public Works and Highways, the Minister of Justice, the Minister of Social Services and a representative of the equal employment directorate.

The committee expressed its concerns with the process of implementation of the affirmative action program. In this fiscal year, the government seeks to spend nearly three million dollars to bring several trainees on stream and proposes to allocate funds to each department to administer for this purpose. The committee questioned whether or not this process could be better administered from a central agency, such as the equal employment directorate, to ensure that all the funds are used and used specifically for affirmative action, not to subsidize other programs within departments. The committee also expressed a concern that the program be careful to find jobs and training programs in regions and communities so these areas will not be drained of good people going to a headquarters position.

The committee was provided a copy of "Native Employment Public Service Action Plan, Allocation of Funding - 1986-87 Supplementary Estimate, No. 2", a short breakdown of the proposed expenditures for affirmative action. This will be tabled for all Members of this Assembly.

Early Identification To Enable Inclusion In Main Estimates

In discussion with the Department of Education, concern was expressed not about the need nor use of funds being provided by special warrant, but rather for the urgency that prompted a special warrant. Mr. Patterson is to provide the committee with the dates of the consultant's report that prompted this action and I will indicate to this House that -- excuse me. In discussion with the Department of Public Works and Highways the committee noted the funds that were requested in the

supplementary appropriation for programs of the previous year for which funding lapsed. This situation occurs with several other departments as well. It is a concern of the committee that government departments are not able to identify these situations within a time frame which makes it possible to have new funding requested during the main estimates process.

This supplementary requests 30 new changes to the estimates. Of these, nine, nearly 30 per cent, are as a result of programs where funding lapsed or projects were delayed. The committee feels that several of these should have been included in the main estimates. This concern becomes especially important with the cancellation of our spring session. The government will need to include all of these items in the spring budget session or wait until October for approval. It is a concern that, rather than wait, the government will have to increase the number of special warrants used each year. The committee anticipates that these matters will be further discussed when Bill 24-86(1) is reviewed by committee of the whole.

The committee has also had an opportunity to review Bill 19-86(1), Northwest Territories Energy Corporation Act, which has had second reading and is now being discussed in committee of the whole. The committee expressed several concerns which are being addressed by the standing committee on legislation. The entire review of financial implications, as I indicated yesterday, is hindered by our lack of knowledge of the negotiation procedure and the present status of negotiations. While this act will cost approximately \$320,000 this year, we are unable to advise the House on what it will cost in the next few years.

The committee also looked at An Act Respecting the Management of Forests and Bill 25-86(1), An Act to Amend the Petroleum Products Act. While the committee sees no major problems, these two bills have not yet been brought forward by the government and may therefore include changes not yet seen by the committee.

The committee is also concerned about the number of dollars being expended by the first two supplementary appropriations for the 1986-87 budget year and would recommend more prudent financial decisions be made in future by the Executive Council.

This concludes the report of the standing committee on finance for the spring session of the 10th Assembly.

--Applause

MR. SPEAKER: Thank you, Mr. Nerysoo. Reports of standing and special committees. This appears to conclude this item. Item 8, tabling of documents. Mr. Nerysoo.

ITEM 8: TABLING OF DOCUMENTS

MR. NERYSOO: Thank you, Mr. Speaker. I wish to table the following document: Tabled Document 79-86(1), Native Employment Public Service Action Plan, Allocation of Funding 1986-87 Supplementary Estimate No. 2, both operations and maintenance and capital.

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

HON. TAGAK CURLEY: Mr. Speaker, I wish to table the following document: Tabled Document 80-86(1), Organization Structure Alternatives for an Independent Northwest Territories Electric Utility. I regret that this document is not translated.

MR. SPEAKER: Thank you. Mr. Curley.

HON. TAGAK CURLEY: Mr. Speaker, another document I wish to table, Tabled Document 81-86(1), a summary of the letter of intent between NUL and the government. Thank you.

MR. SPEAKER: Thank you, Mr. Curley. Tabling of documents. I wonder, Mr. Sibbeston, on a couple of your replies to oral questions you indicated that they were quite lengthy and you were not going to read them into the record. I wonder if you should not table those documents at this time.

HON. NICK SIBBESTON: Mr. Speaker, I would like to table two documents which were the subject of returns to oral questions read in part this morning. Tabled Document 82-86(1), a return to Question 288-86(1) dealing with chronology of events related to implementation of the Official Languages Act and Tabled Document 83-86(1), a return to Question 283-86(1) made with respect to commitments made during Mackenzie Delta tour.

MR. SPEAKER: Thank you, Mr. Minister. Tabling of documents. That appears to conclude tabling of documents for today. Item 9, notices of motion. Mr. MacQuarrie.

ITEM 9: NOTICES OF MOTION

Notice Of Motion 45-86(1): Tabled Document 80-86(1) To Committee Of The Whole

MR. MacQUARRIE: Thank you, Mr. Speaker. I wish to give notice that at the appropriate time in accordance with our rules, I will move that the document which the Minister of Energy tabled a short time ago, entitled "Organization Structure" be moved into the committee of the whole following consideration of Bill 19-86(1), for discussion. And I wish to indicate, Mr. Speaker, that I will seek unanimous consent under motions to proceed with this motion today.

MR. SPEAKER: For your record that is Tabled Document 80-86(1) if you would like to place that number in so we have full identification. Notices of motion. That appears to conclude notices of motion for today.

Item 10, notices of motion for first reading of bills. Item 11, motions. Motion 44-86(1), Terms of Reference for the standing committee on finance. Mr. Nerysoo.

ITEM 11: MOTIONS

Motion 44-86(1): Terms Of Reference Of Standing Committee On Finance, Carried

MR. NERYSOO: Thank you, Mr. Speaker.

WHEREAS Bill 4-85(2), An Act Respecting the Legislative Assembly and the Executive Council of the Northwest Territories, established that this House have two standing committees, one on finance and one on public accounts;

AND WHEREAS our rules have been amended to reflect this change;

AND WHEREAS there was one terms of reference for both committees;

NOW THEREFORE, I move, seconded by the honourable Member for Slave River, that the following be adopted as the terms of reference of the standing committee on finance:

Standing Committee On Finance

Terms Of Reference

The standing committee on finance may, on its own authority:

- a) inquire into such matters as may be referred to it by the Legislative Assembly;
- b) review and recommend on the preparation of estimates, expenditures and appropriations required to defray the charges and expenses of the public service of the Northwest Territories in each fiscal year;
- c) review and recommend on capital projects and capital planning;
- d) in consultation with the chairman of the Financial Management Board, examine and recommend the terms and conditions of any agreement relating to financial arrangements with the Government of Canada;
- e) in consultation with the chairman of the Financial Management Board, examine and recommend the terms and conditions for borrowing, lending and investing funds;
- f) review, evaluate and recommend on any revenue sources that may be available to the Territories;
- g) review financial implications of existing and proposed territorial programs and the financing thereof, as well as any other programs which may in future become a charge against the territorial budget;
- h) investigate and inquire into those financial matters that, in the opinion of the committee, require investigation.

Conduct Of Business

- 1) The standing committee shall conduct its business in a manner approved by the committee.
- 2) The standing committee shall appoint a chairman to chair the affairs of the finance committee.
- 3) In accordance with Rule 93(1), the standing committee shall have the power to call for such persons, papers and records, and to examine witnesses as, in its opinion, are necessary to the conduct of its business.
- 4) Five Members, including the chairman of the standing committee, shall form a quorum.
- 5) The Legislative Assembly shall provide the necessary funds to the standing committee required for it to carry out its responsibilities from the appropriation of the Legislative Assembly.
- 6) The standing committee as a whole, or individual Members, may undertake such travel as is required to carry out the assigned responsibilities of the committee.
- 7) The standing committee shall be empowered to retain the services of such professional staff as deemed advisable by the committee.
- 8) The standing committee shall have the power to sit during sessions, adjournments and prorogations of the House.,
- 9) The necessary administrative support shall be provided by the Legislative Assembly office.
- 10) In accordance with Rule 92(1), the standing committee shall make a written report to the Legislative Assembly.
- 11) From time to time the standing committee shall tender general advice and information to the Legislative Assembly on any financial matter that may come before the Assembly in session.

MR. SPEAKER: Your motion is in order. To the motion. Mr. Nerysoo.

AN HON. MEMBER: Question.

MR. SPEAKER: Question being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Item 11, motions. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Speaker. I will ask for unanimous consent to proceed with the motion for which I gave notice a little earlier.

MR. SPEAKER: Unanimous consent is being requested. Are there any nays? You have the floor, Mr. MacQuarrie.

Motion 45-86(1): Tabled Document 80-86(1) To Committee Of The Whole, Carried

MR. MacQUARRIE: Thank you, Mr. Speaker.

I MOVE, seconded by the honourable Member for Slave River, that Tabled Document 80-86(1) be moved into committee of the whole for discussion following consideration of Bill 19-86(1).

MR. SPEAKER: Your motion is in order. To the motion. Mr. McCallum, as seconder, are you prepared to call the question? To the motion. Anyone else? All those in favour? Opposed, if any? The motion is carried.

---Carried

Item 11, motions. Item 12, first reading of bills. Mr. Butters.

ITEM 12: FIRST READING OF BILLS

First Reading Of Bill 25-86(1): Petroleum Products Tax Act

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 25-86(1), An Act to Amend the Petroleum Products Tax Act, be read for the first time.

MR. SPEAKER: I have a motion on the floor. To the motion.

AN HON. MEMBER: Question.

MR. SPEAKER: Question being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Bill 25-86(1) has had first reading. Item 13, second reading of bills. Mr. Butters.

ITEM 13: SECOND READING OF BILLS

HON. TOM BUTTERS: Mr. Speaker, may I have the consent of the House to give second reading to the bill I just gave first reading of a few moments ago?

MR. SPEAKER: Are there any nays? You have the floor, Mr. Butters.

Second Reading Of Bill 25-86(1): Petroleum Products Tax Act

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 25-86(1), An Act to Amend the Petroleum Products Tax Act, be read for the second time. The purpose of this bill, Mr. Speaker, is to amend the Petroleum Products Tax Act to provide that the rate of tax on gasoline is 17 per cent of the taxable price per litre of gasoline to maintain the amount of tax per litre of gasoline at the current level; to provide that the rate of tax on non-motive diesel fuel is 0.29 times the rate of tax on gasoline; to authorize the making of regulations pursuant to section 16 of the act in respect of the taxable price per litre of gasoline to state that the taxable price of gasoline was 56 cents per litre effective the 1st day of January, 1986; and to provide that this act shall come into force on the 1st day of July, 1986.

MR. SPEAKER: To the principle of the bill.

AN HON. MEMBER: Question.

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

---Carried

Bill 25-86(1) has had second reading. Mr. Clerk, will you add Bill 25-86(1) to the orders of the day for today? Item 14, consideration in committee of the whole of bills and other matters: Bill 19-86(1), Northwest Territories Energy Corporation Act; Tabled Document 80-86(1); Bill 23-86(1); Bill 24-86(1); Bill 25-86(1) with Mr. Gargan in the chair.

ITEM 14: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 19-86(1), NORTHWEST TERRITORIES ENERGY CORPORATION ACT; TABLED DOCUMENT 80-86(1), ORGANIZATION STRUCTURE ALTERNATIVES FOR AN INDEPENDENT NORTHWEST TERRITORIES ELECTRIC UTILITY; BILL 23-86(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 4, 1985-86; BILL 24-86(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 2, 1986-87; BILL 25-86(1), PETROLEUM PRODUCTS TAX ACT

CHAIRMAN (Mr. Gargan): The committee will now come to order.

Bill 19-86(1): Northwest Territories Energy Corporation Act

We are on Bill 19-86(1), An Act to Establish the Northwest Territories Energy Corporation, and we are on clause 18, which was deferred to today. Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, with regard to the matter raised by the honourable Member for Yellowknife South, yesterday, and his query as to whether the government was considering putting a cap on the borrowing limits of the corporation. The Executive in discussing the draft bill

examined provision number two which I will read, "The corporation is an agent of the Government of the Northwest Territories." On explanation it was determined that the definition of "agent" would require that the corporation be subject to all the terms of management that this government is and therefore would be affected by all the legislation that applies to this government. However, if the Member feels that is not precise enough, he might wish to add an amendment at this point.

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

MR. RICHARD: Thank you, Mr. Chairman. I still have a concern that clause 18 by itself purports to give the energy corporation the authority to borrow an unlimited amount of money. If we were creating a corporation with a small role in life I guess I would not be too concerned but I am aware that the corporation that this corporation is to replace, the NCPC corporation, has borrowed hundreds of millions of dollars. I think it would be beneficial if we put in the clause, Mr. Chairman, that there are limits on what the corporation can borrow, because it is simply an agent of the Commissioner or of the government and there certainly are limits on what the Commissioner or the government can borrow in the federal act.

Motion To Amend Clause 18, Bill 19-86(1), Carried

So, Mr. Chairman, I move that clause 18 be amended by adding the following words to the beginning of the clause: "Subject to the provisions of the Northwest Territories Act Canada and the provisions of the Financial Administration Act", so that the clause would now read: "Subject to the provisions of the Northwest Territories Act Canada and the provisions of the Financial Administration Act the corporation may, for the purposes of the corporation, borrow money by way of a line of credit."

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. Your motion is in order. To the motion. Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, the government would have no difficulty with the amendment as provided by the Member.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Butters. Question is being called. All those in favour? Opposed, if any? This motion is carried.

---Carried

Clause 18, line of credit, as amended. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): The bill as a whole. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 1, short title. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Do Members agree that Bill 19-86(1), An Act to Establish the Northwest Territories Energy Corporation is ready for third reading as amended?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): We will go now to Tabled Document 80-86(1). Mr. MacQuarrie.

MR. MacQUARRIE: Could I ask you, Mr. Chairman, to consider an adjournment now for lunch? We appreciate the co-operation of the government in providing the information. We are not speed readers and we would like to have a break where we could read through the material and have some lunch at the same time.

MR. RICHARD: To digest it.

MR. MacQUARRIE: To digest it.

CHAIRMAN (Mr. Gargan): What is the wish of the committee? Does the committee agree to take a lunch break? We will recess until 1:00 p.m.

---SHORT RECESS

Tabled Document 80-86(1), Organization Structure Alternatives For An Independent Northwest Territories Electric Utility

The committee will now come to order. We are on Tabled Document 80-86(1). Mr. Curley, do you have any opening remarks?

HON. TAGAK CURLEY: Thank you, Mr. Chairman. I hope the Members have had a chance to read the report in its entirety and consider all the points. I think it is important that I do at least make introductory remarks to the report which was prepared by Peat, Marwick and Partners. I think it should be noted that they were asked to judge the proposed system of the two operating methods, one fully integrated and one going on toward an operating contract.

We did not get some responses from one which I did not table today -- you know, some of the points that Northland Utilities Limited has presented to us. So that also formed the basis for our going toward the operating contract. Because if you take the view that the customers in the Northwest Territories should get value for their money in terms of efficiency and reliability of the utility system in the Northwest Territories, I think we should attempt to do this and this is what we did. And probably my weakness was the fact that we should just consider this project as being a job creation project for the people of the North, that it should be based on reasonable, and if at all possible not so much on political, facts and to try and serve my constituents first. This is why I did not ever recommend that the headquarters be located in my constituency, for instance. I completely stayed away from that. I was pressed by many of my constituents as well to consider that. So I would like at least some acknowledgement of the fact that I have tried to be neutral in recommending a position.

I know it is hard for people in Yellowknife particularly, because if you make one decision it is going to impact on the future of this big apple. That is not what I was trying to do and I would want you to be appreciative of the fact that I think as MLAs that constituents come first often. I just want to be cautious that we do not confuse these two because I think we should be trying to at least be objective in assessing the two proposals that we have considered. We could have another assessment of the Peat Marwick report by other groups and other politicians, whatever. I do not think it is too late yet.

The report that I tabled I think will at least give some clear indication as to one of the methods used in choosing an operating contract. But some of the factors that we have also assessed, very briefly, were clearly related to cost. I think you get some indication of that, and quality of services is one that we attempt not to compromise, as well as development of northern employees. Obviously there are other factors -- in the treatment of NCPC's current employees, we have a strong agreement with the federal government that they will be treated fairly and equitably in whatever form of operating structure is finalized in the NWT. Another factor is control of operations by the GNWT. Obviously that can be achieved one way or the other but I think you people have given us that mandate by coming forward with the legislation.

Another factor is sensitivity of the operator to the NWT issues. Our dealings with NUL I think have demonstrated the fact that they have some, however small it may be, experience in servicing some of the plants and utility services in the Northwest Territories. I think they have been respectful to a number of communities.

Another point I wish to stress is the effect of our decision today on the future division of the Northwest Territories. That was always a factor, because we believe that if and when the division were to occur, it would at least be easier for the people of the Northwest Territories and the politicians to make an equitable split if that had to be taken into consideration in the future.

So, Mr. Chairman, without going too far, I thought it was important that I at least give some of the factors that we have relied upon. But I think it is also important that the decision that we have made so far, and I think it is clear in the letter, summarizes the points that we have made, that as far as Executive Council's direction is concerned NUL has been asked to put forward the transition cost work plans and that is subject to our further discussions once all the information has been received. So obviously, as a government we thought it was important that the work plan and the proposed transition plan be given to us by an operator who was familiar with the operating system in the Northwest Territories. Once that information had been analysed and studied, then the Executive Council was prepared to make another consideration or another decision to study whether or not we should go that route. That is clear in our transition short-term agreement. Without going too far, I will leave it for Members for general comments. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Mr. Richard, general comments.

Peat Marwick Document Not Too Professional

MR. RICHARD: Mr. Chairman, first I want to thank the Minister for making the Peat Marwick document available. Although I would have and still would prefer myself to have a copy of the actual letter of agreement with Northland Utilities, the letter that the Minister has tabled is of some assistance in understanding exactly where we are now as a government with Northland Utilities.

Having had almost an hour, I suppose, to try to grasp the content of the Peat Marwick document, Mr. Chairman, I have to say that I am very concerned, more concerned than I was before the noon hour. I note the Minister's remark just now that it is not too late for the government to change its course of action. I would like, Mr. Chairman, to see more discussion this afternoon. I would like to see more information come from Members of the Executive Council as to why we are leaning or why the Executive Council is leaning toward the route it is.

HON. TAGAK CURLEY: (Inaudible comment)

MR. RICHARD: Well, that might be a good idea, Mr. Curley. Can I bring some more of my friends too? Mr. Chairman, the concern I have has been increased because of what I read in this Peat Marwick document. I would like to know from the Minister or Executive Council, who authored the document? I would like to know what the qualifications of the individuals are. Because quite frankly, Mr. Chairman, I am not impressed at all. If our government paid money for this document, I would like to know how much it was.

HON. TAGAK CURLEY: That is going to help you decide?

MR. RICHARD: To make my point.

HON. TAGAK CURLEY: Oh, that is a different point.

MR. RICHARD: If, on the other hand, Mr. Chairman, the supplementary estimate for \$320,000 that we are going to consider later this afternoon, is going to pay for this study then I, for one, will not be voting for it because I think the bill should probably be sent to Alberta Power for this Peat Marwick study. Appreciating that I have only had a look at the document for an hour, I find it not to be terribly professional. Some of the conclusions that the author comes to, again quite frankly, are an insult to the intelligence of the reader, in my opinion. There is a very wide disclaimer...

HON. TAGAK CURLEY: Would you say that outside of the House?

MR. RICHARD: Yes. I hope the Hansard people are getting Mr. Curley's questions down, Mr. Chairman. The wide disclaimer that is in the document, Mr. Chairman, is not very much comfort to me and I hope it was not of much comfort to the Members of the Executive Council. I have not heard the Minister say so specifically, but I take it the Executive Council relied on this document in reaching its decision. The document is very biased in favour of one option. I hope, Mr. Chairman,

that you will give this committee an opportunity to go through the document in some detail but, as an example of what I find to be an extreme bias, in the last criteria, number nine, when it talks about the effect, if any, of possible division, option one or option two -- for professional consultants at Peat Marwick to put in this document that option two is more preferable because one group is more flexible with respect to division than another group is, in my opinion, ridiculous. To say that option two is the preferred route on that criteria is simply nonsense. I think that the document is a stacked document and I would like to see what NCPC have to say with respect to the analysis, the alleged analysis of its proposal in comparison to the other proposal.

Conflict Of Interest

The only other general comment I have, Mr. Chairman, at this time is with respect to the Minister's memo to us outlining the purpose of the letter of agreement with Northland Utilities. In a general way, and I appreciate that the Minister and the Executive Council had an interest expressed by Northland Utilities in assisting the government through the transition period and in doing the eventual long-term work. I think there is an inherent conflict there, Mr. Chairman, in having the one -- I am sorry, Mr. Chairman, Mr. Curley is waving at me, I will just wave back.

HON. TAGAK CURLEY: You have not said anything new yet, do you have some information about alternatives?

MR. MacQUARRIE: We may have one, Mr. Curley.

MR. RICHARD: Mr. Chairman, I think there is a conflict, or at least I have a concern that there may be a conflict between having a corporate body like Alberta Power give advice to the government in this very important and complex issue of the assumption of assets and putting a value on them, etc., and then turning around the very next day, virtually, and contracting with that same corporate entity...

HON. TAGAK CURLEY: So, what is the alternative?

MR. RICHARD: ...for the ongoing arrangements. One alternative, Mr. Chairman, Mr. Curley is asking for alternatives, I see one alternative is to get an objective analysis of the two options. This document, with all respect...

HON. TAGAK CURLEY: (Inaudible comment)

MR. RICHARD: ...is not an objective analysis. There are utility companies independent of Alberta Power in this country. There are large utility companies in the large provinces that I understand offer consulting services.

HON. TAGAK CURLEY: Other than Alberta Power.

MR. McCALLUM: Yes.

MR. RICHARD: ...and who are separate and apart from Alberta Power...

MR. MacQUARRIE: Who have an interest.

MR. RICHARD: But, Mr. Chairman, I have no further general comments but I would ask if the Minister could respond to the questions I had at the outset which are: Who is the author? What were the qualifications? What has our government paid for this particular study? Thank you.

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

HON. TAGAK CURLEY: Mr. Chairman, I will take the question as notice and provide a written response later.

CHAIRMAN (Mr. Gargan): Mr. Curley, this is not question period, this is committee of the whole and you cannot take a question as notice. Mr. Curley, if you are going to respond, could you indicate when?

HON. TAGAK CURLEY: Mr. Chairman, I already responded to the question.

CHAIRMAN (Mr. Gargan): Mr. Richard, I would also like to remind Members that this is not a debating session, so could you keep to general comments and responses? Mr. Richard.

MR. RICHARD: This Assembly has been referred to as a debating society at times, Mr. Chairman, but I am not sure how to take the Minister's response. I assume he knows who the author was, what the author's qualifications were, that he should have checked it out. If he does not know and I guess because of what I see as very much a biased -- I would not even call it an analysis, it is basically arguments for one option and against another. I would ask when the Minister feels it is time to give me that information to include in it whether the author of the document had any prior association with either of the proponents, and I take it from the document that NCPC put in a proposal as did Alberta Power, whether the author or authors of the document had any prior association with either of the proponents that might affect their, what they call their, professional judgment in the disclaimer clause. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. Mr. Minister. General comments. What is the committee's wish? Mr. MacQuarrie.

MR. MacQUARRIE: Well, just a brief general comment. I certainly second the remarks of my colleague from Yellowknife South. It is a very disappointing study. It purports to be an analysis but it is not what I understand as an analysis. It gives one the sense that whoever prepared the paper had a sense that the Minister or the government already preferred a particular option and whoever prepared this has simply restated that preference and added some, what is at times, rather flimsy rationale. If the Minister wonders what is new being said in all of that, it is that I and apparently some other Members believe that the Executive Council ought not to have based any decision on going for a management operator on the basis of what is included in this paper. I, too, would like to know more about the NCPC proposal and what their points were when they made their initial proposal and how they would respond to something like this. I agree they have an interest too, but we are intelligent people and we would like to hear what they have to say about something like this. So, at some point, I know I am going to be wanting to get that kind of response.

CHAIRMAN (Mr. Gargan): Thank you, Mr. MacQuarrie. General comments. Mr. McCallum.

Recommendation For Northland Utilities Not Substantial

MR. McCALLUM: Mr. Chairman, I have some concern in the paper on the discussions and I think it is chapter three and chapter four, dealing with the alternative organizations. Under chapter three, the evaluation of alternatives, and chapter four, in chapter three, the disclaimer paragraph that says the cost estimates had been prepared on the basis of assumptions. "It is possible that some of these assumptions underlying our projections may not materialize... To the extent that the certain assumptions do not materialize... you will appreciate that our estimates and projections of achievable results will vary." Beautiful prose.

Then when I look at chapter four, under the evaluation of these alternatives, in the way in which each of the two alternatives is judged, I have some difficulty with a couple of them. The first one that comes to mind is that criteria dealing with quality of personnel. It says under the NCPC, I am reading from it on page IV-3.

MR. MacQUARRIE: Isaiah, Book I.

MR. McCALLUM: It says that "Under the NCPC alternative, it is expected that about 20 NCPC head office staff would relocate to the North" and that the NWT would have to recruit approximately 60 staff and that the utility, that is if NCPC were to do it, they would "encounter difficulties attracting and retaining the skills necessary to perform the functions required". I find that rather difficult. Certainly the people that are now in the employ of NCPC in the North obviously have skills. And if it means that there are not enough people around in the Northwest Territories to fill those jobs, only if it is done by having Northland Utilities people, who would not be northerners but who will be from Alberta, I find that rather an insult.

The government has a program of affirmative action. We have embarked upon a program of training people for work and the author of this particular report now says that you cannot find the people in the Northwest Territories. You will never find them, you are going to have difficulties attracting these people. I find that to be rather insulting.

As Mr. Richard had indicated under another area, gobbledygook that is in here, under organizational flexibility were the division to occur, a whole service utility alternative is less flexible to change. Whereas Northland Utilities recognizes the need for decentralized operations and an east/west divisional office will be established and that provides them with the flexibility, I do not know why it is only flexible in terms of Northland Utilities.

In another area it talks about the proven track record of Northland Utilities, north of the 60th, just north of the 60th, mind you, but a proven track record before the Public Utilities Board. Obviously Northland Utilities had to abide by the Public Utilities Board. But under the act, it was not necessary for NCPC to do it. That has been the crux of the problem. That is the major thing that we are concerned with here, is that whatever corporation comes in, that they would have to appear before the Public Utilities Board and justify their particular rate increases and abide by the decision of the Public Utilities Board.

In looking at the whole paper, I am again hit with the idea that, as has been said, that is a justification only in one area. The score card indicates that NCPC is only attractive in the area that it will provide employment in the North. That is the only area that NCPC ranks ahead of the Northland Utilities Limited, because they are going to provide more jobs for the people in the North, even though they are going to have difficulty, according to this author. In four other areas Northland Utilities is the recommended or the preferred organization. In four of them, both could do it.

I cannot agree with the kinds of statements that are made if in fact, in operating efficiency, Northland Utilities expects to achieve operating savings of \$600,000 in the first year. And the company is optimistic that these savings will increase over time, therefore that is going to be beneficial. But, if I go back to the disclaimer, and if that assumption is one of those that its disclaimer clause is referring to, that it may not materialize, how the author can then indicate that Northland is of a greater attraction than NCPC, I will never know. It does not seem to make much sense to me.

I would like, Mr. Chairman, as we go through this, to go into greater detail on the alternative organizations and the assessment of those alternatives as we go through here later in this committee. I raised a couple of them that I would like to get some kind of response to. Yesterday as well, Mr. Chairman, I asked about the business of employee benefits, for example, with pension plan. There is only one area where I find that that is referred to, and that is again under the quality of personnel on IV-3. It says that Northland Utilities "has demonstrated its sensitivity toward current NCPC employees and potential native employees". It "proposes open and frank communication with employees to ensure that the individuals understand the range and opportunities presented and that employees are aware of the benefits available, particularly concerning their pension plan".

I asked the Minister yesterday if he would indicate to me how federal employees under the federal pension plan are going to be able to transfer into a private company. I would hope that he would be able now to give me that information. I also asked yesterday about the term, "converting liabilities to equity", and if we could get an explanation of that. He indicated yesterday that he would provide those and I would hope that he would answer those two particular questions during this discussion. Thank you.

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

MR. NERYSOO: Thank you, Mr. Chairman. Last night when the debate of the legislation on the energy corporation was taking place, I raised a number of concerns with regard to the issue of employment. I was concerned last night and I am probably even more concerned now, having read the report. If you look at the section, not only on section IV-1 but also on exhibit 1, where they deal with the question of employment, where there is in the case of full service utility. NCPC at the moment suggest that there would be "80-85 direct, 35 'spin-off', 110-115 total jobs, concentrated in their head office". In the case of the holding company and contractor there are "39-44 direct, 16 indirect, 55-60 total jobs". The difference would be between 50 and 55 jobs. Now, that is almost 50 per cent of the jobs that are lost. Now, if the case is that that is going to affect those people that are in the head office then I worry even more about the NCPC employees that are not qualified and do not meet the criteria and standards that have been set probably by Northland Utilities.

While in the analysis and evaluation of alternatives, certainly NCPC in that particular criteria was, as Mr. McCallum indicated, considered the alternative. It still continues to bother me that that particular issue is not going to be seriously dealt with and if one of the savings for NCPC is on the basis, or the two million dollars is on the basis of losing 50 and 55 jobs, then I think that we should make that very clear, that that is where the savings will occur.

Energy Corporation Should Be Owned And Operated By Northerners

In the area of clear mandate, both alternatives meet the requirement for a clear mandate and result in a utility owned and operated in the Northwest Territories. I can say to you here that Northern Utilities Limited is not a northern owned company, it is a subsidiary of Alberta Power which is an Alberta company. The intent, I assume, of the NWT energy corporation would be that it would be owned and operated by northern people. I am reading from the alternatives that were given to the government to make their decision. Now, that seems to be the assumption that is made.

Again, in the case of affordable power. If I am correct, we made a decision a few days ago and will be making a decision in a few hours on passing a taxation law that reduces the price of non-motive oil. There has been a commitment on the part of NCPC to reduce their prices to communities on rates of electricity. Now surely to God, that is an indication on the part of the present company that they are prepared to look at alternatives to reduce the price of electricity to our residents. Now, with the NUL proposal, if as has been suggested it will save \$1.5 million, then I would like to ask the Minister, has Northern Utilities Limited indicated exactly where those savings will occur? Because certainly in the report itself it is not clear. There are all kinds of assumptions being made and the assumptions also indicate there is a possibility that it will cost far more for the people of the Northwest Territories to have Northern Utilities Limited assume responsibility for management. I think that that has to be very clear.

Also under section 43 with regard to quality of personnel. I am wondering if the Minister could indicate to this House, where it says that it is expected about 20 NCPC head office staff will relocate, this means that NWT will need to recruit approximately 60 people -- if the Minister or the staff through their Minister could indicate the qualifications that are necessary for these recruits. Because I do not believe all of them require engineering degrees or for that matter technical expertise to run a utility company. I would really like to be clear about the requirements. I am wondering if there has been any analysis done on whether or not the present employees of NCPC in the Northwest Territories meet the criteria and the qualifications that have been identified in these particular positions. It is crucial in making a decision that we look at all the alternatives as well as the options that are available to us, because we cannot always assume that the head office is the only group that is going to supply that expertise. We may have it here in the Northwest Territories at the moment and we may not have to recruit others.

Those at the moment are my initial comments. I just want to say that the Minister suggested that I make an alternative and I was very clear yesterday in my comments that there is no question in my position that it should be a wholly publicly owned NWT corporation. I think it is important...

HON. TAGAK CURLEY: ...costs...

MR. NERYSOO: Well, Mr. Chairman, the Minister indicates, what are the costs? Well, that is exactly what we are trying to find out. If the Minister could bring forward the information then maybe we could make a knowledgeable and practical decision. We may, in fact, in the end support the direction of the Minister and the direction now taken, but we cannot make that decision on the basis of the information that is laid before us. Even the report that has been laid before us. How anyone can make a decision on the basis of financial decisions in this document is ludicrous.

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

Establishment Of Crown Corporation Makes Good Sense

HON. BRUCE McLAUGHLIN: At the outset I think I would like to say that I have always been concerned about NCPC and its future in the NWT, in particular as it relates to my constituency, because Pine Point is a place where primarily this crown corporation built a hydro facility in order to bring a mine into production and create employment in the NWT. Subsequently a lot of things have happened in that now that crown corporation and the profits it is charging are putting the future of that

mine in jeopardy. I want to outline these to show my concern. The Taltson dam has long since been paid for by Cominco alone, but still the operator charges in the area of 20 to 25 per cent profit as opposed to what a utility would in the rest of Canada with maybe only a two or three per cent profit. This money is used to subsidize diesel operations in the rest of the NWT. So I have always been concerned that the policies of the company are going to put themselves in jeopardy. One of the biggest factors putting the mine under in Pine Point is the overhead, of the high profits that NCPC is taking out of there, and if they put the mine out of business, they lose their big customer and then they are faced with the problem of trying to solve these disparities of operation throughout.

In addition to that, I have seen over the years that NCPC does not seem capable of providing expertise in a lot of areas. Whenever there has been a problem with the Taltson dam, Cominco have had to bring their own employees up from Trail where they operate their own dams, in order to resolve the difficulties because NCPC seemed incapable of doing it. I have also been concerned and I was one of the Members of the Executive Council who had a lot of questions for Mr. Curley on Northland Utilities Limited, on who they were and what they were going to do. But on the general make-up, I think Members should understand that the existing NCPC operation, although it has facilities in a lot of communities, is not an extremely large corporation compared to other utilities operating in Canada, when you consider the revenues they have compared to what NCPC has. In addition, when we divide the utilities between the two territories it is going to have even less revenue and resources to pay its employees and hire expertise internally. So it makes eminent good sense to me for us to establish a crown corporation to own the assets presently owned by NCPC in the NWT and to contract with an experienced operator to carry out the operations. The advantage of this is that a company like NUL, and I will use it as an example, has experience operating in the NWT. It should also be pointed out that Hay River and Fort Providence enjoy, I think, the lowest diesel rates of anywhere in the Northwest Territories, even though there are other diesel operations supplied with fuel just as cheaply as they are, which is the biggest factor in providing diesel power. So, I think they have proven as northern operators that they are efficient.

Northland Utilities Limited Has Expertise Available From Parent Companies, Unlike NCPC

The other advantage is that they are owned by Alberta Power, which is a large company with a lot of experience operating a wide variety of not just diesel but also hydro facilities, and that Alberta Power is in turn owned by Canadian Utilities and it is a large corporation that has a lot of expertise in the energy provision field and a lot of it in the West and Alberta, which adjoins us. One of the advantages of having them is that NUL has available to them expertise from its parent companies. It is not something that they will have to go out and contract and purchase on a continuous basis, though no doubt Alberta Power or Canadian Utilities would charge NUL, for example...

AN HON. MEMBER: (Inaudible comment)

HON. BRUCE McLAUGHLIN: Well, no, no, for a large project it may not be free and that is one of the questions I had asked at the time. But the point is that Alberta Power within its management has an ongoing relationship, transferring employees back and forth between Alberta Power and NUL that provides, in that company, access to that day-to-day quick information on the phone that may be required. But mind you on large contracts or big programs, NUL might have to second from Alberta Power, for example, and therefore they would have to pay for it. But I would not like to see us as a government have a look-alike NCPC operation. I do not think they have internally, the variety of expertise necessary to run an operation like this and that is why they always have to purchase.

Private Operator Dollar Conscious

I also think that a company which is running an operation as a private operator on contract is going to be dollar conscious, is going to be trying to make a profit. I think as has been pointed out before, the profit in this thing is not going to be, if we go with the operator-type model, the profit is not going to be made by the holding company. I do not think that the residents of the Northwest Territories would want to see the crown corporation which they own, as a people, making tremendous profits off their backs and that would not be the case but the area for efficiency, obviously, is in the area of operations. A good, experienced operator like NUL, or like some of the other companies which Mr. Curley approached in some of the other provinces, do have that expertise, do have that private enterprise incentive and they will provide that and it will come as a savings to this government. In addition, the Northern Utilities Limited may be a vehicle and

that is obviously something to be discussed with them in negotiations. As the Member indicated, no conclusion has been made concerning their being the operator but if they or someone else were to be, obviously one of the things we would be interested in as residents of the Northwest Territories and as a government would be, what opportunities would there be for northerners to be shareholders in the operating company? In that area we have to look at what Northern Utilities' assets are. How would companies be able to buy as shareholders with them? Would Alberta Power sell shares to the general public? Those are all things that have yet to be discussed. Those are questions we have raised with the Minister and which he has undertaken to discuss with them.

My experience, and I have had a lot of dealings with people -- I used to work in the engineering department of Pine Point Mines and I am aware of the problems the engineers there had with NCPC with Taltson. I am sure that having a company like NUL as an operator, with their attachments and access to the expertise in their parent companies, is going to be a lot better situation than we have with the present NCPC. I have no problem supporting the operator type model as opposed to the NCPC look-alike and Members should be aware that my community is one of the ones interested in being the host community for the headquarters and Members are aware that if there is an operator type situation that the number of persons involved will not be as great. But I think it is more important for me, as a Member, to be concerned that NCPC, or the new energy corporation, has an efficient operation serving residents rather than being primarily worried about exactly how many people are going to move into the new headquarters, wherever it is established. I would just like to say, Mr. Chairman, that I am very supportive of the idea of having an operator type model and that the existing NCPC situation is not adequate and would be even less adequate if its revenue resources were reduced to only that of the Northwest Territories. Thank you, Mr. Chairman.

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

A Profitable Electrical Company In The NWT Is An Impossibility

HON. TOM BUTTERS: Mr. Chairman, there seems to be a fear that the government has already committed itself irrevocably to a certain decision or a certain company and in my understanding I wish to assure the committee and assure Members who may have this concern, that this is not the case, as I understand it, and it appears that what we are doing here is the Executive making comments. My understanding is that we have entered into a transitional management agreement with Northland Utilities. My colleague has just taken some time to indicate the expertise of this company is considerable so I do not think their qualifications are questionable. The requirement that we are asking of them is to assist this government in its negotiations with the federal government in the eventual transfer of the NCPC crown corporation. They are to provide us with a plan for effecting such a transfer should we agree with the elements that the federal government indicates to us we will be required to accept.

They would be, as I understand it, doing an inventory of the existing plant in the Territories and indicating to us from their professional point of view just how good that plant is and how costly it will be to replace certain parts or portions thereof. We have also asked them and will expect to receive from them, during the transitional management contract, a plan for the devolution of existing NCPC personnel to whatever generating arrangement is developed in the Northwest Territories. We have requested of them, I believe, a detailed cost of their operations should they be the acceptable operator to provide power as is currently being provided by NCPC, so that we would get a pretty good idea of exactly what they would be able to offer in a cost-benefit sense.

On the matter of shareholders, my own particular opinion, which I voiced in the Executive a number of times, is that anybody who expects to make a profit off the backs of people consuming electrical power in the Northwest Territories is out of their tree. We are already paying high enough costs for power and it should not be a profit oriented operation. We should be doing what NCPC is supposed to do, which is to break even, so that the people of the Northwest Territories are the beneficiaries of the cheapest power than can be supplied. Now, I have no problem with the suggestion of Members across the floor, that we reconsider the options. I have no problem with that. I am quite sure none of the Executive Members do.

MR. MacQUARRIE: What guidelines do they use?

HON. TOM BUTTERS: Well, I think I know how they feel. Reconsideration is always an open option. So thank you.

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

Possibility Of A Conflict

MR. RICHARD: Mr. Chairman, quite apart from the issue of reconsidering which structure should be adopted by the government, I would like to ask the previous Member who spoke, Mr. Butters, would he not agree that there is some difficulty with the government on the one hand dealing with Alberta Power to help it assess its situation with Ottawa in the transfer and the assessment of assets? Would Mr. Butters not agree that there is a potential conflict there? If Alberta Power is helping you assess these assets and how you should negotiate with Ottawa, when that same entity is going to be the operator for the owner after the acquisition, would the Member not agree that there is a possible conflict there? You are having Alberta Power carry out two different functions, when they clearly have an interest in the second function at the time that they are assisting you to carry out the first function.

CHAIRMAN (Mr. Gargan): Mr. Butters.

HON. TOM BUTTERS: I do not see a discernible conflict. I would indicate that, as I believe has been indicated to the committee, that the interim arrangement which this government has entered or will enter into with them, because I am not sure of the current position, has provided them with the knowledge that they may or may not be the operator down the line. Looking at it from their point of view, if they were to be the operator -- I would expect that they would be or would think they had a good chance at being the operator -- I would have thought they would have had very, very sharp pencils when examining any proposal that the federal government might be making to us. So I feel that we would be getting pretty good advice from a company which has a demonstrated track record in its capability to provide power.

The other point on that is that from NCPCC, the Executive met with the chairman of the NCPCC board very, very recently and I do not feel that the NCPCC is really a servant of this government. I think it is a servant of the federal government and I think I would lean more to advice that I would get from Northland Utilities than I would from NCPCC.

MR. MacQUARRIE: What about Ontario Hydro?

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

Response From Other Utility Companies

HON. TAGAK CURLEY: Thank you, Mr. Chairman. Just to comment on the other utility companies that were contacted. Seven replied, including NCPCC. BC Hydro was unable to consider the operator option due to their legislative limitations. I am not elaborating there but that was their point. Manitoba Hydro indicated that an operating contract of such magnitude and duration could place them in a conflict of interest situation with the ratepayers of Manitoba. So, in effect they were not prepared to accept consideration. Saskatchewan Power wrote that its mandate of supplying gas and electricity to the Saskatchewan public was a major challenge and that as a result an operating contract with GNWT could not be considered. Maybe you can persuade them. Trans Alberta Utilities felt it lacked the diesel and remote northern experience. Further it stated that Alberta Power, a corporate relative, was strategically better located to provide NWT utility service. Ontario Hydro was prepared to consider a proposal based solely on consultant services. In a meeting with Ontario Hydro officials, they stated that Ontario Hydro had no interests in an ongoing contractual management. So, that narrows us down to Northland or an NCPCC look-alike arrangement. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Curley. General comments. Mr. MacQuarrie.

MR. MacQUARRIE: I feel, Mr. Chairman, that the Minister responsible for Energy by various noises, postures and so on, seems to be indicating that Members who are raising questions have no other purpose than to attack the Executive Council. I would like to sort out the Minister in that respect. That simply is not true. He asked earlier that we acknowledge that he has tried to be neutral or objective and we certainly have. I accord in that, but I certainly demand the same back in return. I would like to make it clear for the Minister that this whole issue for me has nothing to do with where the headquarters of any NWT energy corporation will be located. That is a separate matter and I respect the Executive Council's right to deal with it. When it does deal with it, I would hope they will -- not hope, I would expect they will provide reasons as to why they make the choice that they do, and answer for the reasons. I do not have any greater expectation than that.

I ought to say right out as well, that my own initial inclination is for a publicly owned power corporation, an integrated system as they have been calling it. So I confess that bias at the start, but I do also say that there is not enough evidence for me to be able to participate, for example, in a motion that says we ought to go that way. I am open to hearing good evidence and if the good evidence indicates that a management operation system is superior because it is more cost effective, because it is more efficient or for other reasons, then I am open to that. But I do say again that I do not think this report demonstrates that in any conclusive kind of way.

With respect to comments that Mr. Butters made earlier, the letter that we received today, or rather some information from the letter of intent that we received today, says that "if NCPC is transferred, if transition period performance is satisfactory, if a contract operations agreement can be negotiated in the transition period, then the GNWT would enter into a contract operator agreement which would include at least the following terms" and then it lists them. So, I am saying to the Member that I believe that the commitment is a little stronger than he sees it, because the three "ifs", to me, appear that they can be effected. When the third one says "if a contract operations agreement can be negotiated", the implication is that perhaps there will be some terms that are just not acceptable but to me that seems to be a clear indication that there is an obligation to begin those negotiations which puts it farther along the road than I am comfortable with.

I have a couple of questions for the wandering Member for Pine Point. I will put them on the record now and hope that he will return and respond in a little while. First of all he pointed out the difficulties that the mine is having with respect to power rates. It is not clear to me how, if there were a private company managing the power system, the problem would be any different for the mine in Pine Point. I am not saying that it would not be different but I would invite him to explain how it would be because initially I certainly do not see that it would be.

Also with respect to the matter of profits. That same Member indicated that he did not think our NWT energy corporation should be attempting to make profits. I would ask the Minister responsible whether my understanding is correct. My understanding is that NUL, which I will call it for short and in hoping that eventually it will be null and void...

---Laughter

...I understand that that will be an O and M contract, but that the responsibility for infrastructure, for energy infrastructure, will be the responsibility of our NWT energy corporation down the line, replacement of diesel generators and so on. So it seems to me that they have to build up funds in good years in order to be able to plan for things like that. Is there not some danger that this private company that is interested in making profits, as Mr. McLaughlin said, that there will not be a build-up of funds for the energy corporation which will be necessary to replace that kind of thing. So I would appreciate some comments on those later.

Then I would like Mr. Curley to further comment. I was interested to see that Ontario Hydro indicates that it would be interested in doing some consulting, not actually taking over this kind of contract but in doing some consulting. Would it not be advisable, inasmuch that I do believe that Alberta Power has an interest in the outcome of all of this, to have an objective analysis and I mean thorough analysis, pointing out advantages and disadvantages on a criterion by criterion basis, from what could be considered an objective power corporation like Ontario Hydro? And give us all a clear indication of what we would be getting into by going one way or another.

CHAIRMAN (Mr. Gargan): Thank you, Mr. MacQuarrie. Mr. Curley.

Public Utilities Board Will Represent Public Interests

HON. TAGAK CURLEY: Thank you, Mr. Chairman. I think all along we have indicated that we definitely will have a more clear indication whether or not the NWT will be able to accept the financial settlement with the federal government. The issue of the capital requirement is something that will be quite heavy on the items that will be discussed -- the capital replacement costs for equipment in the NWT. But I think we should indicate the fact that unlike NCPC, the energy corporation bill that we dealt with earlier does not put a cap on what profits or restriction you should have on the rates that it is receiving from the customer. I think that is mainly because we do have a Public Utilities Board which is going to have to be very diligent in assessing the revenue requirements of the energy corporation. I would hope that the Public Utilities Board would be able to represent the public and ensure that the undue power rates are not passed on to the consumer. That is the difference between NCPC and this power corporation.

Obviously this company is going to have to ensure that they do recover their costs and some revenues in order to be able to continue replacing the equipment that is no longer able to function in the NWT. We do not know whether or not we are going to be able to settle the financial deal with the federal government, but we definitely will have a more clear indication in the fall as to whether or not the financial resources will allow this company to survive and be able to recover what is due. So, Mr. Chairman, I thought I would make that clarification with the two corporations.

As far as Ontario Hydro is concerned, I would think the advice that we require is not limited to what we have received so far. We are dealing with other advisers and we will be recommending to the Executive Council shortly as to who our other financial consultants should be. So I am prepared to ask members of Ontario Hydro for objective assessment but I do not think we should wait until they have completely analysed the whole system in the North before we go on to evaluate their report. The reason I say that is that I do not think Northland Utilities has done an exceptionally biased report in their proposal to them. I think they are quite objective, mainly because they have a track record and significant investment already. So we are not, with something like this, out to try to bribe the government from all the profits that should be divided to the people of the North. I do not want to confuse anybody but I think it is important that we make the indication, the fact that this energy corporation is going to have to recover costs as well as some profits to enable it to replace capital requirements in the future. Thank you.

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

Importance Of Arrangements With Federal Government

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. I think we are concentrating in one aspect of this and I think the Minister is talking about probably the most important aspect and one I would like to hear some comment from Members about and that is our agreement with the federal government. I think everything hinges on successful negotiations with the federal government and the financial arrangements we can make with the federal government. We have to look at the debt load, we have to look at assets, we have to look at whether or not the headquarters office and lands in Edmonton is to be considered to be part of the assets of the corporation that we take over. Possibly even an escape clause for a very quick increase in the price of oil, that maybe at a certain price we will have to look at the possibility of some sort of financial relief if we get to \$30 or \$40 a barrel for oil in the future.

I think when we look at the options we have, that of a fully integrated company and that of a private utility, I think Mr. Nerysoo made a very articulate case for a fully integrated company. To be quite frank, as to the Peat Marwick report, we on the Executive Council are not 100 per cent happy with it either. We are going to be asking for more information because I think Mr. Nerysoo said quite rightly that that alone is not enough to make an intelligent decision on. One of the reasons we have entered into this transitional agreement is that we still do have some options. We have not locked ourselves into a final decision. I think that we make that decision between those two choices -- there are two philosophies in place there. For me, philosophically, the private utility has got to be more effective, because I think a private utility has been historically more cost efficient than government utilities. But that has to be proven, I agree. I think that we as an Executive Council have to have good facts to make that decision. I think, though, that when we are talking about what are the benefits of our, as a government, taking NCPC over from the federal government, I think maybe that sometimes we get confused whether it is for jobs we are doing it -- whether or not the proximity is important. I know we talked about this over the years and it is all coming to a head now. I think the most important thing we can do for the people of the Northwest Territories is to ensure that the downstream benefits of whatever we do are the best. That we can provide stable costs and we can keep costs down for power in the Northwest Territories, that is what benefits everybody. I think that has to be a prime consideration.

I see Mr. MacQuarrie's point, that getting into an agreement with NUL perhaps gives them a bit of an edge. As the Minister said, the government has contacted a number of utilities because it was our feeling that on one hand we have to start developing one of those models to answer the questions that Mr. Nerysoo mentioned. What are the personnel impacts? What are the financial implications? We will get that out of this transitional agreement and I agree that the wording of the transitional agreement might be interpreted in different ways but the way I interpreted it, if that data is not satisfactory to us, then we will not go ahead with it. That is how I interpreted that. Mr. Curley has agreed, and I think as an Executive Council we are quite prepared to get more information about the other options, about the fully integrated company. I think we have absolutely no problem there.

Could Try Private Utility Company For Three Years

Another option that is a possibility is that once all the data is in and a decision is made, there might be something to the idea of going ahead, for instance, with a private utility company for three years. In the meantime develop more expertise here, look at the possibility of native crown corporations, northern corporations getting involved, after that three year period and go into a fully integrated model. That is another possibility that has not been brought out here. So that is another option I think people should think about anyhow.

To end, I for one really welcome this particular debate. I think it is important. We, in politics, have been talking about NCPC for some time. The first time I ran for alderman in 1978 I remember saying we have to do something with NCPC. But it is happening right now so I know the Executive Council welcomes your concerns and your comments and when Nick said this morning we are going to make a decision -- we are not going to make a decision in total isolation from the Legislative Assembly. Of course not. I mean all these concerns and...

AN HON. MEMBER: (Inaudible comment)

HON. MICHAEL BALLANTYNE: ...we are listening to these concerns right now. We are listening to what you are saying right now and Mr. Curley has already said that he will look at the possibility of Ontario Hydro doing a study.

AN HON. MEMBER: (Inaudible comment)

HON. MICHAEL BALLANTYNE: Well, I think Mr. Sibbeston is also open. I mean this is something that affects us all and I think as an Executive Council we recognize that it is important to the whole Legislative Assembly. So it is not just going to be a decision made in total isolation.

I just want to finish by saying I think this debate is very useful to me. I think the concerns that have been put forward are valid and I, for one, will take them into consideration as we carry on with this route toward eventually, one way or another, taking over NCPC. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Ballantyne. Mr. MacQuarrie.

Final Decision Will Have Long-Term Impacts

MR. MACQUARRIE: Thank you. I am becoming more and more encouraged by what I am hearing on the other side. I think there is need for more analysis. It is such an important, fundamental decision that will have long-term impacts that it ought to be perhaps pursued expeditiously but not at a pace faster than making good decisions allows. An example of what I mean is that I look through this and if you look at exhibit 9 in the paper that we were given, you find out that the one-time and recurring costs for the holding company/NUL appear to be significantly better than the one-time and recurring costs for full service, NCPC. And yet as someone pointed out to me, if you divide through on the basis of the number of jobs provided by each of them -- if you take maximum 60 jobs with the holding company and maximum 120 jobs with full service, that you find that the cost, both one-time and recurring, for the full service is very significantly less per job than on the basis of the other. It is things like that that should be looked into...

AN HON. MEMBER: (Inaudible comment)

MR. MACQUARRIE: NCPC is lower. Yes, that is what I am saying. It is significantly lower than the holding company on the basis of cost per jobs. So there does have to be more analysis. Well, I could be wrong -- we have not had much time to look at it but there appears to be that possibility.

CHAIRMAN (Mr. Gargan): Thank you, Mr. MacQuarrie. Mr. Curley.

HON. TAGAK CURLEY: Thank you, Mr. Chairman. I will accept their expert advice given to us. Mr. Chairman, I think it should be clear that if you really want to assess NCPC's present status, they have indicated in their estimates to us that a staff establishment of approximately 80 positions would be required. That means in terms of the headquarters in the Northwest Territories all positions would be relocated from Edmonton. That was their proposal, that all but about 80 positions would obviously be relocated. Whether or not all of them would accept the jobs is something else.

The other point that should be remembered is that we are not only talking about saving positions here and there, but in terms of headquarters the headquarters would not be decentralized to various northern locations. Their model is a centralized system and that would be it. So if you compare the model that was presented to us from NCPC, significant costs have already been incurred as a result of the number of positions and number of infrastructure requirements to build facilities, and so on. So the Members do want more analysis. Are they asking us to do more analysis with NCPC's 80 positions and all this? Could you let us know exactly who you want it done by? Thank you.

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

MR. RICHARD: Thank you, Mr. Chairman. I appreciate that the Minister and his colleagues are, I think, now getting the gist of our comments. Mr. MacQuarrie earlier indicated that he perhaps was starting with a bias and that he prefers the fully publicly owned, single crown corporation. I do not have a particular bias. If anything, I suppose I would like to see the involvement of the private sector but the problem I have with what has been seen to date is that there is not an objective analysis of the two structures that are being considered. So, Mr. Chairman, I would like to make a motion at this time. Mr. Chairman, I move...

MR. MacQUARRIE: We have a movement here, Mr. Chairman.

---Laughter

Motion To Obtain Independent Analysis Re NWT Electric Utility

MR. RICHARD: Mr. Chairman, I move that the Legislative Assembly recommend to the Executive Council that it obtain an independent, professional, objective analysis of the two proposed organizational structures for an independent NWT electric utility. And further, that the analysis be provided to Members of this Assembly for review prior to implementation of either structure.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. Can we get a copy of your motion, please? Your motion is in order. To the motion. Can we have some order, please? To your motion, Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. I believe it has been stated by other Members and myself that we have a concern with the objectivity of the Peat Marwick document and the motion, Mr. Chairman, simply calls for government to do, or have done, an objective analysis of these two proposed structures. Mr. Curley has indicated the background where the two proposals came from. He canvassed other utility companies nationally and I accept his indication that only NCPC and Alberta Power came forward with proposals and they presumably are set out in this document but the analysis has not been done in an objective fashion, in my opinion, and the motion simply calls for that to be done, for the analysis to be given to Members of this Assembly before we go down one road or the other. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. To the motion. Mr. Curley.

HON. TAGAK CURLEY: Thank you, Mr. Chairman. I appreciate the ordinary MLAs wanting to have a greater input or greater whatever -- political bashing on major issues such as this. This is not a new issue. I made a statement in the House in February, a substantial public statement. It was not requested that the information be tabled at that time. What the Members are now doing is actually taking over the role of administering -- for instance, implementing government policy.

AN HON. MEMBER: (Inaudible comment)

HON. TAGAK CURLEY: Implementing government policy. I would hope that if you want to implement government policy that you do it from the driver's seat, not from the tail.

---Laughter

Because your tail, I think, is rather worn out these days. But, Mr. Chairman, the reason I am objecting to the particular motion is that it is interfering with the due process and the deadline that the federal government has tentatively agreed to the two parties, Yukon and NWT, and that the financial negotiations at the bureaucratic and official level were to be carried out through the month of July. That is the present schedule. The session will not begin until October and that

means that the report -- the Members have not recommended to us how much money they are asking us to put into another contract, and so on. The \$200,000 contract that they indicated is not just related to that one particular piece of document. I can assure you that, but I will not release any other information because, I tell you, the reason is that when information is provided it is used for other...

AN HON. MEMBER: (Inaudible comment)

HON. TAGAK CURLEY: I do not believe the Members are being objective in stating that we should do another analysis. I am not at all too sure. Why don't you as the finance committee chairman, do an objective analysis yourself that will not cost anything and delay our own due process? Because the agreement between the three governments has to be considered. The deadline for completing the negotiations is presently targeted for March 31st, 1987. You have to keep that in mind. Would we be able to meet that deadline or should we now make a decision to either delay the decision for an additional year? That may be possible. So it is going to affect our process and it is going to definitely affect the momentum that is going before us and it will definitely confuse the state of the official mandate, whether we do have that or not, in view of all these self serving requirements. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Curley. To the motion. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, the Minister is very concerned to persuade the federal government that we are ready in the North to take over the functions of NCPC. And I say that there would be no better way to do that, even if it takes a few months longer, than to be able to demonstrate to the federal government that we are aware fully of alternatives, that we have examined them carefully, thought about them and made objective decisions and decisions that then have the full support of the Assembly. So I think that doing this is not going to wreck anything at all. The Minister said that perhaps we should consider doing an objective report. Well, I would seriously consider it if the Minister would give me access to all the reports that he has and all the data...

MR. McCALLUM: He just said he wouldn't do that.

MR. MacQUARRIE: ...I would undertake to sit down during the summer and come back with an objective opinion for him in the fall, perhaps.

CHAIRMAN (Mr. Gargan): Thank you, Mr. MacQuarrie. To the motion. General comments.

AN HON. MEMBER: Question.

Motion To Obtain Independent Analysis Re NWT Electric Utility, Carried

CHAIRMAN (Mr. Gargan): Question has been called. All those in favour? Opposed, if any? The motion is carried.

---Carried

General comments to Tabled Document 80-86(1). Are there any further general comments? What is the committee's wish? Does the committee agree that Tabled Document 80-86(1) is concluded? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 23-86(1), Supplementary Appropriation Act, No. 4, 1985-86

CHAIRMAN (Mr. Gargan): We are now on Bill 23-86(1), Supplementary Appropriation Act, No. 4, 1985-86. Mr. Butters, would you like to make an opening statement?

Minister's Opening Remarks

HON. TOM BUTTERS: Thank you, Mr. Chairman. Supplementary Appropriation No. 4 for the 1985-86 fiscal year requests Legislative Assembly approval for \$6,565,000 of appropriation authority for year end expenditures which are deemed to be interim appropriation per section 26 of the Financial Administration Act. The appropriation authority required is primarily for the establishment of

accrued liabilities at year end. These accrued liabilities are for employee leave and termination benefits earned but not yet paid, and for teachers' salaries earned in 1985-86 but not to be paid until the end of the 1985-86 school term. Other items contained in this Supplementary Appropriation No. 4 are for nondiscretionary employee benefits expenditures and a minor transfer of funding to the Baffin Divisional Board of Education for freight and communication costs. The Ministers responsible for the supplementary requirements before you today, sir, will be able to speak to any questions that Members may wish to direct to them regarding the appropriation request. Although the chairman of the standing committee on finance has reported, possibly he may wish to add more comments at this time.

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

MR. NERYSOO: Thank you, Mr. Chairman. I just want to indicate that we made our comments in our report and I am not, at this particular time, going to make any additional comments on Supplementary Appropriation No. 4, 1985-86.

CHAIRMAN (Mr. Gargan): Are there any general comments? Does the committee agree then that we will go through the details of the supplementary? Okay.

Department Of Personnel, Total O And M, Agreed

Page four, Personnel, operations and maintenance, staff relations, \$3,012,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$3,012,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Government Services, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Government Services, freight, \$15,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Communications, \$10,500 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$25,500 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Education, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Education, operations and maintenance, schools, \$3,578,500. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$3,578,500. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. We will go now to Bill 23-86(1), An Act Respecting Supplementary Appropriations for the Government of the Northwest Territories for the fiscal year ending the 31st day of March, 1986. Does the committee wish to go clause by clause? Okay. Clause 2, application. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 3, supplementary appropriation for 1985-86. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 4, reduction of appropriation. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 5, purpose of expenditures. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 6, lapse of appropriation. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 7, accounting. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 8, commencement. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Schedule, total operations and maintenance, \$6,565,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. Total appropriated, \$6,565,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 1, short title. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. The bill as a whole. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. Does the committee agree that Bill 23-86(1) is ready for third reading? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 24-86(1), Supplementary Appropriation Act, No. 2, 1986-87

CHAIRMAN (Mr. Gargan): Thank you. Okay, we are now on Bill 24-86(1), Supplementary Appropriation Act, No. 2, 1986-87, with Mr. Butters' opening statement.

Minister's Opening Remarks

HON. TOM BUTTERS: Mr. Chairman, Supplementary Appropriation No. 2 for the 1986-87 fiscal year, requests Legislative Assembly approval for \$11,612,100 of additional appropriation authority to defray the expenses of the Government of the Northwest Territories for the fiscal year 1986-87. When combined with the 1986-87 Supplementary Appropriation No. 1, which provided appropriation authority for the costs of implementation of the Young Offenders Act, the 1986-87 supplementary appropriations total \$15,094,600 or 2.2 per cent of the original main estimates. Partially offsetting this \$15 million increase in expenditures is \$3.7 million of directly related recoveries.

Contained in Supplementary Appropriation No. 2 are a number of initiatives key to the accomplishment of government objectives. Three million dollars has been included to implement the affirmative action plan, approximately half a million dollars to improve the provision of justice in the NWT, and one million dollars to conduct regional economic development conferences and to increase the funding for the venture capital program in 1986-87. Other requests include the emergency replacement of a parking garage in Rankin Inlet that was destroyed by fire and an X-ray unit at the H.H. Williams Memorial Hospital that stopped functioning and was too old to repair. In addition there are a number of project carry-overs from 1985-86, where the projects were not completed and the funds were not spent last year. These comprise almost \$2.5 million of the appropriation authority sought in Supplementary Appropriation No. 2. In summary, the items included in 1986-87 Supplementary Appropriation No. 2 are necessary for the efficient delivery of government programs. I submit them for Members' consideration.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Nerysoo, as the chairman of the finance committee, do you have any remarks?

Comments From The Standing Committee On Finance

MR. NERYSOO: Thank you, Mr. Chairman. Just to indicate, as I indicated during the report of the standing committee on finance, that we have had an opportunity to review this supplementary appropriation and have concluded that we support the initiatives that are being taken. However, I must indicate in the comments that I made in the closing of the report of the standing committee on finance that more prudent financial decisions should be made by the Executive Council. If the analysis is done properly with the so-called deficit of \$16 million and the expenditure to date this year of \$15 million, and if the ongoing expenditures continue at the rate that they do, that will be another \$15 million and a total of \$46 million of new expenditures in this particular year.

I would suggest with that quick summary that if we continue at the expenditure rate that we have, you will find us in a very difficult financial situation, much more difficult than we had anticipated previously. I realized that this so-called cash reserve that we have is very good but that does not mean that we should, in any way, expend those financial resources, noting and recognizing the possibility that in the future we are going to require the finances to offset the deficit that we might find ourselves in.

Regarding the initiatives that have been taken with regard to the affirmative action, we noted that there was concern about the fact that departments were being allocated finances. We are concerned about that and would indicate again that it is necessary to ensure that there is very strict control of those finances and that they be used for the purposes that they have been identified for and for the program that they have been identified for. There is one very significant concern that has been expressed publicly and that is the manner in which the government has made public the process and the implementation of the affirmative action program. We had an opportunity to hear from the government and to hear from the individuals and the directorate that is going to be involved in the implementation process and it is very much different from the public reports that have been made to date. I would suggest to the government and impress upon the government that they publicize the manner in which they are going to implement the affirmative action program because if the presentation that was made to the standing committee on finance is the manner in which you are going to implement the affirmative action program, my belief is that the public will accept that particular direction. But I do not believe that the manner in which it is now being made public and the kind of comments that are being made are going to allow for any support from the general public. I would hope, and we mentioned this to the representatives of the equal opportunities directorate, that they ought to be ensuring that there is public support for the initiative and that there is wide publication of the manner in which the affirmative action program is to be instituted.

Mr. Chairman, there were also a number of concerns with regard to the manner in which special warrants are being used, again. In particular in those areas where you have had lapsed money from projects of a year ago and it is important that the government ensure that in the future, when you have carry-over programs that have been initiated the year before, that those particular programs continue to exist in the upcoming estimates, so that we vote those funds accordingly, as opposed to having the Ministers come back for special warrants or special appropriations. Those are just notes of caution on our part. Generally speaking, while we did have those particular concerns, we are prepared to support the supplementary appropriation.

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

Year End Surplus More Than Projected

HON. TOM BUTTERS: Mr. Chairman, I welcome the caution of the chairman of the standing committee on finance and certainly value his suggestions and the recommendations contained in the report from himself and his committee. I would indicate that, as Members recall, the first supp was related to the implementation of the Young Offenders Act. It is our expectation that the major portion of those funds will be returned to this government, so it is an expenditure we have had to make but the expectation is that the federal government will replace those funds. And as of the year end, it would appear that we had a surplus of some \$12.6 million which was not projected. We were projecting in the order of a million dollars. I did, prior to the end of the fiscal year, caution all the departments that we would not look with favour upon expenditures made in departments which suggested that they were just spending to spend. So possibly my direction did have some effect on the fact that we did conclude the year with a \$12.6 million surplus.

CHAIRMAN (Mr. Erkloo): General comments. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. I did not quite get the Minister of Finance's figures in the context of this supp. I recall when the Minister gave his budget speech and tabled the main estimates that we were looking at, in the current year, a deficit of \$15.8 million but that included a reserve for supplementary estimates of six million dollars and with these two supps we are spending \$15 million. So I take it that by nine million dollars we are spending more than the reserve that was set aside for supps. That was six million dollars and we are now spending \$15 million. I am just wondering if there is any current information -- that \$15 million that was projected was based on the projected revenues and recoveries -- if we have any more current information. I suppose it is too soon for that but what do all of these figures mean to our money in the bank or reserves or whatever it is called? In the Minister's budget speech the \$15 million deficit meant that we were reducing our balance to \$24 million, as I recall...

MR. MacQUARRIE: Revenge. NCPC.

MR. RICHARD: What is the net figure now, Mr. Chairman? That is really what I would be interested in, because if we authorized the \$11 million, what will it do to the balance in the bank that on March 31st was \$24 million, as I understand?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I guess this is what I was attempting to explain earlier in response to Mr. Nerysoo's concern with regard to an increased deficit beyond that projected in the budget. At the time that we put our budget together, we were projecting at the close of this fiscal year, a carry-over of some million dollars. With the conclusion of the fiscal year, it would appear that we have 12 times that amount, some \$12.6 million that would be added to our accumulated surplus account which is now in the order of \$54 million. So the funds that are referred to in these appropriations would be taken from the six million that has been set aside and from the surplus which has occurred at the end of the last fiscal year.

CHAIRMAN (Mr. Erkloo): Any more general comments? Does the committee agree that we go detail by detail? Mr. Minister.

HON. TOM BUTTERS: Just to add, which is probably superfluous, but Ministers will respond to the questions directed at their particular departmental responsibility. In the absence of Mr. Wray and Mr. Patterson, Mr. McLaughlin and Mr. Ballantyne will be making the responses for those departments.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. We are on page four.

Legislative Assembly, Total O And M, Agreed

Legislative Assembly, \$2000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$2000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of The Executive, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Executive, O and M, Energy, Mines and Resources Secretariat, \$420,000. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. I understand from information that was provided to the standing committee on finance that of the \$320,000 for funding required to prepare for and conduct negotiations on the transfer of NCPC, a large portion is for the consultants Peat Marwick. Part of that money is to pay for their services in assisting the government in negotiating with the feds. The negotiations that Mr. Curley was referring to, a large part of them are going to be taking place in the month of July. Can I ask if the personnel in Peat Marwick are essentially the same personnel that produced the report that we were discussing earlier today, that are assisting the EMR Secretariat in negotiations with the feds?

CHAIRMAN (Mr. Erkloo): Mr. Curley.

HON. TAGAK CURLEY: Thank you, Mr. Chairman. That is correct and my information is that although the present figure is there, that is presently available to conclude the transitional planning stages. The information that I have is that \$28,000 has been spent so far for the Peat Marwick company, including and other assistance that we have received in meetings with federal officials in Ottawa. There have been a number of meetings with federal officials throughout last year and there will be other meetings to peruse the financial models that both federal and territorial governments are working on.

CHAIRMAN (Mr. Erkloo): Thank you. Energy, Mines and Resources Secretariat, \$420,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Executive Council Secretariat, \$26,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$446,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

NWT Housing Corporation, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): NWT Housing Corporation, O and M, \$19,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$19,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Financial Management Secretariat, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Financial Management Secretariat, O and M, \$3000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$3000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Finance, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Finance, O and M, administration, \$17,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$17,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Culture And Communications, Total O And M

CHAIRMAN (Mr. Erkloo): Culture and Communications, O and M, directorate, \$12,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Erkloo): Total department, \$12,000. Mr. Gargan.

Transcripts Of Community Hearings, Task Force On Aboriginal Languages

MR. GARGAN: Thank you, Mr. Chairman. I have a question for the Government Leader concerning, not the expenditure itself, but a question concerning Culture and Communications. The Leader had indicated in a note to me about the aboriginal language task force report that was done for which I requested transcripts of the community hearings that did occur. Unfortunately the Minister indicated that there are no transcripts in place right now. All he has to base the final recommendations of the task force on is on tapes. I find it very difficult to see how that was done because you had two aboriginal languages involved and how the Inuit understood the Dene language or the other way around is something that must have been pretty difficult. I would like to ask the Minister, perhaps the first task for the department would be to translate those tapes on paper so Members could see what was actually said in the communities. I find it quite difficult -- the task force on housing did their transcripts before they did a final report. How did the other task force manage to do it without transcripts?

Mr. Chairman, I requested those transcripts three times and now on the third time around the Minister tells me now that there is no transcript. So I would like to ask the Minister what...

MR. McCALLUM: ...three strikes you are out...

MR. MacQUARRIE: ...buy you a pair of earphones...

MR. GARGAN: I will direct my question to the Government Leader on that one.

CHAIRMAN (Mr. Erkloo): Mahsi cho. Mr. Sibbeston.

HON. NICK SIBBESTON: I can tell the Member it is really quite conceivable to have a task force go around the communities of the North and hear what people have to say and in the end not end up with any written transcripts. What has been done, as I understand it, is that a recording has been made and kept of all of the community meetings. As I understand it these tapes have not been made into written, readable transcripts. I only discovered this myself. I was under the general illusion that there was some material resulting from all the community meetings and this is why any time he raised the question I said I would try to provide it to the Member. I was told this afternoon on further checking into the matter that there is not any written transcript material that I could give to him. I can perhaps provide him with some of the tapes if he is prepared to listen to them. Alternatively Mr. Pedersen who is foremostly responsible for the department and I can undertake to begin translating and having the material on tapes put into written form which then could be made available to the Member and other people of the North. That is one thing that we could do. Let me say that I will consider the request for having a transcript and if it is practical and if it can be done, we will seriously consider making transcripts available to the Member.

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

MR. GARGAN: Thank you, Mr. Chairman. I also would like to ask the Minister whether the final result of this report was done by the task force themselves or else was it also contracted out to an outside agency to come up with the final results of this report?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. NICK SIBBESTON: The Member must be kidding. Knowing the task force members it is inconceivable that anyone except them would write the report. So I have to believe that the Member is being a little bit facetious suggesting that consultants other than the persons on the task force formulated the recommendations. To my knowledge the task force members were the ones that made the recommendations. Throughout their work they did retain consultants, persons who helped them in the course of their work, and finally a person who helped them write and put it in the form that we find it today. So I do believe that they obtained a certain amount of assistance but I do believe that the thinking and the recommendations really came from the task force members themselves.

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

MR. GARGAN: Thank you. I just want to say that I would really appreciate if the Government Leader would undertake the task of providing me with transcripts once the final transcribing has been done because it just means I will rest easier. Perhaps what is in here would be relevant to what has been said out there.

Department Of Culture And Communications, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Mahsi cho. Total department, \$12,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equal Employment Directorate, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Equal employment directorate, O and M, \$62,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Erkloo): Total department. Mr. T'Seleie.

MR. T'SELEIE: Mr. Chairman, I wanted to ask the Minister responsible for this department with respect to the \$60,000 that is being allocated to provide the civil service with cross cultural orientation programs. I wanted to ask the Minister responsible whether or not these programs are already developed. That is my question.

CHAIRMAN (Mr. Erkloo): Mr. Sibbeston.

HON. NICK SIBBESTON: Mr. Chairman, I do believe that the materials that the equal employment directorate would be using in its cross cultural orientation are prepared. The money is partly to cover the costs of some of the members of the directorate to do the actual work, having meetings with various staff in headquarters and in the regions. Part of the money is for the cost, the transportation, the administrative costs in doing this work. Other portions of the money here are for preparing and having the materials that are necessary to do this work. My understanding of the directorate is that they have done a lot of the preliminary work necessary so that they can do this work.

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

MR. T'SELEIE: Mr. Chairman, I want to ask the Minister if he could provide me with the material of this program, what that material contains.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. NICK SIBBESTON: Mr. Chairman, I would be very pleased to provide what material is available and send it to the Member as quickly as possible.

CHAIRMAN (Mr. Erkloo): Thank you. Equal employment directorate, \$62,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$62,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Personnel, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Personnel, O and M, personnel planning, \$215,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Personnel services, \$24,300. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$239,300. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Personnel, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Personnel, capital, staff relations, \$29,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$29,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Justice, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Justice, O and M, directorate and administration, \$151,800. Agreed? Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: I just want to make one comment because I think it is important. First of all, to alleviate Mr. Richard's concerns about the possible deficit position of the government, the total supps of the Department of Justice add up to \$669,500. I was able to get from Mr. Crosbie \$800,000, so our department is operating at a surplus for this particular year.

Secondly, I just want to make a comment on the law reform committee, Mr. Chairman. This Assembly indicated through a motion that additional funding was needed in the area of law reform. I agree and I have the concurrence of the Executive Council that the law reform committee will be established comprised of persons affected by the laws, the judiciary and members of the bar, to ascertain what new statutes should be drafted and what existing statutes should be revised. Hopefully this will just be a beginning toward the realization of this very important work.

CHAIRMAN (Mr. Erkloo): Directorate and administration, O and M, \$151,800. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Legal services, \$35,600. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Legislation, \$97,300. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Court services, \$125,000. Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: This was again a response to a motion of this House. This will enable the government to put a territorial court judge into the Baffin Region with support staff. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): Mr. Nerysoo.

MR. NERYSOO: Just to indicate that the standing committee on finance supports the initiative since it was an initiative from this side of the House.

CHAIRMAN (Mr. Erkloo): Court services, \$125,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$409,700. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Justice, Total Capital, Agreed.

CHAIRMAN (Mr. Erkloo): Justice, capital, court services, \$259,800. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$259,800. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Government Services, Total O And M.

CHAIRMAN (Mr. Erkloo): Government Services, O and M, directorate, special warrants, \$25,000. Mr. McCallum.

Special Warrants.

MR. McCALLUM: I have a question of the Minister. Why was a special warrant given to designated flood prone communities and then in Hay River it was not necessary for a special warrant? What was the reason for using a special warrant in one instance and not in the other?

CHAIRMAN (Mr. Erkloo): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, the situation with regard to the preparation of flooding at Hay River, when examined by me, proved that this government had dropped a program of assistance to that community some six years ago. Until 1979-80 I believe there was a grant to Hay River of some \$1200 and sometimes it was used and sometimes it was not. That grant was dropped out of our estimates back in 1979-80. When the Mayor of Hay River indicated to me that the situation looked very bad for a repeat of last year's flooding and indicated that the town was taking preparatory steps to alleviate what they anticipated would be high water, that was through dynamiting and weakening the ice so it would be moved out of the channel mouth as quickly as possible, I had no program to

draw funds from, neither in Government Services nor in the total government. I took this request to the Executive and received approval to match either Hay River or Simpson or Aklavik, whichever community would require assistance, dollar for dollar in doing flood preparation work. This money is not recoverable from the federal government and I anticipate it will remain in our budget year after year now to assist those communities which are prone to flood damage.

Regarding the \$50,100 that is identified, as the Member knows, Hay River did experience flood conditions and I established a special disaster committee as permitted to me under the policy. The disaster committee received applications from people who had been hurt by the flood situation and they assessed the legitimate applications and determined that we would pay out \$50,100. We have not paid out \$50,100 yet. With the approval of this supplementary estimate then we will make payments to those people who have been determined to receive such assistance.

I might add that Hay River is a flood prone community because man, over the last 20 years, has dammed off a lot of the little channels which draw off the water during high river. So in effect you could point the finger at the federal government -- the airport, NTCL extension. This government and the town of Hay River, in conjunction with the federal government, are looking at a solution through which we can remove these annual flood problems and these annual expenditures that this government has to pay by some method that will alleviate and remove the continuing danger. So that is being actively pursued and I hope we will not be coming back to this Assembly in the future for flood assistance, to Hay River anyway.

CHAIRMAN (Mr. Erkloo): Thank you. Special warrants, \$25,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Directorate, \$84,100. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Communications, \$12,300 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Freight, \$55,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, special warrants, \$25,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Government Services, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$16,800. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Government Services, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Government Services, capital, office services, \$205,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$205,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Public Works And Highways, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Public Works and Highways, O and M, directorate, \$87,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Accommodation services, \$438,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Buildings and works, \$130,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Highways/maintenance operations, \$242,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$637,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Public Works And Highways, Total Capital

CHAIRMAN (Mr. Erkloo): Public Works and Highways, capital, buildings and works, \$245,000. Agreed? Mr. Gargan. We are page 19, buildings and works, Mr. Gargan.

Motion That Executive Council Provide Funding For Resurfacing Of Access Road, Fort Providence, Carried

MR. GARGAN: Thank you, Mr. Chairman. I would like to make a motion at this time on the access road to Fort Providence. Mr. Chairman, I move that the Executive Council reconsider the decision to defer the project, resurfacing the Fort Providence access, and to provide the funding previously approved to allow for the immediate commencement of this project.

CHAIRMAN (Mr. Erkloo): Your motion is in order. To the motion, Mr. Gargan.

MR. GARGAN: Thank you. Mr. Chairman, during our main estimates under Public Works and Highways there was an estimated amount approved, out of which portion \$438,000 in this current year was supposed to be allocated for Fort Providence. However, it was deferred after it was approved. One of the reasons that were given for the deferring was unexpected spring flooding and additional expenditures required for other projects which I am not aware of or I have not been given the details on.

Also I would like to say that although I do not approve of special warrants, some of these projects do require special warrants -- are required under special warrants. So I do not see why special warrants were not used for those other projects that were of an emergency nature. For this reason I am requesting the government to reconsider the decision that they made. If the other projects require special warrants then that is where these should be used and they should still keep the amount that was allocated for Fort Providence as is and commence the work. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): Thank you. To the motion.

MR. RICHARD: Could you read the motion out, Mr. Chairman?

CHAIRMAN (Mr. Erkloo): Okay, I will read the motion. "I move that the Executive Council reconsider the decision to defer the project 'resurfacing the Fort Providence access' and provide the funding previously approved to allow for the immediate commencement of this project." To the motion. Question has been called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Building and works, \$245,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Highways/design and construction, special warrants, \$350,000. Agreed? Mr. McCallum.

MR. McCALLUM: I wonder if I could ask again what the urgency was for a special warrant of \$350,000?

CHAIRMAN (Mr. Erkloo): Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: Mr. Chairman, my understanding is that this particular contract was approved the previous year. There was a contractual arrangement with the contractor and this was necessary to fulfil our obligation to the contractor.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Highways/design and construction, special warrants, \$350,000. Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. I ask the Minister, could it not have waited for this particular supplement?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. MICHAEL BALLANTYNE: My understanding again, Mr. Chairman, is the contractor was scheduled to proceed with the project for the month of June so it was necessary to ask for a special warrant.

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

Reconstruction Of Ingraham Trail

MR. T'SELEIE: Mr. Chairman, my question about this is, is this the reconstruction of the Ingraham Trail? I am aware that last year there was work done on it and I do not know about the year before but I would like to ask the government, is this a program that is proceeding for a certain number of years? How far do they plan to reconstruct this road?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. MICHAEL BALLANTYNE: Again, I can get the specific details to the Member. My understanding again is this was I think a three year project. Because of the same problem that Mr. Gargan faced it was necessary to defer I believe some \$900,000 or one million dollars that should have been expended this year to future years. So there is a long-term program of this government to upgrade and eventually pave the Ingraham Trail and Mr. Chairman, my understanding again is that the Ingraham Trail is one of the, if not the most heavily used road in the Northwest Territories. It is used by the people of Detah on a regular basis. It is also used in the wintertime servicing a couple of mines in the area. A major concern of the government was that because of the conflict between the recreation use and the industrial use, with the state of the Ingraham Trail there was a great potential danger and we had a number of close calls. There were a number of oil spills, a number of trucks that went over and it was the feeling of the government that this should be a priority, but for the same reasons that Mr. Gargan's project was delayed, most of this year's work on the Ingraham Trail was also put off to some future time.

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

MR. T'SELEIE: Mr. Chairman, I just want to be clear on this. If it is a three or four year program of reconstructing this road, then when is that program over? Is this the last year of it?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. MICHAEL BALLANTYNE: No, the major portion of the construction that was scheduled for this year has been deferred for the same reasons that Mr. Gargan's road has been deferred. So in the future, Ingraham Trail will have to compete with other priorities in the same way that Mr. Gargan's road was. Maybe the Yellowknife MLAs would like to make a motion.

CHAIRMAN (Mr. Erkloo): Highways/design and construction, special warrant, \$350,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Highways/design and construction, \$230,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Highways/maintenance operations, capital, \$165,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, special warrants, \$350,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Public Works And Highways, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$640,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Renewable Resources, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Renewable Resources, directorate, O and M, \$21,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$21,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Local Government, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Local Government, O and M, directorate, \$24,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$24,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Local Government, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Local Government, capital, community planning and development, special warrants, \$700,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Community planning and development, \$647,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Sport and recreation, \$400,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, special warrants, \$700,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$1,047,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Health, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Health, O and M, administration, \$10,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$10,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Health, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Health, capital, Territorial Hospital Insurance Services, special warrants, \$133,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, special warrants, \$133,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Social Services, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Social Services, O and M, administration, \$51,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$51,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Social Services, Total Capital

CHAIRMAN (Mr. Erkloo): Social Services, capital, family and children's services, \$94,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Corrections, \$2,102,000. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. The Minister explained to the standing committee on finance the reason behind this increase in capital is that there was money coming from the federal government to increase the bed space at the Yellowknife Correctional Centre. As I understand it, there is a new agreement being entered into by the two governments as regards housing federal inmates at this correctional centre in Yellowknife. What I wanted to ask the Minister is whether the agreement is such that our government is obliged to take federal inmates, but more importantly if we do, do we receive O and M moneys for each inmate that we house here? That is one part of the question. The other part is, what if we do not use the beds? What if we turn them down or just not use the bed space? Are there some O and M moneys provided by the federal government whether the beds are used by federal inmates or not? Thank you.

CHAIRMAN (Mr. Erkloo): Mr. McLaughlin.

Agreement To House Federal Inmates

HON. BRUCE McLAUGHLIN: Thank you, Mr. Chairman. The agreement between us and the federal government to provide a total of 20 beds allows us to turn down prisoners who we feel are not capable of being handled in our system, because we basically have a minimum security system in place in Hay River and minimum and medium security services in Yellowknife. So if we feel that prisoners are too difficult for us to handle, we are not obligated to take them. We are paid an O and M amount per prisoner day, so it is to our advantage to take on the federal prisoners. At any given time we have about 10 federal prisoners here, some of whom never were put into the South for humanitarian reasons, primarily because they did not speak English -- we retain them up here from the very outset of their federal sentencing. We are actually doing this now, but by expanding our capacity to do it with 20 prisoners and also expanding it to include medium security prisoners, we will be able to take more because we did not have very much room in medium security before. So we will be able to take more prisoners and we will be paid so much a day in the offset. But if the beds are not used, we could utilize them ourselves. Thank you, Mr. Chairman.

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

MR. RICHARD: Mr. Chairman, it may be a minor point, but it seems from the explanation that the Minister gave in the standing committee on finance recently, that this was a neat little offer of a gift we got from the federal government. But if you add 20 beds to that institution, there must be an incremental increase in the O and M factor to administer the extra space. And if, for whatever reasons, we are not going to accept at all times a full complement of 20 federal inmates for these spaces, our government's O and M for running the centre has clearly been increased and I guess the expression could be, "Beware of feds bearing gifts, or Greeks bearing gifts" or whatever the expression is. There is a concern there that by taking the capital moneys and building that we have locked ourselves into an increased O and M and I do not think we should go overboard in taking on federal inmates or trying to fill the empty beds. I am wondering if the department considered that factor -- that there would be increased O and M because of the gift of capital funds that we got from the feds.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. BRUCE McLAUGHLIN: Basically in agreeing to receive the three million dollars capital, part of the condition was to buy the 20 beds and we are able to build into the facility some services and security situations as well as some room for programs to be carried on, which we would have desired as a government to have done anyway for our own long-term territorial prisoners. So basically we wanted some of the capital money to expand, and we would have incurred some O and M expenditures because of that but we were going to do that as a government anyway, down the road, in that facility. We were able to move up by a couple of years what we wanted to do in that facility. So we would have had to incur those expenses down the road anyway. The advantage to us is that we got that money earlier and were able to put the beds and improved facilities into place earlier. We may, if we do not utilize all 20 beds for federal prisoners, experience some O and M costs that we would not have started to incur a couple of years down the road. But it was our intention to upgrade the facility at YCC to this level anyway and we would have had some additional O and M expenditures because we would have been offering programs to our long-term prisoners that we are now able to offer to federal prisoners and our own prisoners. So the Member is right that if we do not utilize the full 20 beds, there may be an increased O and M cost to us. But it is an increased O and M cost that would have happened a couple of years down the road if there was no federal agreement because we were going to try to offer that type of service to our own long-term prisoners a few years down the road anyway.

MR. RICHARD: You didn't fool us, we fooled them.

HON. BRUCE McLAUGHLIN: Both governments have the same auditor and I do not think we fooled either one of them.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Corrections, \$2,102,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Social Services, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$2,196,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Economic Development And Tourism, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Economic Development and Tourism, O and M, directorate, \$528,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Business development, \$500,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$1,028,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Economic Development And Tourism, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Economic Development and Tourism, capital, Expo '86, \$407,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$407,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Education, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Education, O and M, directorate and administration, \$44,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Advanced education, \$1,605,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Arctic college, \$113,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Schools, \$88,500. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$1,850,500. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Education, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Education, capital, schools, special warrants, \$400,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Schools, \$157,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Arctic College, \$215,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, special warrants, \$400,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$372,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): We will now go to Bill 24-86(1). Does the committee agree we go clause by clause?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 2, application. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 3, supplementary appropriation for 1986-87. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 4, purpose of expenditures. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 5, lapse of appropriation. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 6, accounting. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 7, commencement. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Schedule. Vote 1, operations and maintenance, total, \$4,873,300. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Vote 2, capital, total, \$6,738,800. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total appropriated, \$11,612,100. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 1, short title. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): The bill as a whole. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Does the committee agree Bill 24-86(1) is now ready for third reading?
Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 25-86(1), Petroleum Products Tax Act

CHAIRMAN (Mr. Erkloo): We will now go to Bill 25-86(1), An Act to Amend the Petroleum Products Tax Act. Mr. Butters, do you have opening remarks?

Minister's Opening Remarks

HON. TOM BUTTERS: Thank you, Mr. Chairman. Referring to the report of the chairman of the standing committee on Legislation tabled today. He indicated that "while the committee sees no major problems, these two bills have not yet been brought forward by the government and may therefore include changes not yet seen by the committee." I would indicate, sir, that this bill as presented to the House and in the Member's books is the same bill that was put in the committee's hands earlier this week. I regret that it did not get the examination of the committee that they may have liked. In view of the fact that there may be some technical or legal questions, I would like to ask possibly, sir, that we might have before us witnesses in the form of Mr. Eric Nielsen and Ms Giuseppa Bentivegna who is our legal counsel, if that might be possible.

AN HON. MEMBER: If needed.

HON. TOM BUTTERS: If needed, okay. Then I will make some introductory remarks to the legislation. The purpose of the amendment to the Petroleum Products Tax Act is to increase the rate of tax on gasoline from 15 per cent to 17 per cent effective July 1st. To decrease the rate of tax on non-motive diesel fuel, which is a rate of the tax on gasoline, from 40 per cent to 29 per cent effective July 1, 1986. And to authorize the making of a regulation to prescribe a 56 cents per litre taxable price of gasoline as of January 1, 1986.

With regard to the first intent, the effect of the rate change will be to maintain the same amount of tax on gasoline and other motive fuels. For example, as of January 1, 1986 the taxable price per litre of gasoline, and this is based on Yellowknife prices, was at 56 cents per litre, at a rate of 15 per cent the tax was 8.4 cents a litre. The amendment suggested would be that on July 1, 1986, on a Yellowknife price of 49.2 cents a litre and a rate of tax of 17 per cent, the amount of tax per litre would be 8.4 cents. The reduction would occur in the area of diesel non-motive fuel. For example on January 1, 1986, the tax on diesel non-motive fuel was 40 per cent of the gasoline tax, that is of 8.4 cents, and that amounted to 3.4 cents. As of July 1st the amendment has suggested that the rate of the tax on non-motive fuel would be reduced to 29 per cent of 8.4 cents which would be 2.4 cents. Now, the beneficiaries of this reduction are widespread. Our estimation is that 30 per cent of the tax reduction would benefit Northern Canada Power Commission and NCPCC has advised us that any savings accruing to them would be passed on to the consumers of their generated electricity. We expect that between 20 or 25 per cent would benefit the mining industry. The mining industry, as we know, in the NWT has experienced some very difficult times and has informed this government that the tax which we charge might be just the difference between their operating and not operating. So another beneficiary would be the mining industry across the Territories. The remaining 50 per cent, we expect, would benefit the petroleum exploration industry and the fishing industry. So those would be the people who would benefit from the reduction on the rate of diesel non-motive fuels.

This reduction was made possible by the reduced prices of petroleum products. As you know our ad valorem tax is related to the price of the product averaged at the Yellowknife pumps. In view of that opportunity to reduce our taxes, the Executive Council decided to take advantage of the reduced gasoline prices and to redirect the full impact of the tax reduction to non-motive fuels, where we felt there was the greatest need. This amendment will therefore maintain the amount of tax on motive fuels at their current levels, but will reduce the tax on non-motive fuels used for electricity generation and other purposes.

The revenue impact of these amendments is a reduction of approximately \$1.8 million, which is the same amount of revenue the government would have lost by applying the legislated ad valorem rates to the reduced product prices.

The amendment in paragraph three is to authorize the making of a regulation to establish a taxable price per litre of gasoline at January 1, 1986. That is required because we neglected to do this back in January. This was an oversight on behalf of my department and I missed it myself. As a result, no regulation was made in January following the advice to retailers of the product prices increases.

The taxable price per litre of 56 cents will have effect only for the period from January 1, 1986 to June 30, 1986. The new taxable price per litre of 49.2 will be effective on July 1, 1986. I believe those cover some of the major provisions in the amendment and when we go clause by clause I will speak to each clause as it is introduced.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. Nerysoo, as the chairman of the finance committee, would you like to make some remarks? If not we can go to general comments. Mr. Nerysoo.

MR. NERYSOO: Mr. Chairman, I just want to know if the 17 per cent increase will be reduced if gasoline prices start to rise again.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

Prices Monitored And Tax Collected

HON. TOM BUTTERS: Mr. Chairman, the Petroleum Products Tax Act requires that we monitor the price of gasoline at the Yellowknife pumps every three months and correct the tax applied to the situation that occurs at the pumps. So there would be a change made in accordance with the new prices that we see being asked for at the pumps in Yellowknife.

CHAIRMAN (Mr. Erkloo): Mr. Nerysoo.

MR. NERYSOO: At this particular time I do not believe we have any difficulty with the rates, only with regard to the question that I have asked. I believe that there may be other questions that other Members ask, because as you indicated we did not have an opportunity really to go through the bill. The only concern that I personally have is with regard to the reduction of revenue, how that would affect the budgetary process and whether or not there would be a benefit to the citizens and residents and I believe you indicated that. I am still concerned that it may have an effect on the revenues in future, because we are talking about a reduction of \$1.6 million, I believe, in this particular year. But that is an ongoing reduction and every year now we will not be having that \$1.6 million. So in that sense I am a bit concerned about it. The other thing is, is the benefit applicable to all communities in the NWT? I am referring to those communities that are also on the highway system, in particular with regard to the rate reduction that NCPC is proposing.

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

HON. TOM BUTTERS: Mr. Chairman, I have not seen the letter in question from NCPC but I am advised that the commission has agreed to pass on the reduction on a community by community basis, so that the Member's concern will be addressed, as I understand it.

CHAIRMAN (Mr. Erkloo): General comments. Does committee agree we go clause by clause?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 1. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 2. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 3, coming into force of regulation. Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. I was just wondering in terms of it coming into force on 1st of January, 1986, the retroactivity. How does the Minister perceive collecting back taxes? You know, I have paid for my gas, I have paid the tax.

MR. RICHARD: You have spent your money already. We are just legalizing it.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the honourable Member for Yellowknife South is correct. We have been collecting the tax at this rate since January 1st. We indicated to the suppliers of the product that this would be the new rate, but we did not put it into regulation. It was an oversight by the department and the regulation was not referred to the Commissioner for signature. So that is the reason I am requesting the retroactivity here.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Clause 3. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Can we have order, please? Clause 4, change in taxable price. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 5. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): The bill as a whole. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Does the committee agree Bill 25-86(1) is now ready for third reading?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): That concludes the order of business. I will now rise and report progress.

MR. SPEAKER: Mr. Erkloo.

ITEM 15: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 19-86(1), NORTHWEST TERRITORIES ENERGY CORPORATION ACT; TABLED DOCUMENT 80-86(1), ORGANIZATION STRUCTURE ALTERNATIVES FOR AN INDEPENDENT NORTHWEST TERRITORIES ELECTRIC UTILITY; BILL 23-86(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 4, 1985-86; BILL 24-86(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 2, 1986-87; BILL 25-86(1), PETROLEUM PRODUCTS TAX ACT

MR. ERKLOO: Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 19-86(1), Tabled Document 80-86(1), Bill 23-86(1), Bill 24-86(1) and Bill 25-86(1) and Mr. Speaker, Bill 19-86(1), Bill 23-86(1), Bill 24-86(1) and Bill 25-86(1) are now ready for third reading. Tabled Document 80-86(1) is now concluded with one motion being adopted.

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. Thank you.

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

SOME HON. MEMBERS: Agreed.

---Carried

MR. SPEAKER: Orders of the day, third reading of bills. Mr. Curley.

HON. TAGAK CURLEY: Mr. Speaker, I would like if at all possible to have unanimous consent to return to Item 2 for one brief statement.

MR. SPEAKER: Request for unanimous consent to go back to Item 2. Are there any nays? Mr. Curley, you have the floor.

REVERT TO ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 57-86(1): Insurance For The Travel Industry

HON. TAGAK CURLEY: Thank you, Mr. Speaker. I know this subject is important to many of our travel industry and other large operators in the Northwest Territories with respect to liability insurance.

Mr. Speaker, for several months now the travel industry has been experiencing difficulty obtaining liability insurance. A number of steps have been taken jointly by the Travel Industry Association and the territorial government to resolve the problem:

- 1) A committee of TIA and the Departments of Finance, Renewable Resources and Economic Development and Tourism reviewed the situation.
- 2) Economic Development and Tourism and Renewable Resources hired a consultant to analyse the problem and try to identify solutions.
- 3) The government's insurance broker was commissioned by the Department of Finance to identify potential insurance underwriters.
- 4) TIA, Economic Development and Tourism and Renewable Resources documented all operators and a comprehensive outline of industry requirement was prepared. This material was distributed to various brokers and underwriters by the Department of Finance.
- 5) Reinsurers in all cases have now replied to brokers and underwriters. They are not prepared to cover liability insurance for operators.

Mr. Speaker, the problem is worldwide and all accounts indicate that it will take several years to stabilize the insurance industry. High settlements coupled with low premiums are the major contributing factors. The problem affects all sectors of the economy and is no worse in the Northwest Territories than in other Canadian jurisdictions. One alternative that has been identified and is now available through various insurance agencies is personal or group accidental death and dismemberment insurance. An operator may now buy a \$100,000 policy on his clients payable to himself or the client in the event of an accident. The cost is reasonable at \$2.75 per guest day, with a minimum premium of \$200.

Mr. Speaker, while this option does not address the liability aspect, it does go some way toward providing protection for visitors. Operators, however, are urged to ensure due care is given to the safety of their guests. Operators should not take any risks which expose their guests to unsafe circumstances. Mr. Speaker, I am sure by the fall we will be hearing from my friend the Minister of Justice and the Minister of Finance on further alternative possibilities. Thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Minister. Are there any further Ministers' statements? Mr. Sibbeston.

Minister's Statement 58-86(1): Appointment To Director Of Language Bureau

HON. NICK SIBBESTON: Mr. Speaker, I rise on this occasion to acknowledge the contribution of all the Members to last week's debate on the report of the task force on aboriginal languages. The comments and suggestions that emerged will be very useful to the cabinet in its planning for the implementation of the basic recommendations of the task force. It is the intention of the cabinet to proceed with the preparation of measures to implement these recommendations. As part of this process I am pleased to announce today personally that Mrs. Edna Elias has been offered and has accepted the position through a competition, of director of the language bureau in the Department of Culture and Communications.

---Applause

As Members are undoubtedly aware, Mrs. Elias was a co-chairman of the task force on aboriginal languages and has a lengthy record of public service.

MR. SPEAKER: Thank you, Mr. Sibbeston. Are there any further Ministers' statements? Item 16, third reading of bills. Mr. Butters.

ITEM 16: THIRD READING OF BILLS

Third Reading Of Bill 2-86(1): Income Tax Act

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Pine Point, that Bill 2-86(1), An Act to Amend the Income Tax Act, be read for the third time.

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

---Carried

Bill 2-86(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 3-86(1): Institute Of Chartered Accountants Act

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Yellowknife North, that Bill 3-86(1), An Act to Amend the Institute of Chartered Accountants Act, be read for the third time.

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

---Carried

Bill 3-86(1) has had third reading. Third reading of bills. Mr. Ballantyne.

Third Reading Of Bill 4-86(1): Insurance Act

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Inuvik, that Bill 4-86(1), An Act to Amend the Insurance Act, be read for the third time.

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

---Carried

Bill 4-86(1) has had third reading. Third reading of bills. Mr. Ballantyne.

Third Reading Of Bill 5-86(1): Jury Act

HON. MICHAEL BALLANTYNE: Mr. Speaker, I move, seconded by the honourable Member for Inuvik, that Bill 5-86(1), An Act to Amend the Jury Act, be read for the third time.

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

---Carried

Bill 5-86(1) has had third reading. Third reading of bills. Mr. Sibbeston.

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

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

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

---Carried

Bill 7-86(1) has had third reading. Third reading of bills. Mr. Ballantyne.

Third Reading Of Bill 9-86(1): Public Trustee Act

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Pine Point, that Bill 9-86(1), An Act to Amend the Public Trustee Act, be read for the third time.

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

---Carried

Bill 9-86(1) has had third reading. Third reading of bills. Mr. Ballantyne.

Third Reading Of Bill 10-86(1): Society Of Management Accountants Act

HON. MICHAEL BALLANTYNE: Mr. Speaker, I move, seconded by the honourable Member for Inuvik, that Bill 10-86(1), An Act to Amend the Society of Management Accountants Act, be read for the third time.

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

---Carried

Bill 10-86(1) has had third reading. Third reading of bills. Mr. Ballantyne.

Third Reading Of Bill 17-86(1): Summary Conviction Procedures Act

HON. MICHAEL BALLANTYNE: Mr. Speaker, I move, seconded by the honourable Member for Pine Point, that Bill 17-86(1), An Act to Amend the Summary Conviction Procedures Act, be read for the third time.

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

---Carried

Bill 17-86(1) has had third reading. Third reading of bills. Mr. Ballantyne.

Third Reading Of Bill 18-86(1): International Commercial Arbitration Act

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Inuvik, that Bill 18-86(1), An Act Respecting International Commercial Arbitration, be read for the third time.

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

---Carried

Bill 18-86(1) has had third reading. Third reading of bills. Mr. Ballantyne.

Third Reading Of Bill 12-86(1): Taxation Act

HON. MICHAEL BALLANTYNE: Mr. Speaker, I move, seconded by the honourable Member for Inuvik, that Bill 12-86(1), An Act to Amend the Taxation Act, be read for the third time.

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

---Carried

Bill 12-86(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 13-86(1): Write-Off Of Assets And Debts Act, 1985-86

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Aivilik, that Bill 13-86(1), An Act Respecting the Write-off of Assets and Debts for the Fiscal Year Ending the 31st Day of March, 1986, be read for the third time.

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

---Carried

Bill 13-86(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 14-86(1): Revolving Funds Act

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Yellowknife North, that Bill 14-86(1), An Act to Establish Certain Revolving Funds and to Set the Limit of Revolving Funds, be read for the third time.

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

---Carried

Bill 14-86(1) has had third reading. Third reading of bills. Mr. Curley.

Third Reading Of Bill 19-86(1): Northwest Territories Energy Corporation Act

HON. TAGAK CURLEY: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Nahendeh, that Bill 19-86(1), An Act to Establish the Northwest Territories Energy Corporation, be read for the third time.

MR. SPEAKER: Thank you, Mr. Curley. I have a motion on the floor. To the motion. All those in favour? Opposed, if any? The motion is carried.

---Carried

Bill 19-86(1) has had third reading.

---Applause

Third reading of bills. Mr. Sibbeston.

Third Reading Of Bill 20-86(1): Public Service Act

HON. NICK SIBBESTON: Mr. Speaker, I move, seconded by the honourable Member for Aivilik, that Bill 20-86(1), An Act to Amend the Public Service Act, be read for the third time.

MR. SPEAKER: I have a motion on the floor. To the motion.

MR. MacQUARRIE: Point of order.

MR. SPEAKER: Point of order.

MR. MacQUARRIE: Where there are amendments made in committee, is it not correct procedure for the third reading to say "the bill, as amended"?

MR. SPEAKER: With our new procedure, with the chairman reporting out of committee of the whole on the amendments to the bills and being voted on and accepted by the House, then the present method of just reporting the bill is sufficient. Are you ready for the question? All those in favour? Opposed, if any? Bill 20-86(1) has had third reading.

---Carried

Third reading of bills. Mr. McLaughlin.

Third Reading Of Bill 21-86(1): Territorial Hospital Insurance Services Act

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Inuvik, that Bill 21-86(1), An Act to Amend the Territorial Hospital Insurance Services Act, be read for the third time.

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

---Carried

Bill 21-86(1) has had third reading. Third reading of bills. Mr. Curley.

Third Reading Of Bill 22-86(1): Business Loans And Guarantees Act

HON. TAGAK CURLEY: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Yellowknife North, that Bill 22-86(1), An Act to Amend the Business Loans and Guarantees Act, be read for the third time.

MR. SPEAKER: Thank you, Mr. Curley. I have a motion on the floor. To the motion. Question being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Bill 22-86(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 23-86(1): Supplementary Appropriation Act, No. 4, 1985-86

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 23-86(1), An Act Respecting Supplementary Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1986, be read for the third time.

MR. SPEAKER: Thank you, Mr. Butters. I have a motion on the floor. To the motion. Question being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Bill 23-86(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 24-86(1): Supplementary Appropriation Act, No. 2, 1986-87

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Pine Point, that Bill 24-86(1), An Act Respecting Supplementary Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1987, be read for the third time.

MR. SPEAKER: Thank you, Mr. Butters. I have a motion on the floor. To the motion. Question being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Bill 24-86(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 25-86(1): Petroleum Products Tax Act

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 25-86(1), An Act to Amend the Petroleum Products Tax Act, be read for the third time.

MR. SPEAKER: Thank you, Mr. Butters. I have a motion on the floor. To the motion. Question being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Bill 25-86(1) has had third reading. This completes the third reading of bills. Mr. McCallum.

MR. McCALLUM: I wonder if I could have permission to go back to Item 7, reports of standing and special committees.

MR. SPEAKER: Unanimous consent is being requested to go back to Item 7. Are there any nays?

SOME HON. MEMBERS: Agreed.

---Agreed

REVERT TO ITEM 7: REPORTS OF STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: Proceed, Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Speaker. As co-chairman of the sessional awards committee, I would like to make a report and announce the winners of sessional awards. I will have to use my co-chairman, Mr. Richard, as well. The first award is the Blues Brothers or John Belushi Award. There is only one nominee for it this session and the award is a new pair of sunglasses and it goes to the honourable Member, Mr. John T'Seleie.

---Applause

The second award is the best costume award. There were four nominees -- Mr. Curley, Mr. Arlooktoo, Mr. Sibbeston and Mr. Erklou. And the winner is -- may I have the envelope please?

MR. RICHARD: Mr. Curley.

---Applause

MR. McCALLUM: The third award is for the Minister with the largest support staff. Three nominees again -- the honourable Ministers Patterson, Wray and Curley. And the winner is...

MR. RICHARD: A repeat winner -- Gordon Wray.

---Applause

---Laughter

MR. McCALLUM: The next award is the most responsive Minister. There were two nominees -- Ministers Patterson and Sibbeston. And the winner is...

MR. RICHARD: Mr. Patterson.

---Laughter

MR. McCALLUM: The next one is the most evasive Minister. There were three nominees and the prize for this one is a PWA AeroPlan application form. Three nominees -- honourable Ministers Pedersen, Ballantyne and Patterson. And the winner is...

MR. RICHARD: Mr. Pedersen.

---Laughter

MR. McCALLUM: The award for the most ministerial statements. Again three nominees -- honourable Ministers Wray, Sibbeston and Ballantyne. And the winner is...

MR. RICHARD: A unanimous decision. Mr. Ballantyne.

---Laughter

MR. McCALLUM: The seventh award is for the most elusive MLA. The prize for this is a compass. Three nominees -- Mr. Nerysoo, Ms Cournoyea and Mr. Wah-Shee. And the winner is...

MR. RICHARD: Mr. Wah-Shee.

MR. MacQUARRIE: Who's Mr. Wah-Shee?

---Laughter

---Applause

MR. McCALLUM: The eighth award is the Minister who feels most offended. The prize for this is a life membership in the NWT media club. And the winner is Nick Sibbeston.

---Laughter

The next award is for the best MLA supporter of Executive Council decisions. There were three nominees -- myself Mr. McCallum, Mr. Nerysoo, and Ms Cournoyea. I was going to indicate what the prize is, but I had better not. The winner is...

MR. RICHARD: Ms Cournoyea.

MR. McCALLUM: A final award, Mr. Speaker, is for the most improved performance by an MLA of any rank. There were three nominees -- Mr. Gargan, Mr. Erkloo and Mr. McLaughlin. And the winner is...

MR. RICHARD: A unanimous decision -- Mr. Erkloo.

---Applause

MR. McCALLUM: Thank you, very much.

MR. SPEAKER: Thank you very much, Mr. McCallum.

MR. MacQUARRIE: That concludes reports of standing and special committees.

MR. SPEAKER: With regard to the record, will you see that it is struck from the record so that it does not become part of the proceedings of this House. A little fun is always in order but I think probably it should not become part of the recorded message. Mr. McLaughlin.

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I would like to ask for unanimous consent to return to Item 2, Ministers' statements.

MR. SPEAKER: A request has been made for the fourth time today to return to Ministers' statements. Do I have any nays?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Mr. McLaughlin, you have the floor.

REVERT TO ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 59-86(1): Closure Of The NWT Correctional Centre For Women, Fort Smith

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. This is a statement regarding the timing for the closure of the Fort Smith correctional centre. After very careful consideration the Executive Council has confirmed the target date of October 31, 1986, for the closure of the Fort Smith correctional centre. This has been a difficult decision and I want to recognize the honourable Member's concern for the welfare of his constituents. I realize that there are several staff who have deep roots in the Fort Smith community and want to publicly acknowledge their contributions to the work of the public service and their commitment to the field of corrections. However, my department is anxious to settle this question and to remove the uncertainty that now exists among

staff as to their future. I wish to assure the House that I have instructed my officials to do all we can to absorb as many staff locally and to comply with the terms of the collective agreement, both in spirit and to the letter. I can assure the honourable Member that correctional jobs will be offered to the six permanent staff affected by the closure, initially at Yellowknife Correctional Centre and the Baffin Correctional Centre. But I believe that with the turnover and the lengthy lead time, positions will also be available at the South Mackenzie Correctional Centre. Consequently, once staff are appointed, there will be no need to be transferred again. Training will also be available to assist in the transfer of staff to new assignments.

For the record, we have already received an application from a staff member for a vacancy in one of our correctional centres. I have also instructed my staff to work closely with Personnel and union officials. There are many other operational issues to address to ensure the orderly phasing down of that facility and for the smooth transfers of inmates. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Are there any further Ministers' statements? That then concludes the business of this House. Mr. Clerk, would you please ascertain if the Commissioner is prepared to assent to the bills and prorogue this session?

ITEM 17: ASSENT TO BILLS

COMMISSIONER PARKER: As Commissioner of the Northwest Territories I assent to the following bills: Bill 2-86(1), Bill 3-86(1), Bill 4-86(1), Bill 5-86(1), Bill 7-86(1), Bill 9-86(1), Bill 10-86(1), Bill 12-86(1), Bill 13-86(1), Bill 14-86(1), Bill 17-86(1), Bill 18-86(1), Bill 19-86(1), Bill 20-86(1), Bill 21-86(1), Bill 22-86(1), Bill 23-86(1), Bill 24-86(1) and Bill 25-86(1).

ITEM 18: PROROGATION

Mr. Speaker, I am pleased to advise that the next session of this Legislature, the eighth session, will commence at 2:30 on the afternoon of the 8th day of October, 1986 in this chamber in Yellowknife. Mr. Speaker, I trust that you and all the Members will have a most pleasant summer. My travel plans include visits to several areas and I look forward to seeing some of the Members. As Commissioner of the Northwest Territories I prorogue the seventh session of the 10th Assembly.

---PROROGATION

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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

Mail Received

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JUL 1 1 1986

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