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

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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 23, 1987

MEMBERS PRESENT

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

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Monday, February 23rd.

Item 2, Ministers' statements. Item 3, Members' statements. Mr. Richard.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Lack Of Consultation Re Financial Administration Act

MR. RICHARD: Mr. Speaker, in the Northwest Territories we are fortunate to have at least a partial degree of local control over certain public services and programs, such as education and management of hospitals, by the creation of divisional boards of education, boards of secondary education established under the Education Act and hospital boards of management established under the Territorial Hospital Insurance Services Act. These boards of public agencies are comprised of volunteer northerners resident in the communities who devote many long hours of public service with no compensation or nominal compensation for their time, in order that proper direction might be given regarding the delivery of health and education programs. All of these public agencies are accountable to the Legislative Assembly and to the people, through an appropriate Minister. The financial accountability procedures of these public agencies, particularly hospital boards of management, will be changed in a substantial way by the proposed Financial Administration Act. It is regrettable not only that the Minister of Health failed to consult with these volunteer boards prior to the government introducing the legislation and did not even notify these boards of the pending changes; what is even more regrettable, Mr. Speaker, and unacceptable is the statement by the Minister of Health in this Assembly, on February 20th, that he had no intention of consulting with these boards and that this lack of consultation was done purposely. Each of these hospital boards of management is party to an agreement with the Government of the NWT and the Minister's conduct is a breach of faith in the context of those agreements. Thank you.

MR. MacQUARRIE: Hear, hear!

---Applause

MR. SPEAKER: Thank you, Mr. Richard. Item 3, Members' statements. Item 4, returns to oral questions. Mr. McLaughlin.

ITEM 4: RETURNS TO ORAL QUESTIONS

Further Return To Question 047-87(1): Hospital Boards Of Management Request For Meeting

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. With regard to Question 047-87(1), asked by Mr. Richard on Friday, February 20th, I have some further information.

I would like to correct an error I made in my initial reply. I said that officials of the Department of Health were under instructions from the Financial Management Secretariat not to discuss the Financial Administration Act with hospital boards of management. My officials were actually given this communication by officials of the Department of Finance to adhere strictly to the confidential aspects of legislation before it was tabled in the House.

I should point out that in reviewing the proposed legislation during the latter part of 1986, some Executive Council Members expressed concerns on how this new legislation would impact hospital and education boards as well as the Workers' Compensation Board. Amendments were made which alleviated these concerns; in particular, schedules were established in the act to treat boards differently from regular departments.

The Executive Council was briefed by Mr. Butters on January 8th, 1987, about concerns of the two standing committees on finance and legislation and we were given the opportunity of addressing those concerns by directly contacting boards if necessary. I immediately did that with the chairman of the Workers' Compensation Board directly. In the case of hospital boards, I dealt with the assistant deputy minister of Health who is the chairman of THIS through which the hospital boards are funded.

As the act is now before the standing committees in its amended form, there is now the opportunity for boards to have input on the legislation and, as I said on Friday, the way in which this legislation will affect them will be explained to the board by officials from the Departments of Health and Finance. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Item 4, returns to oral questions. Mr. Patterson.

Return To Question 046-87(1): Cancellation of Business Management Course At Inuvik Campus

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. This is a return to an oral question asked by Mr. Nerysoo on February 20th, respecting northern business management training in Inuvik.

Mr. Speaker, the northern business management training program started in Inuvik in 1986 as a one year course. The program provides students with the skills they require to go into business or to prepare them to take the two year public and business administration diploma program. I am not aware of any decision to cancel the program as it was always intended as an important training initiative for the new Inuvik campus. In fact, I have asked my officials to look for ways to allocate funding to Inuvik to expand the existing program to two full years. I am convinced that the Inuvik Region requires this kind of practical training and I intend to continue it for as long as there is a need. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Returns to oral questions. That appears to conclude Item 4. Item 5, oral questions. Mr. Erklou.

ITEM 5: ORAL QUESTIONS

Question 055-87(1): Funding For BRADIC Meetings

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. The people of Pond Inlet -- the social services and alcohol and drug committee wanted me to ask this question to the Minister of Social Services. The Baffin Regional Alcohol and Drug Information Committee, meets once a year in the Baffin Region and they thought they would like to be able to meet twice a year rather than once a year, for these reasons: Say for instance there are problems being created in the Baffin Region and meeting once a year they get a new chairman from the community each time. They want to operate better so they want to be able to meet twice a year and they were asking for funding to do that. Thank you.

MR. SPEAKER: Mr. Minister.

Return To Question 055-87(1): Funding For BRADIC Meetings

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. Regarding the funding for alcohol committees and projects in the Northwest Territories, there are funds available from NNADAP and from this government. All those funds go to the Alcohol and Drug Co-ordinating Council which handles those requests and decides which projects should be advanced and how much of the request from each individual project should be built into their budget -- how many dollars. So a request like this should go from the Baffin group directly to ADCC. Thank you, Mr. Speaker.

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

Question 056-87(1): Payment Due To Cape Dorset Residents For Services At Expo '86

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Economic Development. I have tried speaking with him; however, I have not had a reply yet. There are three people from Cape Dorset who went over to Expo last spring and they still have not been paid for the time they were at Expo. They were wondering as to how they could get paid and they were asking me to ask you how they will be getting paid for the trip they made to Expo. Thank you.

MR. SPEAKER: Mr. Curley.

Return To Question 056-87(1): Payment Due To Cape Dorset Residents For Services At Expo '86

HON. TAGAK CURLEY: (Translation) Thank you, Mr. Speaker. A few days ago I looked into this. I think this is concerning Charlie Manning; he had a contract. He was one of the assistants. He had a contract for the whole time that he was there and he was given \$5000 for everything including his expenditures and his meals but some of the employees, the people who went over there got per diems. I do not think Charlie Manning quite understood what was going on because everything was included in his contract. Thank you.

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

Question 057-87(1): Length Of Sentence Of YCC Inmate From Pangnirtung

MR. PANILOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Justice. A man from Pangnirtung, Tony Angmarlik, is incarcerated at the present time and the Pangnirtung people wanted to know how long he is going to be incarcerated at YCC and I would like you to inform me as to how long he is going to be incarcerated at YCC. Thank you. Mr. Speaker, the Inuit people felt that he was misjudged during his trial and I would like to know how long he is going to be here at the correctional centre. Thank you.

MR. SPEAKER: Thank you, Mr. Paniloo, and try to just keep to a question and not start a debate relative to your question. Mr. Minister.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. The honourable Member realizes that the decision of the court is something over which we, as the Executive, or the Legislative Assembly, have no influence whatsoever. The judiciary is independent. As far as the specific information that the Member requests, I will take the question as notice and provide that information.

MR. SPEAKER: Thank you, Mr. Minister. You are taking the question as notice. Oral questions. That appears to conclude this item for today. Item 6, written questions. Mr. Richard.

ITEM 6: WRITTEN QUESTIONS

Question W9-87(1): Cost Of NWT HC Move To New Location

MR. RICHARD: Mr. Speaker, my written question is addressed to the Minister responsible for the Northwest Territories Housing Corporation. It is my understanding that recently the headquarters staff of the Housing Corporation vacated its leased office premises in Northern United Place in Yellowknife and moved into new office space in another building in Yellowknife. In the context of statements made recently by Members of the Executive Council that there is no fat in the proposed deficit budget and that the huge increases in departmental expenditures are all necessary expenditures, it is curious that, at this time, large numbers of headquarters staff would be moved two blocks to new office space, unless of course substantial savings were made.

My written question is to inquire about the cost of this decision, as follows: 1) What was the rent paid by the Housing Corporation, both in rate per square foot and in annual gross rent prior to the move? 2) What is the rent now being paid by the Housing Corporation, both in rate per square foot and in annual gross rent? 3) What is the total cost of tenant's improvements in the new leased space? 4) What was the total cost of the physical move to the new space? 5) What is the total cost of this decision over the term of the new lease? 6) What is the justification for this expenditure? Thank you.

MR. SPEAKER: Thank you, Mr. Richard. Written questions. Mr. Arlooktoo.

Question W10-87(1): Financial Assistance For The Incurably Ill

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. My written question is directed to the Minister of Social Services and it is in regard to chronically ill persons. There are a great number of people in Cape Dorset suffering from cancer or other diseases that have reached the point where it is too late for cure. Would the Minister of Social Services look into the matter of these people receiving assistance through their pension program before the age of 65? These people are no longer able to work and some are the sole financial support of their families. Thank you.

MR. SPEAKER: Thank you, Mr. Arlooktoo. Written questions. Mr. Arlooktoo.

Question W11-87(1): Reporting Of Arrests Of Young Offenders

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Justice and Public Services. Would the Minister of Justice look into the matter of parents or guardians being notified on the arrest of a young offender?

I have received complaints that the RCMP are not notifying the parents or guardians upon the arrest of an offender. Parents end up being shocked upon hearing the news on the radio regarding a suspect or an offender. I believe the parents or guardians have a right to be notified, no matter how old the person arrested may be. Thank you.

MR. SPEAKER: Thank you, Mr. Arlooktoo. At this time I would like to acknowledge in the gallery, His Worship Michael Miltenberger, the mayor of Fort Smith.

---Applause

Mr. Erkloo.

Question W12-87(1): Social And Health Committee, Pond Inlet

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. My written question is directed to the Minister of Social Services, Hon. Bruce McLaughlin. The social and health committee in Pond Inlet was no longer recognized as a committee by the department in 1986 because the hamlet office did not submit the committee's application for funding. For that reason, the members did not receive their honorariums. What procedures should be taken so that they can get their honorariums for the work that they did in 1986 and will they be paid? In order for them to plan for 1987, will there be any complications on this application for funding? Thank you.

MR. SPEAKER: Thank you, Mr. Erkloo. Written questions. Are there any further written questions for today?

The Chair would like to recognize His Worship Simionie Netserk, the mayor from Repulse Bay.

---Applause

Written questions. That appears to conclude this item for today.

Item 7, returns to written questions.

Item 8, replies to the Opening Address. I would hope that we do not wind up with the same situation that we did last time, that everybody wants to make their reply on the last day. Item 9, petitions. Mr. T'Seleie.

ITEM 9: PETITIONS

MR. T'SELEIE: Thank you, Mr. Speaker. I have Petition 3-87(1). The petition reads: "We, the undersigned, of the community of Fort Good Hope would like to petition the Government of the Northwest Territories to move the medium arena/one sheet curling rink ahead in the five year capital plan so that planning can take place in 1987 and construction in 1988." The petition has 115 signatures.

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

Item 10, reports of standing and special committees. Item 11, tabling of documents. Mr. Richard.

ITEM 11: TABLING OF DOCUMENTS

MR. RICHARD: Mr. Speaker, I wish to table the following document: Tabled Document 18-87(1), Fiscal Framework, from 1985-86 through 1989-90. Mr. Speaker, this is a typed copy of notes made by myself during a presentation to the standing committee on finance on January 9th of this year. Thank you.

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

HON. TAGAK CURLEY: Thank you, Mr. Speaker. I wish to table the following document: Tabled Document 19-87(1), Northwest Territories Expo '86 Pavilion Evaluation Highlights, February 1987.

MR. SPEAKER: Thank you, Mr. Minister. Tabling of documents. Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Speaker. I have three documents to table. One is Tabled Document 20-87(1), a verbatim report from CBC Inuvik local news entitled "Inuvik Arctic College Loses Business Course".

The second, Mr. Speaker, is Tabled Document 21-87(1), a letter addressed to Mr. Patterson from the Chamber of Commerce of Inuvik, recommending, the establishment of a purchasing policy and procedures for the Inuvik campus, Arctic College.

The third, Mr. Speaker, is Tabled Document 22-87(1), a letter addressed to Mr. Butters with regard to concerns being expressed by the Inuvik Chamber of Commerce regarding the closing of the business administration program at the Inuvik campus.

MR. SPEAKER: Thank you, Mr. Nerysoo. Tabling of documents.
Item 12, notices of motion. Item 13, notices of motion for first reading of bills. Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: Mr. Speaker, could we return to notices of motion, please?

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

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: Mr. Speaker, I give notice that on February 25, 1987, I shall move that Bill 6-87(1), An Act to Amend the Criminal Injuries Compensation Act, be read for the first time.

MR. SPEAKER: We are in a position of being out of order at the moment inasmuch as that was read under notices of motion. I had just called notices of motion for first reading of bills and had a request to go back to notices of motion. So, of course, I will have to rule your last motion out of order under Item 12, notices of motion. But now that we are back at notices of motion, are there any other notices of motion? Now we will try all over again. Item 13, notices of motion for first reading of bills. Mr. Ballantyne.

ITEM 13: NOTICES OF MOTION FOR FIRST READING OF BILLS

Notice Of Motion For First Reading Of Bill 6-87(1): Criminal Injuries Compensation Act

HON. MICHAEL BALLANTYNE: I apologize, Mr. Speaker, it was my error. Mr. Speaker, I give notice that on Wednesday, February 25, 1987, I shall move that Bill 6-87(1), An Act to Amend the Criminal Injuries Compensation Act, be read for the first time.

MR. SPEAKER: Thank you, Mr. Minister. Notices of motion for first reading of bills. That appears to conclude this item for today. Item 14, motions. Motion 5-87(1), Proposed Taxation of Northern Travel Allowances. Mr. Curley.

ITEM 14: MOTIONS

Motion 5-87(1): Proposed Taxation Of Northern Travel Allowances

HON. TAGAK CURLEY: Thank you, Mr. Speaker.

WHEREAS the federal government is proposing to implement taxation of vacation travel assistance for travel within the Northwest Territories;

AND WHEREAS if a northerner chooses to take a holiday within the NWT and he or she receives assistance from his or her employer, it will be taxed; but if a northerner chooses to take a holiday in the South, with assistance from his or her employer, it will not be taxed;

AND WHEREAS this proposed scheme will cause major inequities between those northerners who travel within the NWT and who will subsequently be financially penalized, compared to those who travel in the South;

AND WHEREAS because this impending situation will inhibit and severely jeopardize northerners' interest in contributing to the development of the North's tourist, transportation and other related industries;

AND WHEREAS this proposal is blatantly prejudiced against northern people who may wish to use their vacation time to visit families and friends in other regions of the North;

NOW THEREFORE, I move, seconded by the honourable Member for Iqaluit, that this Legislative Assembly make representation to the federal Minister of Finance to demand that a deduction from taxable income for vacation should be granted to all taxpayers residing in the North, regardless of whether they travel in the South and regardless of whether they receive vacation assistance from their employers.

Thank you.

Correction To Motion 5-87(1) Noted

MR. SPEAKER: Your motion is in order, Mr. Curley. I believe the words "...they travel in the South" should also include "or in the North". It is possibly a typographical error and should have been included. Is that correct, Mr. Curley?

HON. TAGAK CURLEY: That is correct, Mr. Speaker.

MR. SPEAKER: Could I have unanimous consent to have that changed as far as the records are concerned?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Mr. Curley, your motion is in order, proceed.

HON. TAGAK CURLEY: Thank you, Mr. Speaker. (Translation) Just a short comment on the motion. The aboriginal people who live in the NWT are numerous, but they do not usually go down south for holidays. In the federal government proposal at the present time, according to their policy right now, they are going to be taxing northern benefits when, for instance, hamlet employees and GNWT employees are going to be taxed when they go out on holidays in the Northwest Territories. I think this is very unfair especially in view of the fact that transportation is very expensive between the communities. There are a lot of people in the communities who want to go out on holidays

within the Northwest Territories and if they have children, say, for instance, three or over, it costs a normal family from Rankin Inlet about \$4000 to go out as a family on holidays within the communities. So for that reason I feel it is very unfair of the federal government to impose taxation on the vacation travel assistance. Some people are not as rich as the other people that are getting higher wages and they are going to be taxed from now on according to the federal government proposal so the NWT residents when they go out on holidays, when they get travel assistance, are going to start being taxed on it. I feel this is very unfair and this is what I want to say, Mr. Speaker, to push the federal government on the unfairness of the vacation travel assistance. I feel that it should be equal whether you go south or not and we do not have any highways going down south. I think everybody should be equal in taxation of the vacation travel assistance and I would like support from the Members on that. (Translation ends)

The motion is a straightforward motion. I do not believe that the federal government should, by regulation, be supporting two classes of people in the Northwest Territories; one for the people who have moved to the North, maybe without a long-term intention of living in the North, who will probably benefit from this provision in that their travel assistance will not be taxed. But, Mr. Speaker, in some respects the travel assistance is provided to employees twice a year, as opposed to once a year, in many cases. So therefore, this provision is an outright disappointment to many of the employees who do have a long-term commitment in the North. Therefore the motion is clear that it should be applied across the board to those northerners who wish to take advantage of their travel assistance from their employers within the Northwest Territories. I think that is only fair because we do not have alternative modes of transportation such as road, highway or train, or for all that matter other choices of airlines. We are limited to travelling in the North by air and therefore many employees, whether they be employed in the public service or private sector will lose as a result of this.

Our support for the tourism industry is really going to be hindered because by this provision, the federal government is only encouraging people within the Northwest Territories to travel south and the vision, as far as I am concerned, of the federal civil servants is that once you get up north the only way to see other parts of Canada is to travel south and that is their attitude and I think it is wrong. It is a north-south attitude, it should be an east-west-north-south type of attitude that the federal government should have. So I would urge that all the MLAs would support this motion and send a message to the federal government that this particular provision that they have right now with respect to taxation of travel assistance is not fair. Thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Minister. As a seconder, Mr. Patterson.

Discrimination Against Those Vacationing In The North

HON. DENNIS PATTERSON: Yes, thank you, Mr. Speaker. I am happy to rise to second this motion because this is a great concern amongst my constituents in Iqaluit. Mr. Speaker, Iqaluit is a fairly cosmopolitan community on the south part of Baffin Island and a number of my constituents come to Iqaluit from other parts of Baffin Island to work for the territorial government or the federal government or their agencies. They do not want to travel to Montreal in the heat of the summer to have their vacations. They want to go back with their families to their home communities and spend their money with northern airlines and with northern outfitters and suppliers so they can have vacations on the land and spend time with their parents and their relatives. There is a great deal of concern that this measure in the taxation of northern benefits discriminates against northern people who wish to commit the sin of vacationing in the North.

Mr. Speaker, this vacation travel assistance is not a light matter. The costs of taking a family from Iqaluit to Igloolik or Pond Inlet can reach two or three thousand dollars and I am extremely concerned that unless this measure is turned around, this invidious measure will in fact, prevent many of my constituents from taking vacations where they want to in the North. On top of that penalty, Mr. Speaker, which does discriminate against people who want to spend their money in the North, my constituents have just been hit with a four dollar per ticket additional air transportation tax. This is in a region where there is no alternative transportation. It is not possible to drive; it is not possible to travel by boat; we are dependent on airfare and the expense of air travel. Mr. Speaker, the federal Minister of Finance to whom this motion is directed is well-known for talking about equity and fairness in his budget speeches. We heard

those same ringing phrases just a few days ago when the federal budget was presented. I think now it is time to say that we accepted the northern benefits taxation regime somewhat reluctantly in the North but it was accepted on the principle that it would provide fairness and equity as between all Canadians. Now we are asking for the same principle of fairness and equity so as not to discriminate between travel in the South and travel in the North.

All Northern Employees Wish To Travel Without Penalty

Mr. Speaker, I am convinced that this rule has been recommended by public servants living in Ottawa with a myopic view of the North, who are probably relics of the old colonial days when it was thought that northern employees, who were in the North for a few years on their way to some other career, needed rest and recuperation to compensate for hardship posting. Mr. Speaker, those days are over. Fortunately we are now in the happy situation with our government in the Baffin and Keewatin Regions where over half of our employees are native northerners who often want to go and visit their families in the North in the summertime. I am convinced that all northern employees will want to have this option and will want to be able to travel in the North without penalty.

So, Mr. Speaker, I am very pleased to second this motion and urge Members to support it. I am sure it will receive full support from this Assembly. I would like to acknowledge, Mr. Speaker, that our Minister of Finance, Mr. Butters, has made diligent and numerous representations to the federal Minister of Finance and his officials on this matter. I think now the support of this Assembly, representing all of the people of the Northwest Territories, is needed to make sure that this invidious measure is removed. It is an invidious and discriminatory measure which has no place in a regime that prides itself on fairness and equity. Thank you, Mr. Speaker.

---Applause

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

MR. PUDLUK: (Translation) I am happy to see the motion that was brought here. I think it is a concern to my constituency and we have been talking about this for quite a while now. When I was visiting my constituency they had this same concern and they were unhappy with this new rule of taxing the northern travel allowance. It is not adequate for the Northwest Territories because we are trying to get the affirmative action plan going and the aboriginal people have been living here in the Northwest Territories and I do not think they will be moving elsewhere.

High Cost Of Travel Between Communities

There are some people that have been working for quite a while and they have not forgotten their traditional ways of living. Whenever they have a holiday, this is the time when they like to practise their traditional way of life. For instance, they usually visit the outpost camps in our area. If I were to travel 110 miles and charter an aircraft to an outpost camp it would cost around \$4000. If you happen to charter an aircraft I think it will also be taxed. For communities like Grise Fiord, it is very expensive just trying to get from Grise Fiord to Pond Inlet. The travel assistance only pays for part of the airfare and they have to pay the rest out of their own pocket. This is my great concern for the residents of the North.

The other one too is adequate. If I were to take my holidays outside of the NWT, then it would not be taxable. We can see the unfairness. If I were to travel within the NWT, then my airfare would be taxed. If I were to travel outside of the NWT, then the tax is not applied. I think there should be some other way that this could be worked out. When we live in communities where there are no roads with access to other places, we have no alternative but to pay for the expensive way of travelling. It is impossible to find a cheaper way of travelling because we can only travel by air. For that reason, Mr. Speaker, I will be supporting the motion that was made, because for the aboriginal people in the North this is very unfair, to have your travel assistance benefits taxed. Thank you very much.

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

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. The first thing I would like to say regarding the taxation of the northern travel allowance that is being imposed by the federal government, is that if all the MLAs were to support this motion unanimously I think it would help. It is sometimes very hard to change the minds of the federal government. For this reason I am going to support this motion.

I do not think it makes any sense to put taxation on the transportation. For example, if there is a person that is working in Iqaluit, who is originally from Igloolik or from another community, I think they would like to go home for holidays. If a person who is from Pond Inlet did not want their benefits taxed they would have to go to Montreal and then stop over in Iqaluit and then go up to Pond Inlet. I do not think it would be as expensive -- it would be a lot easier for that person to travel to Montreal. But if another relative was going to Pond Inlet from another community they would have to pay taxes. I cannot understand why they have imposed taxation.

When we want to travel either by skidoo or by boat, I do not think this is very fair. Even though they get a little bit of an allowance -- I had this concern before and I brought it up -- even though we get benefits, then they start imposing tax on the allowance and I do not think this makes any sense. For instance, if a person were to travel to Montreal then the government would pay quite a bit -- for a person who has dependants, if the employee has been working in the North for 10 years or more then they are eligible to take holidays twice a year. It could cost the government about \$10,000. If this was not taxed I think the government will be losing some dollars. If those people who live in the communities were to take their holidays, their assistance would be taxed for those reasons. I would like to get my colleagues to support the motion fully. Thank you.

MR. SPEAKER: Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I also fully support the motion and have been involved with this particular initiative for many years. I see in my constituency also there are a lot of people who would like to travel in the North. It is not just people from other communities but a lot of people in my constituency would like to visit smaller communities. Because of the wording of this particular amendment, it will be very difficult for them to do it.

Taxation On Housing Allowances Also Unfair

Also, in the area of concerns about changes to this federal bill, in my constituency at Giant Mine and at Con Mine in Yellowknife, there are some other major concerns with this particular initiative. As Members are aware, Yellowknife probably has the highest cost of housing in Canada and what is going to happen for those people who live in company houses? They are going to be taxed at market rate and the market rate for housing in Yellowknife can be up to \$2000 a month. It is very artificial. It is based on no reality of anywhere else in the Territories, so I think the \$450 and the \$650 a month with utilities is quite fair. In Yellowknife there are many people who work for the gold mines or for other private employers who are going to be hit extremely hard. I think that at the same time that I fully support Mr. Curley's initiative, I want to make it very clear that my concern goes beyond that and that here in Yellowknife there are certain individuals who are being treated very, very unfairly because of the application of market rates with this new tax initiative. Thank you, Mr. Speaker.

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

Federal Government's Outdated Reasoning

MR. MCCALLUM: Thank you, Mr. Speaker. I do not want to miss an opportunity like this because I rarely would agree with the seconder and I most certainly would not agree very often with the mover of the motion, but here is an opportunity where I would like to speak in favour of the motion as well as the mover and the seconder and their remarks regarding this motion when speaking of the federal bureaucracy's thinking and development of policy that one comes north to do one's duty. It is time that we in this House supported the efforts of the Minister of Finance in trying to eradicate that kind of thinking among the federal government because we who have come north do not stay for short periods of time at all. Many of us who have come north have made this our home and I, as well as native Members, am very much concerned with this very difficult and outdated reasoning of the federal government in bringing forth such a policy.

I think there are many people in the North who would like to come to the southern part of the North and many from the southern part would want to go into the northern parts of the country but in order to get this tax break, one has to leave the Territories. I think, as has been said, people should get to know their own part of the Territories before having to wander outside. The idea of giving people coming into the North their R and R -- there are those of us who would like to take

our R and R in the Northwest Territories, in other parts of the Territories rather than simply go outside. I think it is up to this House, Mr. Speaker, to support the efforts of our Finance Minister and support this motion in an effort to get the federal government to change it.

It would seem to me that we should be fighting for the opposite of this, that if you travel in the North, you would get a tax break but seeing as we are not going to get that far, then the obvious thing for Members of this House to do is to impress upon the federal government that simply giving it to people who travel outside is not enough and that anybody who wants to take their vacation travel with assistance should get that same tax break for travelling through the Territories. Thank you.

---Applause

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

North Has Much To Offer Vacationers

MR. NERYSOO: Thank you, Mr. Speaker. I rise to support the motion. The comments have been made by previous speakers that there is an inequality with regard to the present taxation of northern benefits in particular in this particular area, but the point made by Mr. Ballantyne is a relevant one because it applies to general taxation of northern benefits. I do wish to say that what seems to be prevalent in the federal public service is this ongoing attitude that the North has nothing to offer to the citizens of the North or for that matter to the citizens of Canada. But as pointed out by our participation at Expo '86, through the direction of our government and the direction of Mr. Curley, there is certainly an indication throughout our country and throughout the world that there is a beauty and uniqueness that the rest of the world wants to see and we, as northern residents, both native and non-native, have seen that beauty and uniqueness and in many instances we wish to continue to be a part of that beauty and uniqueness.

The other element would be that, as a point made by Mr. Pudluk and Mr. Erkloo, there are northern people who want to continue to practise their traditional lifestyles during the time they have the opportunity to and in particular the vacation period offers them that opportunity and they should not be taxed by any particular government for trying to continue to practise that kind of lifestyle. I think what this particular situation does is it taxes people that want to practise their lifestyle or want to remain in their territory for things they want to continue. In many other jurisdictions across the country, there are tax incentives to remain in their jurisdiction and if there are any inequalities clear, the Minister of Economic Development and his seconder have pointed out that there is one element that has to be removed so that we encourage further development of our own tourism industry and in fact encourage people to remain in the North rather than forcing them out of the Territories and to spend their dollars outside of the northern economy. I would like to express my personal appreciation to the mover and seconder for introducing a motion of this particular nature. Thank you.

---Applause

MR. SPEAKER: Thank you. I would like at this time to acknowledge in the gallery Mr. Ross Ullathorne, a councillor from the town council of Hay River.

---Applause

To the motion. Mr. Wray.

HON. GORDON WRAY: Thank you, Mr. Speaker. Just briefly to support the motion, I think unfortunately the federal regulations characterize the mentality of the federal civil service toward the North and many times the colonial mentality that they still possess. This is characterized by the whole way in which the federal government approached the North. A perfect example of that is right here in Yellowknife where this government several years ago got out of staff housing to promote a private home-ownership market which has been immensely successful. The federal government has gone in exactly the opposite way and they continue to keep building staff housing for their employees. This is the whole way in which the federal government addresses the North. They still operate on the mentality of the 1940s and 1950s, that if you are living and working in the North then you must want to get out. Some of you are not aware the Minister of

Finance himself epitomizes northerners who want to take their vacations in the North, because if my memory serves me correctly, last summer, our own Minister of Finance took his vacation in Auyuittuq National Park in Pangnirtung and spent a week of his holidays doing that rather than going south.

Taxation Should Be Equitable

In my own constituency, it has caused much distress because the bulk of the population of my home community of Baker Lake, for example, have relatives and have much contact with the community of Gjoa Haven. Last summer a scheduled air service which opened up was very well received by the community and people were traveling back to Gjoa Haven to see relatives that they had not seen in a long time. Now they are going to be penalized for that and I think that we really have to address the issue on just the discrimination within that regulation. Taxing is supposed to be equitable, it is supposed to be fair to all and this regulation is pure discrimination against northerners wishing to holiday in the North, so I, indeed, can support this motion, Mr. Speaker. Thank you.

Motion 5-87(1), Carried

MR. SPEAKER: Thank you, Mr. Minister. To the motion. Question has been called. Mr. Curley, do you wish to finalize the debate? Question is being called. All those in favour? Opposed, if any? Let the record show that the vote was unanimous.

---Carried

---Applause

Item 14, motions.

Item 15, first reading of bills.

Item 16, second reading of bills. Item 17, consideration in committee of the whole of bills and other matters: Bill 1-87(1), Appropriation Act, 1987-88, and Bill 7-87(1), Education Act, with Mr. Wah-Shee in the chair.

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

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 1-87(1), APPROPRIATION ACT, 1987-88

Department Of Municipal And Community Affairs

CHAIRMAN (Mr. Wah-Shee): The committee will come to order. We are dealing with Bill 1-87(1), Appropriation Act, 1987-88. We are dealing with the Department of Municipal and Community Affairs. I would like to ask the Minister for his opening remarks at this time. Mr. Wray.

Minister's Opening Remarks

HON. GORDON WRAY: Thank you, Mr. Chairman. Mr. Chairman, last year I introduced my first budget as Minister of Local Government. This year, I am pleased to introduce my first budget as Minister of Municipal and Community Affairs. In the 1987-88 main estimates, the proposed appropriations for the Department of Municipal and Community Affairs are \$49,189,000 for O and M and \$47,306,000 for capital, for total proposed expenditures of \$96,495,000.

As the House is aware, in June, 1986 the Executive Council approved a reorganization of the department, which included more than changing the name of the department. This initiative reflects the growing importance of municipal institutions and community involvement in the political development of the Northwest Territories. As outlined in the Opening Address, this government has set a high priority on the direct involvement of people and communities in the decision-making process. As I stated before the standing committee on finance in January, the objectives of the department's reorganization are: to improved understanding within government and by the public of the department's responsibilities in municipal government development and development of community infrastructure; to improved capability of the department to co-ordinate the delivery of community infrastructure, particularly land for housing and other development needs, with the Department of Public Works and Highways and with the NWT Housing Corporation; enhancement of the lands division to improve lands administration services to all parts of the Northwest Territories.

Emphasis has been put on strengthening the department's capability to deliver improved and cost-effective capital municipal infrastructure on the basis of community needs across the Northwest Territories. The government has created substantial resources and attention, for example, in the development of broadly based recreation programs for communities across the Northwest Territories. Significant progress has been made in designing and developing basic recreation facilities to make recreational opportunities available to all communities. The Minister of Finance has outlined the projects which were approved by the Financial Management Board for enhanced capital funding. This is an important recognition by government of the need of communities across the Northwest Territories for basic capital facilities which will promote better community life and healthy lifestyles.

Recreation Facilities Of High Priority

As Minister of Municipal and Community Affairs, I do not apologize for placing the development of recreation facilities for all communities on a level of priority at least equivalent to the priorities for good water and sanitation facilities, good roads, proper municipal administrative offices. Good recreation facilities are an invaluable support to the government's and the communities' efforts to foster social development and to alleviate disorientation on the part of community youth. As well, a community recreation centre can be used to provide a focus for numerous cultural activities, a locale for community gatherings and, in general, a meeting place for people.

Members will note that the proposed capital budget of my department allocates nearly 35 per cent to recreation facilities as compared to 17 per cent of total capital in the 1986-87 estimates.

Further progress is being achieved in the final development of a comprehensive capital assistance policy for local governments. The policy has received approval in principle by the Executive Council, subject to refinements respecting the criteria for financial assistance which are to be submitted to the Executive Council in April of this year. The proposed policy provides for all programs of capital assistance to local governments to be brought under a comprehensive policy which is based on allocation of capital to communities on the basis of local need and local ability to pay for the costs of municipal projects. Beginning with the 1987-88 capital project cycle, the department will be implementing the provisions in the policy which allow for the delegation of appropriate authority to local governments for managing capital projects in their community, in conjunction with the Department of Public Works and Highways. Increasing the authority of local governments for project management will not only increase local employment opportunities but will as well further the government's goal of responsible, effective and involved local governments.

O And M Funding Policy Under Review

Under my direction, the department is also continuing its review of the present policies of O and M funding to local governments. There have been some problems in applying the various O and M formulas, and questions have been raised among various communities as to whether the funding is being allocated equitably. In July of 1986, an internal committee in the department was instructed to examine the existing funding programs. The work is continuing and the prime principle which will guide the development of the policy is respect for the autonomy of local governments. This means that the policy will define a funding system which takes account of the differences between local governments and will still allow each local government the maximum degree of financial autonomy possible with respect to its local conditions. It is important to note that a major part of local financial autonomy is the ability of the local government to generate local revenue to finance as much as possible the cost of delivering municipal programs and services. Our present intent is to have a draft O and M policy ready for consultation with local governments and other interested organizations by July of 1987.

It has been my concern for some time that the present levels of O and M funding to local governments have not always been adequate to meet local needs. This has often forced hamlets to turn to water and sanitation service charges as a source of subsidizing underfunded municipal programs in other areas. As part of the overall effort to improve and rationalize the O and M assistance which is to be provided to local governments, the Financial Management Board approved, in November of 1986, a water/sewage subsidy program which will determine the economic rates for water and sewer systems in non-tax-based communities and provide appropriate subsidies for private residential and commercial consumers. The program will be implemented in stages over the next two years. This program is essential to achieving greater equity in the pricing of municipal water and

sanitation services in communities throughout the Northwest Territories. After ensuring that the costs to consumers of water and sanitation services reflect economic costs, attention will then be better focussed by the government and the communities on the programs which are truly underfunded by this government. It is also worth noting that the net financial effort will be the recovery by local governments of an additional two million dollars from federal and territorial users of municipal water and sewage services.

Training Programs In Community Government

Strengthening the capabilities of the Department of Municipal and Community Affairs to provide effective training programs in all major aspects of community government, particularly in political development of councils, municipal administration, locally-based community planning and community works management, has been one of my foremost priorities. In 1987-88, for example, a community works training program will be developed for implementation in 1988-89 and the development of a training program for locally-based community planning technicians has commenced. Proposed funding for training opportunities for recreation staff and volunteers is three times more than the 1986-87 appropriation and proposed 1987-88 funding for training opportunities for municipal management and administration in the municipal affairs division, is one and a half times more than the allocation in 1986-87. These programs are intended to improve the capability of community governments to more fully take control of the planning and management of the future development of their communities. We must improve these capabilities if this government's goal of greater grass-roots involvement in the decision making process in the NWT is to be realized.

Proposed Property Assessment And Taxation Act

I will also be tabling during the session the proposed Property Assessment and Taxation Act which consolidates and rationalizes the rules for assessment and taxation of property under one new act. With the tabling of this act, the government will have tabled the complete program of six bills of new local government legislation: the Cities, Towns and Villages Act; the Hamlets Act; the Charter Communities Act; the Settlements Act; the Local Authorities Elections Act; the Property Assessment and Taxation Act which municipal governments, regional and tribal councils, groups such as the Dene Nation and the Association of Municipalities and the general public have awaited for a long time.

Community Airports

With regard to the continuing concern of this House about the further development of community airports, I am pleased to report that the federal cabinet will soon consider a special one-time funding envelope for the construction of 11 airports in the Northwest Territories that were left undeveloped with the expiry of the Arctic B and C policy in 1984. In addition, I will be reporting to this House later during this session on the outcome of my discussions with the Hon. John Crosbie, Minister of Transport, of this government's proposals for the devolution of Arctic B and C airports.

One final note, Mr. Chairman. It should be noted that of the approximately \$48 million in our O and M budget, seven eighths of that funding is to support the regional administrations and the community administrations. Approximately 87.5 percent of our funds flow to the regions and communities directly and only 12 percent is retained for headquarters use.

Mr. Chairman, this presents a brief overview of the priorities which I have had my department addressing. I will be pleased to respond to your detailed questions and comments. I am pleased to invite witnesses into the House if so requested. Thank you, Mr. Chairman.

---Applause

CHAIRMAN (Mr. Wah-Shee): Thank you. Is the committee agreed that he should have witnesses?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Wah-Shee): Mr. Minister, would you identify your witnesses for the record, please?

HON. GORDON WRAY: Thank you, Mr. Chairman. On my right I have Mr. Hal Gerein, acting deputy minister of the Department of Municipal and Community Affairs. On my left I have Mr. Joe Kronstal, director of finance and administration for the Department of Municipal and Community Affairs.

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

Departmental Overview Of Municipal And Community Affairs Complimented

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, let me start off by being a little more sugary than last week and indicate my own personal view on this departmental budget. Mr. Chairman, for the record, I want to compliment this Minister and his departmental officials for the departmental overview. When we met in the month of January in the standing committee on finance with each department in turn, this department provided an overview for Members of the committee, a second year in a row that this department provided this overview which is very, very helpful, I found personally, in understanding the various tasks assigned to the various sections of this department -- a very helpful document, and I think other departments would do well to follow the example of this department in presenting their budgets to Members of the Assembly. Just continuing for a brief moment with the positive aspect -- but in seriousness, Mr. Chairman. Where the kudos are deserved, I do not mind giving them out -- this Minister, again, was well prepared with both of his major departments and again, I think that it should be noted for the record.

Department's Budget Should Be Reduced Proportionally To Total Budget

The general comments that I have, Mr. Chairman, are very few. With this department, I am not going to point out any particular areas where I think the budget is fat. I stick by my position that the overall government budget is excessive because we simply cannot afford to spend the total amount of dollars. And I say it is excessive in a range of \$20 or \$25 million in total, and I think should be cut back, which is not a cutback, it is just minimizing or decreasing the amount of increase requested. I think it should be done through each department and with Municipal Affairs as well. If it amounts to a cut of a million and a half or two million dollars out of the \$50 million O and M budget, then I say it must be done because we do not have the money to spend. And even though Mr. Wray, the Minister, indicates that a large percentage of his department's expenditures are simply being provided to local governments, I say it even then, that we must keep our expenditures at a reasonable level and that includes the amount of money we give to local governments to spend directly on their programs. So my overall view on his budget, sir, is that we must strive to find whatever the percentage is of \$20 or \$25 million of the total O and M, maybe two million dollars out of this \$50 million in the O and M for Municipal and Community Affairs. I would be in favour of such a reduction on the increase.

The only other general matter I wanted to ask the Minister, and he can respond later when we get to that detail, is what the plan is for the department in implementing the many recommendations of the Watson report on property taxation. The Minister just alluded to the fact that he is bringing in legislation on assessment and property taxation. I have not seen it so I do not know what it says, but I know the Watson report, which the government received almost a year ago, in April, 1986, contained many recommendations that do not really have to do with legislation, necessarily. I would ask the Minister at some point to indicate what his department's plans are to implement some of those recommendations, because the Watson report indicates that a lot of these decisions should have been made a long time ago. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you. Mr. Minister, do you wish to respond?

HON. GORDON WRAY: Thank you, Mr. Chairman. Just to thank the Member for his comments. I think that with all due respect, the credit should go to the officials of the department; they are the ones that do all the work. With regard to the Property Assessment and Taxation Act, at this point in time I am unable to respond because I have yet to see the draft legislation. It is still in the final processes of being drafted by the department, but it will be coming to me within the next two weeks or so. So perhaps once I have seen it and it has gone to the Executive Council, then I will be in a better position to respond to the Member on that specific question. Thank you.

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

MR. MCCALLUM: Thank you, Mr. Chairman. I would simply want to comment again that I believe, as well, that for this department, notwithstanding the fact that, as the Minister has indicated, most of the increase not being asked of us this time goes into the area dealing with municipal governments. I am not quite sure. The Minister had indicated an amount that went into that particular activity.

Increase In Person Years For Unfunded Positions

Regardless, this department as with other departments, is asking for an increase in PYs. We have been told that these person years are simply on a catch-up basis to fund positions that have been occupied but not funded. We have been told that the department is trying to get away from unfunded positions that come about because of a vacancy rate enjoyed by government totally. In order to look after the O and M and salary costs associated with these unfunded positions, this department as with other departments in the government, uses a vacancy rate utilizing the funding that would be associated with those positions that are vacant. In actual fact we have been told that of the 14.8 PYs being asked for this year, and only seven of them are new; 7.8 of those PYs are catch-up of people who have been in the position for a period of time. I am not sure what the vacancy rate is within the department. I expect that it is somewhere about eight to 10 per cent. I am not sure how long some of those positions associated with those PYs have been vacant. But again I think this is an instance where the point has been made in the standing committee that the Minister should take a look at being able to reduce things.

I could move on into another area and it may be better addressed, Mr. Chairman, when we get into dealing with municipal programs. I think it is under activity seven. I will refer to it and if you indicate that I should be waiting until we get to that I will do so. It deals with the whole business of the school tax levy that tax-based municipalities are involved with. Some municipalities, who now want to bring their budget forth in their own municipalities, are being held back because there seems to be some difficulty with the assessment under the school levy being brought forward. It is my understanding that this Friday is supposed to be when that tax rate is to be put forward. I would be concerned with what actually is the difficulty that the department has had or the government has had over the past three or four years in this particular area. Perhaps I would be better to do it once we get to municipal areas. It may involve dealing with other departments, but I want to raise that as an issue among those tax-based municipalities outside of Yellowknife; an indication as to what the levy will be this year in the tax-based municipalities.

I think, Mr. Chairman, that as with other departments, this department has received a fairly substantial increase in total funding for this coming year. It amounts to just under four million dollars in the O and M. I would hope that there will be some means by which the Minister, who indicated that he is prepared to make certain changes to this budget, would be able to indicate those to us. If he did so in his opening remarks, I apologize for not hearing them. But I would like to get some idea what those changes or alterations are that he suggested Thursday or Friday that he was prepared to make when we came to this budget. I would like to hear what they are and to have some indication that the Minister is prepared to accept recommendations, as has been said, regarding his O and M budget, in an effort to reduce the increase that is being asked for in this coming fiscal year within the department.

CHAIRMAN (Mr. Wah-Shee): Thank you. Mr. Minister, do you wish to respond?

HON. GORDON WRAY: Thank you, Mr. Chairman. The Member is correct when he addressed this issue of the PYs and vacancy rate. Indeed only 7.3 of the 14.8 positions being asked for are new positions. The other 7.5 are catch-up to address positions already in existence. However, of the 7.3, I would also like to indicate that three of those are term positions that are hired expressly for the purpose of the enhanced capital program that the department is going through right now and they will be terminated within 24 months when the capital program has, in fact, been carried out.

Increase In School Tax Rate

With regard to the point of the school tax that the Member raised, I can indicate to the Member that on Wednesday or Thursday of last week the Executive Council has approved a 10 per cent increase to that school tax rate which was set in 1967 based on 12 mills. The Executive Council has approved a 10 per cent increase on that rate.

With regard to the comments about the overall budget, the remarks that I made on Friday concern the Department of Public Works and Highways budget in which I said I was prepared to make changes. Unfortunately, those changes will not result in any saving of money. They are simply a reallocation of money based on the recommendation from the finance committee. However, I can indicate to the Member that I have no specific recommendations to make on this budget, as to where we could cut, but I can indicate that as always, I am open to comments from the Members of this

Legislature on areas that I can take a look at, where they think we should go back and take a second or even third look and see if what we are doing is right. So, by all means, I am open to recommendations. I think that I would be a foolish person if I said that, no, I have a monopoly on all the brains around here. I have indicated in the standing committee on finance and to MLAs in general that my approach, particularly with the Municipal and Community Affairs budget, which is very much a community-orientated budget, is that we are always open to advice from the MLAs on this particular budget. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Wah-Shee): Thank you. I have Mr. Nerysoo next. General comments.

MR. NERYSOO: Thank you, Mr. Chairman. Let me just echo some of the complimentary comments that were made by Mr. Richard in his general statement with regard to the frankness with which the Minister conducted his review and also with regard to the information provided to the standing committee on finance. We appreciate the amount of information. We were not sure with regard to the witnesses whether or not the honourable Member is going to be able to break his record for the number of witnesses that he provided, but none the less we appreciate the amount of information and the amount of detail that he provided generally through the discussion.

Committee Not Satisfied Regarding Person Years

Let me also say with regard to the person years or the positions that are being requested that there still is this concern about vacancies, vacancies generally throughout the government, but in this particular case that there were a number of vacancies that were generally throughout the year and in some cases were for an extended period. We recognize that there is a need for the positions that are being requested by the Minister but I think it is more important to recognize there is some ability to manoeuvre some of the dollars within the department, to utilize and redirect those funds to accommodate some of the direction of the Minister. In some sense the question of new PYs still is an issue on which we are not completely satisfied, by not recognizing there is that ability to manoeuvre within the budget to accommodate some of the direction that the Minister has taken.

Also, let me say that it is important to note that the direction the Minister has taken is a good direction, generally, as stated in his opening statement. There was some confusion, I think, as to the role of the local governments and we assume that there is at least some sense of clarity that seems to be developing now. In that sense, I personally commend the Minister and of course, through the Minister, his officials, for bringing forward the changes. Further, Mr. Chairman, I want to ask about the recent announcement made by the Minister with regard to the interest rate reduction program to municipal governments, whether or not there is going to be a recommendation to the municipal governments that there should be some corresponding reduction in rates that are being charged for land in communities, considering the reduction of interest rates for those particular loans.

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

Cost Reductions Applied To Land

HON. GORDON WRAY: Thank you, Mr. Chairman. I think the Member is correct that where the debentures that apply to land are being reduced and where the interest rates are being reduced, while we cannot in any way dictate to the municipality what they do, I think certainly we will be suggesting that they should take a look at reducing the costs on those particular debentures. So, yes, that will be a suggestion from the department but the Member does understand, of course, that the municipality really has the jurisdiction there. Thank you.

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

MR. MACQUARRIE: Thank you, Mr. Chairman. Just when the motion of closure was introduced the other day, I said I regretted that, because the few remaining general comments I had were of a complimentary nature and I was not going to get the chance to make them but I have that opportunity now and am happy to do it. A couple of other Members have complimented the Minister and his department on the manner in which they have related to the standing committee on finance in providing information to it. I think I would like to go a little bit beyond that and commend the Minister, generally, on the way he operates the departments for which he is responsible. I do not think it would be untoward to say that at a luncheon hosted last week by the mayor and council of

Yellowknife for Assembly Members that the mayor of Yellowknife singled out Mr. Wray as a champion of municipal governments and was very appreciative of the work that Mr. Wray does in that regard. Unfortunately, Mr. Wray, I guess was hard-working somewhere else and was not at the luncheon to hear it. Preparing for his budget, okay. I certainly thought that that should be made more public and I happen to agree with it myself.

If there has been disagreement between us and the Executive Council generally, it is on the total amount of spending. That is the issue. Some of us deeply believe that the government as a whole should not be going as far as it does. Within the government there are, unquestionably, some Ministers who are energetic and imaginative and hard-working, so it is not a criticism at all of general efforts. These Ministers need not be spurred at all but maybe a little bit of rein put on and I think that is what we are trying to say. I still have that general, overall concern and am very interested to hear the kinds of limitations that the standing committee on finance is proposing. I am rather inclined to support them but that is not to be taken as a criticism specifically of the work of some Ministers and, as I say, to my mind, certainly no criticism of Mr. Wray.

Municipalities Want Assurance Regarding Legitimate Interests

There were a couple of general areas that I would like you to answer on. One of them perhaps a little more specific than the other, so maybe you can deal with that first. With land selection soon taking place in the western part of the Territories, I know that a number of municipalities are concerned that the legitimate interests they have as municipalities, to ensure that water supplies and places for sewage lagoons and perhaps granular materials and for growth of the municipality, are all addressed. I believe that your government is intending to have a position that would help municipalities prepare for that day. Can I ask, for one thing, whether that is so and if so, when will that be implemented and what would be the nature of the assistance that municipalities could expect?

The other more general area of questioning, Mr. Minister, relates to the local government legislation. I know that over the years we have had the promise of local government legislation for some time. I know that in October a number of bills relating to local governments and local elections were tabled and they were distributed to many municipalities. But I was informed at a subsequent date that there may have been some computer errors, that the bills sent out were not accurate in every respect, and that I could soon expect for the committee some modified versions. I thought that was going to be a week or two from the time I was informed. However, recently I got another letter from the Minister responsible for the Executive's subcommittee on legislation and house planning that indicates that these bills may not in fact be ready for the committee before the end of March, which seems to me to indicate that there are some substantial changes taking place within those bills. If that is the case, it would appear that the committee would be placed in the position of having to forward those bills once again to various municipalities. If that is the case, in fact, it begins to look difficult if not impossible to deal with all of that legislation during the life of this Assembly. So could I ask the Minister for some clarification on precisely what is the situation with respect to that legislation?

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

Co-ordination Of Information Needed By Municipalities

HON. GORDON WRAY: Thank you, Mr. Chairman. To deal with the subject of land claims first. When I was instructed to look at my budget, unfortunately that was one of the positions that I cut back. And what I did was, rather than create a new position, I split the responsibility between my policy division and my lands division. They will now handle what this one position was going to do. However, we have received a lot of expressions of uncertainty and concern from the NWT Association of Municipalities and a number of individual municipalities. What we intend to do is this. We are working very closely with the Aboriginal Rights and Constitutional Development Secretariat and with officials of the NWT Association of Municipalities. We will keep them fully informed of the progress in terms of what is happening between the Dene/Metis and federal government because the pace of those negotiations is obviously controlled by those two parties. We are working on coming up with an actual process and criteria for land selection. When that process and criteria have been defined we will work hand in hand with the municipalities to help them in their role within that process. So it more or less is a co-ordinating role between the Aboriginal Rights and the Constitutional Development Secretariat, the Dene/Metis, the federal government and the

municipalities and we will attempt to co-ordinate the information needed by the municipalities in the land selection process to them. As I say in trying to trim the budget we did dispense with that position but we have specifically added to the terms of reference of my two divisions, lands division and policy division, to accommodate that one area.

We have also, as part of the process, forwarded a letter to the heads of all the councils in the affected areas, in the communities within the Dene/Metis claims area. We described to them the various events and decision points in the land claims process and where the municipalities could be expected to be contacted or advised. So we have really become, within the department, an information source on the whole process, if you want, for the municipalities.

With regard to the legislation, I can confirm to the honourable Member that in fact the changes to our legislation are relatively minor. There are no major or substantive changes. It should be ready within a week or so. When we do forward it to the honourable Member's committee, we will highlight all the changes so that they are clearly identified for you, but I am assured by my officials that there are no substantive changes. The property assessment and taxation one, from what I understand, should be ready in about two weeks. So I hope that would answer the Member's questions.

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

MR. MACQUARRIE: Yes, just on the land claims one again. You did say that the department will be a sort of information source. Did I also understand that, at some point, when municipalities have identified legitimate needs and the department has perhaps agreed that for that municipality those are legitimate needs, they will be assisting the municipalities to make sure that position arrives on the land claims table somehow?

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

Secretariat Will Make Representation On Behalf Of Municipalities

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, we are in the process right now of identifying lands within communities which are essential for public services; water, sewer, reservoirs, things like that. We will, on behalf of municipalities, make representation through the Aboriginal Rights and Constitutional Development Secretariat, who do sit in on the negotiations, on the concerns of municipalities. Thank you.

---Applause

CHAIRMAN (Mr. Wah-Shee): I would like to remind the Members we are dealing with the Department of Municipal and Community Affairs. I believe the claims secretariat is coming on a little later on, so I do not wish to have any confusion in regard to what this committee is dealing with. So with that, next is Ms Cournoyea. General comments.

MS COURNOYEA: Mr. Chairman, first, the opening statement by the Minister stated that the expenditures at headquarters were 12 per cent. Is that 12 per cent of both capital and O and M, or 12 per cent of O and M?

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

HON. GORDON WRAY: Approximately 12 per cent of O and M is spent directly on headquarters. The funding for headquarters includes about eight or nine million dollars in grants and contributions, which is dispensed from headquarters to the various communities. So the actual dollar amount that is spent on headquarters and administration is around six million dollars or about one eighth of the budget.

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

MS COURNOYEA: Mr. Chairman, in earlier discussions I believe I can be safe in saying that the Minister responsible for this department agrees that making the various allocations to the different regions basically was done on a fairly even basis and on an equitable basis. When all things were taken into consideration his department felt or the Executive felt that it was fairer to distribute on more equitable basis. As a result the larger communities who are facing the major

downturn of oil and gas activities were treated fairly, on the same scale as other regions. In this distribution, obviously, overtures will be coming from the communities and in order to support those communities, it is my understanding that with this budget there will not be very much left to have a supplementary requirement met because there are no funds. I guess the general question is, in addressing the downturn and the allocations and this department's ongoing responsibility to community affairs, did this department anticipate that the federal government would be the ones who would take the expense of trying to alleviate some of the employment problems in the major communities who do have a downturn or a major downturn in oil and gas activity?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. The Member is correct that we attempted to distribute equitably throughout all regions and all communities. The basic reason for that is that there is such a great need, as far as this particular department is concerned, in all communities, that you really cannot say that one region or one community needs more than the other. The needs are so high that we could pour all our money into one region and still not even meet the needs of that region. So, essentially, we decided to undertake an equitable distribution. Given that many of the structures that we build with our capital dollars are of such a nature that they can be built with a high level of local employment, it is a good way in which to alleviate some of the short-term employment prospects.

Unemployment Figures In Inuvik Area

In terms of the unemployment which the Member refers to in the Inuvik area, I think, yes, we are hoping that the federal government would have something innovative to try and help that area. I think the recent Gulf announcement has probably helped somewhat. However, quite frankly the unemployment figures for that particular area at present are equal to or even less than other regions of the Northwest Territories. The high unemployment with the downturn has not shown up yet. It may show up probably later on next year or the year after if and when UIC payments run out. But certainly in terms of an increase of welfare payments and so on, it has not shown up in the government's books. So perhaps a lot of the unemployment can be attributed to people who have left the North, who were living and working there only for the period of time in which they were employed at the drill rigs and a lot of the people laid off in the Beaufort actually were southerners who went south. So we have not seen a large unemployment problem in that region yet and certainly the employment levels are still higher in that region than they are in most other regions in the Northwest Territories. Thank you.

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

MS COURNOYEA: Yes, Mr. Chairman. Generally, I believe him. When we deal with statistics those are sometimes late in coming out and it all depends on an aggressive attitude in trying to determine those issues as they relate to non-employment. I guess the other question that I would like the Minister to address with this budget -- and we are leading toward a deficit in this particular budget -- when those true statistics come out and there is a probability that the Gulf proposal may not go forward, for these communities who will have to address this problem and who generally look to major projects to alleviate some of those employment issues, where would the Minister say that funding will be available to meet that need when that need must be addressed?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I do not know if this is necessarily a responsibility of Municipal and Community Affairs. I suppose to start with the last question first, I guess those communities will have to compete with the other communities who have equally high unemployment and probably more so for the same dollars that are available for everybody. In my present capital budget, 21 percent or one fifth of my entire capital budget is going into three constituencies in the Beaufort; Inuvik, Mackenzie Delta and Nunakput.

Capital Facilities In Beaufort Constituencies

I have tried to put as much in there as I can but the other question that has to be asked is, "What major projects are we talking about?" because in terms of the Department of Municipal and Community Affairs, the communities in those constituencies are not doing too badly in terms of their acquisition of capital facilities. With these capital projects going in now, most of them will not

be completed until probably I would say late winter of 1988, so employment will be created for the next year and a half. In terms of recreation facilities that my department provides, most of the communities in that area are in pretty good shape compared to other communities. In terms of municipal buildings, they are not in bad shape. There are some projects that we could advance but I do not have too much more left that I can build up there in terms of major buildings, in those three particular areas. I think certainly there is some shortage in the Sahtu area which can be addressed, but you know in the other communities we are starting to run out of major facilities to build. I think there may be other departments who have facilities that are necessary but I certainly know for my own department that we do not have too much left. Thank you, Mr. Chairman.

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

Two Versions Of Five Year Capital Plan

MR. T'SELEIE: Mr. Chairman, I would like to ask the Minister a couple of questions about this department's five year capital plan. I am going to be referring here to a letter that I just received from the Minister about a week ago on the capital plan for my constituency. I would like to ask about the system of the five year capital plan and how it works because when the Minister gave me this, he told me that I should throw everything else that I had out and that this was the last word on the capital for my region for the next five years. At least for this year, anyway. The reason I am sort of concerned about it is that I had another copy that was taken around by the regional office from Inuvik into my constituency and between that and what the headquarters here in Yellowknife had as far as the capital plan goes, they were almost entirely different. My question is, you know, it is possible for the people in communities to get an entirely different picture of what is in the five year plan for their community and I would guess that somewhere there is a master plan of what this department plans to build in every place. The information that the Minister gave me, I hope is the final word, because that is the one that I am going to be passing on to the people in my constituency.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I guess the confusion arises from the fact that at any one time there can be a number of capital plans going around. A region may have a capital plan -- the Member may very well be correct -- that may not even be the same as the headquarters capital plan. One of the reasons for that, of course, is that the five year capital plan is essentially decided by, first of all the communities sitting down and listing their needs and priorities, then it goes collectively into the regions, which then sit down and try to bring it into a master plan, which is forwarded to Yellowknife. Now in that process, of course, the FMB, for example, will dictate to the Department of Municipal and Community Affairs. It gives it a target. So we may get a target of \$30 million, where our capital plan will show \$50 million. So we have to go back to the regions and the communities and say that we have to cut \$20 million off our capital plan, would you make the appropriate cuts?

Process Of Capital Plan

In that whole process, different capital plans are produced and you may have one now, in fact you have one now, which will probably change in April after FMB sets targets for each department. The comment I made to you about throwing everything out is that the information that I provided to you is information that I intend to go forward to the Executive with in April. However, as I indicated in the letter, that capital plan lists projects in the neighbourhood of about \$50 million. I suspect that when the targets are set by the FMB, given the fiscal restraint on next year, it could very well be that \$20 million or so will be lopped off that capital plan. So then as a department, we will have to go back into headquarters, into regions and into communities and begin to take projects off, then we will reassign them to the following year.

That, unfortunately, is the reality that we have to deal with because we do not have enough money to address the needs. I think as I indicated in one of the debates in the House, at present the needs of the department over the next five years total approximately \$300 million. I can reasonably expect that the department over the next five years will probably get about \$125 million, maybe \$150 million. If it is lucky it will get about half of the money it needs, which, of course, means that half of the projects will have to be deferred even longer than five years.

So, yes, there is some confusion and it is quite possible that you have a capital plan that is substantially different from the one I gave you. In any given year there can be several capital plans which are produced. Really it depends on the bottom line that FMB assigns to the department. However, as I indicated, I think that in terms of what is in our present capital plan, that we have high priorities and that certainly we can protect, even with limited finances, the top two or three priorities in each activity. So I am hopeful that the areas that you have concerns about will be addressed in the next capital plan.

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

MR. T'SELEIE: Mr. Chairman, so when the regional staff go into communities to discuss the five year capital plan with residents, then I guess it is entirely possible that they could be talking about a plan that is really not there. Because once it gets to the head office it can change completely. So that this consultation procedure is useless.

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

Community Consultation Identifies Priorities

HON. GORDON WRAY: Thank you. I really would not say the consultation process is useless. I think the consultation process is useful inasmuch as the community identifies its priorities, whether it be one through 15. Then as a government, we know when we have to cut, that there are certain things the community have prioritized and we have to try and protect those priorities. But certainly the capital plan should not be taken by communities as written in blood, because that capital plan is subject to all kinds of caveats at the region and headquarters level and it is subject, obviously, to the dollars made available by the FMB.

What the capital plan is, is really a capital forecast. A community can indicate that these are our needs, just as the department does when we indicate to FMB what our needs are. What our needs are and what we necessarily get to address those needs could be completely different. But I think the consultation process must be maintained so that we at least know from the community point of view what the priorities are and at least try and address the top priorities. I think that if we did not have the consultation process, then you would have bureaucrats in the regions, firstly, and then secondly, in headquarters dictating what projects we are going to be building and what we are not going to be building in communities. I think what we have to do is to allow the communities to at least tell us if there are five projects and we can only fund two of them, which two we should build. So that is why we have the consultation process. But the capital plan the community sees is certainly not written in blood. It is subject to all kinds of caveats, including the final caveat, which is this House. This House itself has the power to delete funds out of capital. So there are several levels for these capital plans to go through before they become law. Thank you.

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

Danger Of Expecting Everything From Government

MR. T'SELEIE: Mr. Chairman, I have another question for the Minister and it concerns the move of the department, especially since this present Minister told the finance committee that the construction of arenas and curling rinks and those sorts of facilities were high priorities with him. In the last few days we have heard the Minister talk about having done an exercise within his department of documenting community need for facilities and that his department has learned that they need \$300 million a year to provide standard facilities. I guess I would like to point out -- I do not know how to put it. For me, anyway, there is a real danger that people everywhere in the North begin to expect almost everything from the government and I do not know if that is entirely a healthy thing. I do not know how else to put it without appearing to say that people do not have needs. I know that there are real needs in the community but I wonder, just on the example of arenas and curling rinks, etc., whether this Minister here has given that part of building these facilities very much thought.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I think that I would agree with the Member that a lot of communities are beginning to expect the government to do everything for them. In recreation facilities we have tried to address that through forms of community contribution, saying that if we

are going to build the facility then the community has to put up some of the money. It can be in the form of cash or in the form of labour or in the form of finishing off the insides and for the most part we are fairly successful. Obviously, some communities that have a lot more money available to them than others can afford to put up more money but we try and get the community to contribute something.

Recreation Facilities Have A Major Impact On Social Problems

With regard to recreation facilities, I happen to think that recreation facilities are of primary importance to a community. A lot of our communities, particularly with high unemployment and with kids dropping out of school have large numbers of children roaming the streets all day long and at nights with nothing to do. Even if they got an education, they would have no jobs. There is, I think, general acceptance that a lot of the social problems we are experiencing, particularly with alcohol and with drugs and with glue sniffing and with crime is starting to emerge from that one group. I guess maybe the Northwest Territories is ahead of the rest of the country in recognizing that, as computerization and technology advance, more and more people in our population have a lot more spare time on their hands than they used to have and consequently trouble can arise. There is an indication coming from some of the communities where we built facilities a couple of years ago, that in fact, those facilities are having a major impact, for example, on the crime rate and on local problems. Community groups are able to channel youth into recreation facilities, into sports programs and keep them out of trouble. An interesting statistic that somebody threw up to me actually was that if, for example, by building a hockey arena or by building a million dollar community hall in a community, if over the course of five years we were able to keep 20 young people in that community out of trouble or out of jail, by building that community hall, then in fact that million dollar community hall would pay for itself.

Initial figures from the Department of Social Services are that it is costing us about \$250,000 to build new incarceration facilities, for every individual that we put into jail, and about \$60,000 a year to maintain them, so in fact these facilities actually can have a payback. It is not one that will ever show up in budget documents but it certainly is there as a very real payback. I think that given the isolation of our communities, given the high cost of travel and the fact that a lot of people cannot travel out of communities, given the very long winter days and given the large number of young people that we have roaming the communities, that really, recreation facilities are an essential part of the community and this is reflected in the fact that we have communities who are now telling us to cancel things like hamlet offices, municipal offices and other municipal works in favour of recreation facilities. Communities themselves are making those decisions, so I do think those are essential facilities.

Mill Rate For Education

CHAIRMAN (Mr. Wah-Shee): Thank you. Mr. McCallum, do you wish to comment?

MR. MCCALLUM: Thank you, Mr. Chairman. I just want to go back to ask about a comment of the Minister when he was talking about the education levy. I want to get it straight. Is he saying that there was a 10 per cent increase based on the 12 mill rate, or was it 10 per cent of the 12 mill rate? I just want to get it clarified. What year was that mill rate? Was that 1967?

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

HON. GORDON WRAY: I have got to get the paper back again. Right, it is over the current mill rate. There may be some adjustments due to reassessment. We are in the process of reassessing so there may be some readjustments. Just to give an example, the previous mill rate in Fort Smith was 4.18, the reassessment in 1986 takes it up to 4.42 and the 10 per cent is going to be levied on the 4.42 to take it to 4.86.

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

MR. MCCALLUM: Mr. Chairman, I do not want to get into an argument. That may be what the department says it was, but they know themselves that it was not. The mill rate in Fort Smith was four mills. The mill rate was supposed to be 4.18 mills last year except that the department or the government was pretty near two months late getting it in, and according to your Municipal Act you cannot do that. You must let people know prior to that. I am concerned about it and is it possible, Mr. Chairman, to get those figures from the Minister? What I expect is occurring, rather

than getting into an increase in the mill rate, I expect that the Department of Municipal and Community Affairs has indicated that they would like to see X amount of dollars raised in terms of it. Whatever that is, the percentage of the total educational contribution from the tax-based municipalities, determine it, and that is what the tax-based municipalities should be providing. In order to meet that, I would expect that you are now going to put a certain percentage increase on it, then tell Finance to collect it or however it is done, in offsets or whatever.

But I expect that what is going to occur, since you raised the issue that in Fort Smith last year's mill rate was four mills and it raised \$148,000 give or take \$500, you now want to raise, in 1987, what you should have raised last year but could not because of the difficulty..

AN HON. MEMBER: We tried.

MR. McCALLUM: ...in letting the municipality know and what you want to increase for this coming year, it may be in the vicinity of \$40,000 more for it. Which may be 10 per cent of what it was last year, what you want it to be, but in effect you are asking for more. I do not want to continue it, I just want to get it straight because in the municipality, the municipality is not being told when they are getting that information, therefore, they cannot put their budgets out. They cannot collect taxes because they do not know what the educational levy is going to be -- how much money they must raise.

I wonder if I could get a copy of that particular document, not only for Fort Smith municipality, but other municipalities, and when we get into the municipal area I can query even further. If I could just get that information if it is possible.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. No problem, we will supply the Member with that information. However, it should be understood that it is the Department of Finance which sets the mill rate. It is not the Department of Municipal and Community Affairs.

CHAIRMAN (Mr. Wah-Shee): Thank you. Mr. Nerysoo, general comments.

Regional And Community Involvement In Construction

MR. NERYSOO: Thank you, Mr. Chairman. With regard to the capital construction for this particular year, I realize that it is not the responsibility of the department itself to carry out the tendering process. I am wondering if the Minister and his officials could ensure that there is regional and community participation in construction of these particular projects. In particular, I would hope that the government -- and I assume I have to speak to the Ministers responsible for Government Services and Public Works, who I realize is yourself -- would ensure that particular businesses in particular regions are used. Because the problem we have in some cases is that because of pricing, one particular area might have an advantage over another. For instance, I could point out one instance where an Inuvik drilling company might have a disadvantage in comparison to prices of a Yellowknife company, rather than to find a way in which both companies can be involved in that particular area so that it is an advantage to both companies as opposed to a disadvantage to one over the other. My concern in raising this issue is that I do not want a situation where one company goes bankrupt because of only the issue of prices.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Just to reiterate my belief that, particularly in the projects in my capital plan, there should be, and I cannot think of any reason why there should not be, a high level of local employment and use of local businesses. Most of these are fairly simple projects, and, with the exception perhaps of some of the electrical and mechanical, could be used to utilize as much local labour as possible. I will take the Member's comments and ensure that we do do it.

High Degree Of Community Involvement Planned

As I stated in my opening comments, we have recently approved a policy which will now allow communities themselves to participate in the project management and construction of those buildings. In some communities we are doing it through a tripartite agreement between Public

Works, Municipal and Community Affairs and the council. And there are three managers, essentially, of the project. Our intention is more and more to go that way, to ensure, particularly with municipal projects, that there is a high degree of involvement at the community level. However, it is experimental and it will be a while before it catches on, but hopefully over the next two, three or four years, we will get to a point four or five years down the road in the small communities where we are right now in the tax-based municipalities where, in fact, they will undertake nearly all of their project management by themselves. That is what we are aiming for. Thank you.

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

Accelerated Capital Projects Lead To Increased O And M Budgets

MR. RICHARD: Thank you, Mr. Chairman. Just one short matter I neglected to cover when I was speaking earlier. In the discussions last week about the overall picture of the government both in this budget year and in future years, I was attempting to make one point, that this accelerated capital project year, or as the Minister calls it, the enhanced capital project, whatever it is, the fast-tracking -- I have concern, Mr. Chairman, that the O and M budgets of various departments will be increased substantially a year from now or two years from now because of the tremendous amount of capital construction that is proposed for this coming year. This Department of Municipal and Community Affairs, I believe, was the only department in January, when we reviewed the departmental budgets, where the departmental officials and the Minister were able to give any response on that issue. My recollection from my notes from our January meetings is that the best estimate so far is that within this department alone, the capital projects that are sought to be approved by this budget would increase the O and M in future years by a minimum of two million dollars a year. That is the response, I believe, that was given.

I would ask the Minister to confirm that because, as I understand, within this department, for example, the department agrees with municipalities that the department will fund the operating costs of recreational facilities, just as one example, to the tune of 50 per cent or 70 per cent, depending on what kind of facility it is. Therefore, if we have more recreational facilities, clearly a year from now or two years from now, the O and M is going to go up because of that commitment. I would ask, Mr. Chairman, if the Minister would confirm that best estimate so far, of an increase of at least two million dollars a year in this department's O and M alone. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. The potential is there for that need. As I indicated, we are hopeful that through a base review of the entire government, through communities picking up some of the tab on some of these projects, on some of the O and M, our hamlet formula funding includes money for that already. When we get forced growth it automatically adjusts the hamlet funding formula. So some of the money is in there, but, yes, there will be a requirement for O and M. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you. With that we will take a coffee break.

---SHORT RECESS

The committee will come to order. General comments. Mr. Angottitauruq.

Renewal Required For Equipment In Gjoa Haven And Spence Bay

MR. ANGOTTITAUQU: Thank you, Mr. Chairman. I guess while the Minister's comments for introducing his budget are still fresh, I would like to make some comments. It regards the equipment that the communities get. It seems that within my two communities their equipment has not been recognized for a long period of time. Their equipment, their everyday working equipment, the heavy equipment, the cats and the loaders that do almost every day's work and in both those communities, the equipment they have received were dating back to early 1970s and that is rather old equipment. I was thinking that they might not have been recognized by the regional capital plans. I would just like to comment that one cat in Spence Bay is always on maintenance. They are often doing maintenance on it because that equipment was received in early 1970s. It is the same with their loader but I guess there is less maintenance on it. There is a loader in Gjoa Haven that requires a complete renewal, I guess, because the hamlet workers there are afraid now to use it because it

was also received by the community even before they became a hamlet, in the early 1970s. In the two communities that I am talking about, their heavy equipment, the cats and the loaders are approximately 14 years old. The one that I am talking about in Gjoa Haven is wobbling a little. They have a loader that has a joint in the middle. The whole thing, the back and the rear, is used for driving it and it is getting a little dangerous for the people there, they say.

I was wondering what policies were for the Municipal Affairs department, how long until the equipment has to be renewed; how old they have to be. In my understanding it does not have to take 14 years. I am wondering if they are close to some kind of policies, that they have approximately five to six years or something like that. I am always wondering if they have been ignored at the regional level, to put them on the capital plans. That is the only general comment that I have at this time.

CHAIRMAN (Mr. Wah-Shee): Thank you. Mr. Minister, do you wish to respond?

Life Span Of Heavy Equipment

HON. GORDON WRAY: Thank you, Mr. Chairman. We try to generally look at a seven to 10 year life on heavy equipment. Of course, once again, it is all subject to the availability of capital dollars. When there just is not enough to go around then something has to go by the wayside. In this year's capital plan I notice that we are putting a water truck into Pelly Bay. However, it does not address the problem the Member has brought up with regard to the cats or the loader and we will have to take that under advisement and take a look at it for future capital plans. But generally speaking, as a rule of thumb, we look at seven to 10 years or, if in fact the O and M costs are becoming so high as to warrant a replacement of a vehicle, that is generally what we try to do. Thank you.

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

MRS. LAWRENCE: Thank you, Mr. Chairman. First of all, Mr. Chairman, I would like to say I would like to thank the Minister for, and I was very impressed by, that big bridge that came up at Little Buffalo River.

---Applause

Room For Improvement In Community Involvement In Recreation

I realize that we have many concerns at the community level and I guess all we can do is hope for the best. Snowdrift is what really bothers me right now. But before I go into that, I would like to say that we are looking forward to that one-sheet curling rink that will be built in Fort Res. We had waited a long time for those recreation facilities. And I understand, too, that with the development of the community recreation leadership program and the attempt made by the department to build facilities in the small communities, that should eliminate some of these problems that are facing the community. Many young people do not have too much to do; there are not enough activities and there are no facilities but I also realize, too, that there is a lot of room for improvement in the community involvement. Especially, when it comes to winter games, summer games, they should encourage the community to be involved. I realize that it is not the Minister's fault some people are born with the attitude that whether you like it or not, this is the way it is going to be. But those things have to be looked at very closely if we want the community to be involved.

I have a big concern regarding Snowdrift. You know, we are trying very hard to get some projects off the ground and they do not seem to have too much help even getting simple things going. We need, desperately need, a road to Austin Lake. This stretch of road is only about 20 miles and it could be developed for tourists, as well, later on. But at this time they desperately need it for hauling their gear and for hunting in that area.

The other question that I have is that I wonder what happened to the airport lights. I just wonder if they have been installed. I do not want to stand up and question it if they have been installed. It seems that some officials tend to sneak in there and put them up and do not tell anyone so I wonder if it has been completed. Maybe that question you could answer for me.

I would also like, at this time, to thank the Minister for his co-operation dealing with that access road to Nagel Channel in Fort Res. You know, I am hoping that the problem has been resolved. I have not heard too much during the winter but now that spring is coming I am hoping -- I know that the department tried very hard to solve that problem for me and maybe you have some information on that as well. Mahsi cho.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I take the Member's comments about the needs in the community. Again, I guess, I have to reiterate, it is all subject to the availability of money and there just is not enough money to do everything that we would like to do. In terms of the airport lights, we are told that the lights are now operational. And I hope that that certainly is the case. In terms of Nagel Channel, it is in the Public Works budget so I do not have the information here right now. But I can get the information for the Member and provide it to her. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I have a short comment to make. I would like to thank the Minister for giving us information, for giving me information. I found it was helpful and so I would like to thank him for this.

Delivery Of Equipment To Wrong Communities

Last summer they sent the supplies on the barge and they were sent to the wrong places. The supplies that were supposed to go to Lake Harbour and Igloolik -- they had been sending the supplies to the wrong communities. I was wondering if there is anybody that is taking care of the supplies that are sent because it costs a lot of money to send equipment so they just left the equipment in Igloolik. A new water truck that was sent to Lake Harbour -- when we were going to use it, it had to be towed by a loader. We could not use it even though it was brand new. Our community is hilly so this was a problem. I guess if the suppliers or the people that take care of the supplies that are to be sent to the communities are more informed of what is going to which communities, it would help. If this is not looked into I think it would still be a problem.

In 1986 I noticed, too, the barge that brought in vehicles. They had sent the wrong equipment. If they had a person to look after the equipment that was coming into the communities -- maybe one of your staff should be on the ship to make sure that the equipment that is going to its destination arrives at the right place. This summer, especially, some of the equipment was sent to the wrong community and there were supplies like food also mixed in. Perhaps the person who was in charge at the docks in Montreal was not being too careful. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I wonder if perhaps I could have the Minister of Government Services respond to that as his department is responsible for the supply of goods on the sealift. Thank you.

CHAIRMAN (Mr. Wah-Shee): I just want to advise the Members that we are dealing with the Department of Municipal and Community Affairs and if there are other questions related to other departments, then those departments are coming up before this committee. So I would ask that you keep your questions for other departments. Mr. Curley, do you wish to respond to this question?

HON. TAGAK CURLEY: Mr. Chairman, thank you. I should make a very brief statement just to indicate that I will be making a more comprehensive response later in Inuktitut maybe. Thank you.

CHAIRMAN (Mr. Wah-Shee): I am not sure if we got translation for that, Mr. Curley.

HON. TAGAK CURLEY: Thank you, Mr. Chairman. My response is yes, what Mr. Arlooktoo said is quite true. There were a lot of mix-ups and quite a frustrating experience this summer with the marshalling and warehousing and shipping of the products in Montreal. I would like to address that more comprehensively and in more detail when we get into Government Services, so I am just advising the Member that what he had indicated is quite true and we are not satisfied. We have taken measures and I will announce them when we get into my department. Thank you.

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

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. Yes, I understand where I should direct my question to. These were the purchases of Municipal Affairs and I will further direct my question to the appropriate department. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. With regard to the Member's comment about the problems with the truck, because of the mix-up in shipping, a four-by-two truck was sent to Lake Harbour instead of a four-by-four. A four-by-two truck cannot be utilized in Lake Harbour and that is largely because of the steep hills that it must climb. So we are converting the four-by-two truck to a four-by-four truck and that is why we are having some problems. They have to send mechanics in to do them.

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

Smaller Communities Long Neglected

MRS. LAWRENCE: Thank you, Mr. Chairman. One other comment that I forgot to mention. I feel that, as a committee Member on finance, to cut back on some of the areas I will be identifying areas that I would like to be considered for cutback, such as PYs. These PYs should not have any effect on the smaller communities. For so long, you know, we have been neglecting the smaller communities and I think it is time that more concentration be made on the smaller communities. I know for a fact that many times we have positions that are not really good positions and I guess that is the PYs that I will be considering and I will make recommendations to be considered for cutback. Mahsi cho.

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. Mr. Erkloo.

Lengthening Of Pond Inlet Airstrip

MR. ERKLOO: (Translation) Thank you, Mr. Chairman. I think Municipal and Community Affairs will be responsible for the Arctic airports. The community of Pond Inlet is concerned because their landing strip is not adequate in length. Because of the increase of tourism, and, as you are aware, the government will be getting more government offices sometime soon and Pond Inlet is pretty well centralized in the Baffin, the residents of Pond Inlet have been wondering if the airstrip can be lengthened.

Perhaps maybe the funding for this will not be included in this budget. Maybe if you could respond to me or indicate to me when you can provide funding for lengthening the airstrip. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I think that I have to be honest in this and say that the potential of having the strip in Pond Inlet lengthened is extremely remote in the foreseeable future. Pond Inlet, with a 4000 foot runway, has one of the largest runways in the Eastern Arctic. I think Cambridge, Resolute, Iqaluit and Rankin are the only other four communities I know which have larger runways. I think the problem in Pond Inlet may be not so much the length of runway but the frequency of flights by First Air and perhaps if, in fact, they are finding that the planes are either overloaded or too full to bring in cargo, then I think that perhaps the question is not so much one of a long runway, but the question should be one of more frequency of flights. The Hawker Siddeley 748, which, I believe, First Air serves Pond Inlet with, is an adequate plane for the North. The next step up would be to 737 service which would be the next largest plane available -- or 727 -- and I doubt very much if, well, I know that I could not secure funding from the federal government for a lengthened runway in Pond Inlet and, given the high number of other communities which are in a lot worse shape than Pond Inlet in the Eastern Arctic, it would be a long time before money was made available to lengthen their airstrip. However, I do think that perhaps the Member should be or could be complaining to First Air on the frequency of their flights because I think that may be the problem, not so much the length of the runway.

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. Mr. Erkloo.

MR. ERKLOO: (Translation) Supplementary. Yes, you are correct. I will ask this question again of the Hon. Tagak Curley. I do not know exactly when. We have only First Air and they usually have an overload. One time there were 50 people who made reservations and it could only take 35 people. Sometimes I am sure that they break some of the regulations because the seats are very close and if there were to be an accident -- they have to follow the regulations. Sometimes you cannot bend down because the chairs are too close together, cramped. For that reason -- due to the many passengers, the seats have to be very close together and it usually results in being very cramped. It has to be looked into.

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

Capital Budget For Sahtu Not Proportional To Population

MR. T'SELEIE: Mr. Chairman, I want to point out to the Minister by way of general comment that I have just done some calculations and my calculations tell me that I represent four percent of the Northwest Territories population and two percent of his 1987-88 capital plan. I want to point out that my constituency is a growing constituency. According to the Canadian census that was done in 1986, the three Yellowknife constituencies, the constituency of Iqaluit, the constituency of Amittuq and Aivilik were the only constituencies that had a higher rate of growth than mine. According to the census also, there are only nine constituencies that are larger than mine. I think this is something important that this government and future governments should remember, that speaking for my own constituency, in comparison to other constituencies I represent a large number of people. Maybe the reason that it does not sink in is that I represent five different communities and three of them are over 550 people and if you put all 2000 of those people in one area, I think that the way the government thinks, then you listen more to all 2000 of them rather than if they are 400 here and 600 over there. I want to impress that upon the government and especially this department because they have so many dollars to allocate for capital projects and, as the community grows, you know, there are increasing requirements for better roads, those types of things, more recreation facilities. I hope that at least the officials of this department will keep in mind what I have just said with respect to my constituency. That is the only general comment that I had.

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

Shortage Of Garage Space In Arctic Bay

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. Concerning the item that we are dealing with, I have no problems with it. However, my constituency, especially Arctic Bay, has a problem concerning lack of garages. Also, the garage is inadequate and they have no room to work, the mechanics do not have any room to work with. Perhaps in the future, not too long from now, if you can consider getting a new garage or enlarging the garage. Some of the vehicles are parked outside because there is no room in the garage for them. I know that some of the equipment is not supposed to be outside especially in the wintertime but they have no room so they end up staying outside due to lack of parking space in the garage. I was really concerned about this and I would like the department to look into this.

Also another question. I want to know what you are going to do about the airstrip in Arctic Bay. Are you planning to build another airstrip outside the old airstrip? Did you ever consider building another airstrip outside from the previous one? Also, they have stated that Nanisivik will be closing sometime in the future, maybe within five or six years. We would like to know if you have considered this airstrip and the garage and if the Nanisivik mine happens to close, what are you going to be doing about the road that leads to Arctic Bay from Nanisivik? That is my question. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I will take the Member's comments about the garages and the advice.

New Airstrip For Arctic Bay

With regard to the airstrip in Arctic Bay, yes, indeed, we are looking at constructing an airstrip there, I believe at a place called Marion Lake. We are looking initially at putting in a 1500 foot runway. The reason for that is that the present runway is an ideal location for the expansion of

the town, housing and the recreation facilities. So the cost of site development and doing subdivision work are comparable to the cost of putting a new runway in. The site at Marion Lake does allow for future expansion whereas the present airstrip site does not. So it could very well be that we will utilize the existing runway to expand the community and construct a new airstrip at Marion Lake. We are initially looking at putting 1500 feet in for Twin Otter service and perhaps expanding it as time goes on.

With regard to the road between Arctic Bay and Nanisivik, no decisions have been made yet as to what we are going to do when Nanisivik closes. I think that is probably one of the items that is going to have to be considered in the whole wind-down plan of Nanisivik and just exactly what we are going to do with the facilities there, what we are going to do with the runway there, which, of course, will have a major impact on the future of the road. So I really cannot give the Member any information right now other than to say that certainly when we begin to address the shut-down of Nanisivik, that is one of the major items that we will have to discuss. Thank you.

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. Mr. Appaqaq.

Larger Bulldozer Needed For Sanikiluaq

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I am very happy that the Department of Municipal Affairs has worked so hard within the municipalities. The Minister himself had informed me through correspondence as to what is going to be allocated to my community. We have had very bad problems in my community this winter concerning the roads because there is only one bulldozer and it has tracks on it. The bulldozer has tracks on it. It is not a real bulldozer. I think it is a D6. It is very small and needs a lot of repairs and we can hardly keep up with the snow on the roads in my community with that D6. As Ministers, I think you have been made aware last month that we are just waiting for the repairs to be done on that bulldozer. They say they expect it to break down frequently. I know that you are aware of this. Sometimes they expected a blackout in our community as soon as they stopped clearing the roads due to road blockage and they have been very concerned about this. My community has been very concerned about this.

Within the five year capital plan it says it is too far away in order to get a bigger vehicle. That vehicle we have at the present time is inadequate to maintain the roads or keep up snow removal for next year. The bulldozer will have to be used again to remove all the snow from the roads. Only that one bulldozer has to maintain the roads for a few more years and it will have to be used in the wintertime and summertime. We do not have any expectations that it will operate smoothly in the future so I would like you to consider what I have said to you.

Water Delivery Truck And Sewage Truck Needed

Also we have concerns other than this. The building of units is increasing in the communities and the water delivery man has a lot of work to do and we hardly have any roads going up to the lake -- to the water reservoir. In my community they have to work 24 hours a day just to deliver water and we have only one delivery truck. The delivery man has to work on Saturday and Sunday in order to keep everybody happy. They just tell him, "Deliver water to our house" and it is non-stop, and that delivery man has to work a lot of hours.

Also another concern regarding sewage. We have one sewage truck and I know that we are going to be expecting some problems in the future because sometimes the sewage containers in the houses tend to overflow and it just spills on the road when the container overflows. Also the roads start to stink from the overflow. We have only one sewage truck and the sewage truck cannot keep up with the needs of the service. I know that you are aware of this problem but I would like to further stress it to you during the Assembly. Our problems about servicing are forever increasing in my community. I just wanted you to be aware of this. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. What is your wish? Do you wish to go into budget detail at this time? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Could the Chair be advised as to whether we are dealing with capital or O and M at this time? Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. If we could deal with the capital, Mr. Chairman, just to indicate that the standing committee on finance supports the capital budget with recommendations that are going to be suggested by individual Members. We will not be disputing the budget, at least the capital budget.

CHAIRMAN (Mr. Wah-Shee): Does the committee agree that we deal with the capital budget first?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Works And Capital Planning

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Capital budget, detail capital. Community works and capital planning, buildings and works, headquarters on page 10.07. Total headquarters, \$125,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed.

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Fort Smith, \$2,906,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Inuvik, \$3.5 million. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): That is on page 10.10. Total Baffin, \$3,038,000. Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, it is just a clarification and probably something that has been brought up before but we are dealing with the Fort Smith Region on the Hay River Reserve, and the facility that is going to be put there is a firehall and parking garage. There were a number of questions perhaps about three years ago on the federal government's obligation in creating a reserve and like other reserves in the South, normally the federal government takes a responsibility for the infrastructure along with the band on the Hay River Reserve. So in looking at the allocations from last year and this year it would appear that the territorial government has accepted and the federal government has accepted an agreement with the territorial government that development on the Hay River Reserve is a territorial responsibility.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. We have accepted the responsibility inasmuch as there is a desperate need for that facility there. I guess we feel that we really cannot penalize the community while we engage in negotiations and arguments with the federal government. What has happened though, and we still maintain the position that the federal government is responsible for capital funding to band councils, we have sent a request to the Minister of Indian Affairs, requesting discussions of the resolution of the issue. Another letter was sent in February 1986. Although the Minister has not officially responded, his officials have contacted my department and they have requested detailed information on the band's capital needs with a view to preparing a funding proposal for approval by the federal cabinet.

We support the legitimate requests of the band councils for capital assistance. However, we still think the federal government should be responsible and hopefully, there will be a resolution of this problem in the near future. We have indicated to the federal government that we would be willing to allow ourselves to be used to channel the money into the band councils and to help the communities set up a capital plan and do that kind of homework in the communities with the bands on behalf of Indian Affairs. We are hopeful that they will come through with some meaningful funds to do that capital funding.

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

MS COURNOYEA: Mr. Chairman, I realize there are other people who may be interested if there was a special fund for the capital for the reserves system. However, I would request what were the exact arguments that the federal government would have in not dealing with the legitimate needs of a reserve as they do in southern Canada?

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

HON. GORDON WRAY: Thank you. In southern Canada the legislation provides for provision of capital funding to bands under the Indian Act. Indian Affairs, however, maintain that in the North, in the days of Stu Hodgson, going back 10 or 12 years, the funding that they were transferring to the territorial government included funding for bands and they would be treated along with other northern communities. That is their position. It is a position that we reject completely, obviously. The bands are a federal responsibility and that capital funding for bands was never transferred to this government by the federal government whatsoever. We think that it is just a way for them to try and duck out of coming up with the money, quite frankly, and we are not about to let them do that.

CHAIRMAN (Mr. Wah-Shee): Thank you. Baffin. Total Baffin, \$3,038,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Keewatin. Total Keewatin, \$4,635,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Kitikmeot. Total Kitikmeot, \$1,969,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total buildings and works, \$16,173,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Detail of capital, page 10.14. Equipment acquisition, Fort Smith. Total Fort Smith, \$482,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Inuvik. Total Inuvik, \$578,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Baffin. Total Baffin, \$762,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Keewatin. Total Keewatin, \$780,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Kitikmeot, \$416,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total equipment acquisition, \$3,018,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Contributions. Headquarters, \$2,110,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Fort Smith, \$615,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Inuvik, \$430,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Baffin, \$280,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total contributions, \$3,435,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Works And Capital Planning, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total community works and capital planning, \$22,626,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Planning

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Page 10.18, community planning, buildings and works. Headquarters, \$160,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total Fort Smith, \$80,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Inuvik, \$105,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Baffin, \$95,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total Keewatin, \$60,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total Kitikmeot, \$75,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total buildings and works, \$575,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Planning, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total community planning, \$575,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Surveys And Mapping

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Page 10.21, surveys and mapping, buildings and works, headquarters, \$665,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total buildings and works, \$665,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Surveys And Mapping, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total surveys and mapping, \$665,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Arctic Airports

Buildings And Works, Fort Smith, Total Capital

CHAIRMAN (Mr. Wah-Shee): Thank you. Page 10.23, Arctic airports, buildings and works, Fort Smith, \$628,000. Mr. Paniloo.

MR. PANILOO: (Translation) Mr. Chairman, I think there is a mistake in the main estimates. I would like an English copy if you do not mind, please. I think they are a little bit different. Thank you.

CHAIRMAN (Mr. Wah-Shee): Okay, we will look into that right away. Five minutes at a maximum.

---SHORT RECESS

The committee will come to order. The book on the capital, the Inuktitut translation is not completed. It will be ready tomorrow so we will continue. We are on page 10.23 under capital, dealing with Arctic airports. Ms Cournoyea.

MS COURNOYEA: Yes, Mr. Chairman. In discussing the Arctic airports issue and the needs of communities, many of the communities are not accessible by road and are in a serious situation. Given that it is my understanding that these airports improvements were done for, basically, just airport improvements and smaller upgradings with these particular allocations, I would like to know from the Minister, in regard to the federal/territorial Arctic airports program and the policy and the negotiations ongoing with the federal government, where those negotiations are and what new initiatives there have been in trying to forward the argument for major improvements to some airports and the moving of some airports with the federal government. I would like some specifics on those negotiations. Some of the communities are sitting back, understanding that what could be allocated would not do the work that is required in their communities. However, at what stage does a community decide that perhaps \$50,000 or \$60,000 improvement is all they are going to get and that is what they should strive for rather than waiting for the territorial and federal governments to get together to deal with this issue? I would like some specifics on really where those negotiations are and what movement there might be on the last talks from the last Legislative Assembly that we did have.

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

Funds And Responsibility For Airports Being Negotiated

HON. GORDON WRAY: Thank you, Mr. Chairman. The last meeting of the joint steering committee between the federal government and ourselves was in December. I am meeting with the Minister of Transport, Mr. Crosbie, a week tomorrow in Ottawa. The steering committee has recommended to the federal Minister that, among other things, the special one-time funding envelope for the construction of the airports which were left undeveloped under the Arctic B and C policy be provided to this government as part of the transfer, and the estimates of the dollars range from between \$35 to \$50 million. As well, in the recommendation to the federal cabinet we have also asked that all necessary funds for the ongoing O and M, as well as restoration and replacement of Arctic B and C airports, should be transferred to us, as well. As part of the negotiations, we are working on identifying the shortcomings in each of the various airstrips that were finished and arriving at a negotiated settlement on how much money they will provide for us on an ongoing basis to upgrade airports. As well, we are addressing the issue of new airports and who should be responsible for the construction of those airports.

What will not be part of the package is funds for new airports as a result of, say, federal initiatives. That, we have agreed, we will negotiate separately outside the transfer of the B and C airports, simply because that one aspect could tie us up for a very long time. We have established our own priority list of the 11 airports which should be finished. We are shooting for a transfer of April, 1988 and hopefully with that transfer will come the funds and we can begin immediately to schedule work on the 11 undeveloped airports over the next two or three years after that.

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

MS COURNOYEA: Basically, Mr. Chairman, what I hear the Minister saying to the people who are waiting for more major work on airports and relocation is that there is no hope -- unless three or four years down the line. Is that what I am hearing?

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

HON. GORDON WRAY: Yes, Mr. Chairman. There are two or three airports where there is discussion on relocation of the airports -- Tuk, Pangnirtung, Lake Harbour -- and we really have not been able to move at all on that issue. Thank you.

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

MS COURNOYEA: Well, there seem to be three phases, then, and the first phase is what we see in the book for more minimal repairs. Now, in the second phase, what is the Minister's anticipated time for the communities that are going to be affected? Other than Tuk and the other areas, what is the time frame on that when he sees there being some movement?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Our hope is to commence work on the 11 unfinished airports as early as the summer of 1988.

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

MS COURNOYEA: Mr. Chairman, in trying to address that problem, would it be fair to say, then, that the 1988 beginning of these construction programs on the 11 airstrips that we are addressing at this time, is just a "guesstimate", or should these communities be directed to begin to take second best and go for small improvements? I believe that generally in the second phase of airstrips, with the 11 airstrips, there are major problems with them, some not being in the direction that they should have been placed in the first place, but at the same time the 1988 target -- and in 1979 it was 1981 and in 1981 it was in 1984, that we should address these issues -- these have been long ongoing issues. Now, at some point in time the communities should be told rather bluntly that the negotiations just are not going anywhere and if this is the case, then I would like to know that.

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

Treasury Board Submission Within 60 Days

HON. GORDON WRAY: Thank you, Mr. Chairman. The submission to the Treasury Board by the Minister of Transport for the capital funding for those airports is to go forward to Treasury Board within the next 60 days. It is our hope to have that funding in place by April, 1988. It should be pointed out that when we started negotiating with Transport Canada in September or August, they started out with the position that they were not responsible for these airports at all and that we would have to find the funds ourselves. In the three months of negotiations we managed to turn it around completely so that they have agreed that they are responsible and would sponsor a Treasury Board submission within the 60 days for the moneys. So we are hopeful that if, in fact, that is approved, then we will be able to commence construction in the summer of 1988.

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Arctic airports. Fort Smith, buildings and works, total Fort Smith, \$628,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Inuvik. Total Inuvik, \$70,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital

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

MR. PUDLUK: (Translation) I do not have much to say on this moneywise but I just want to inform you that in Grise Fiord we have a small problem. I was told by a pilot that when they are landing, the approaching lights are too bright. So they were wondering if they could be dimmed a little bit because when they are trying to land at night it is hard to land if the lights are too bright. I just wanted to inform you about this to see if there is anything that can be done on this. Thank you.

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

HON. GORDON WRAY: Thank you. I will take the Member's comments and have my Arctic airports staff check into it.

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

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I did not really understand when he was talking about Lake Harbour. Before I came here, the hamlet got a letter saying that the airport will be fixed up in 1987-88 and I just wanted you to repeat what you were saying about Lake Harbour because I did not get it very clearly. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. My comments about Lake Harbour were with regard to trying to get Transport Canada to come up with the funds to build a new airstrip in Lake Harbour. I was indicating to the Member that we have not been able to secure those funds whatsoever. We cannot even get Transport Canada to talk about it at this point in time. The projected cost for the new airport in Lake Harbour is roughly \$12 million and, as I said, they just will not discuss it with us at this point in time.

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

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I am not talking about a new airport. I thought there was an agreement with the federal government -- I understood the hamlet got a letter about an agreement with the federal government saying that they were going to upgrade the airport in Lake Harbour. So that is why I asked you to clarify this. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I am not exactly sure what the agreement is but we believe Transport Canada has agreed to do some work on the navigational aids and approaches to Lake Harbour.

CHAIRMAN (Mr. Wah-Shee): Thank you. Baffin. Ms Cournoyea.

MS COURNOYEA: In terms of making expenditures, I notice that in almost all communities the expenditures are very small for areas that might have an airstrip. But in two instances, such as Trout Lake and then we have Colville Lake where the anticipated future expenditures will go to \$1.2 million. In making these appropriations, what were the criteria to decide on sort of larger expenditures to various areas such as Colville Lake and, say, Trout Lake?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. In all communities of less than 100, there is no federal program to cover these communities. So any airstrip improvements in communities of less than 100 people will have to be funded entirely by the government. The federal government will not cover any costs whatsoever.

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Baffin, \$10,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total Kitikmeot, \$75,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total buildings and works, \$783,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Equipment acquisition, Fort Smith, \$74,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total equipment acquisition, \$74,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Arctic Airports, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total Arctic airports, \$857,000. Mr. Nerysoo:

MR. NERYSOO: Thank you, Mr. Chairman. I wonder if the Minister could provide us with the details of his submission to the Minister responsible for Transport Canada, so that we have some knowledge of the priorities that have been proposed of airport construction in the future.

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

HON. GORDON WRAY: Yes, Mr. Chairman.

CHAIRMAN (Mr. Wah-Shee): Total Arctic airports, \$857,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Sport And Recreation

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Page 10.26, sport and recreation. Buildings and works, headquarters, \$805,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total Fort Smith, \$3,100,000. Mr. McCallum.

MR. McCALLUM: Just one question of the Minister in relation to a medium arena where we are talking about a curling rink. Are we talking about the size of the total building that would house just one sheet -- that is what a medium rink would be. You are not talking about the ice surface of a curling rink. You are not talking about making short curling sheets, as it were?

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

HON. GORDON WRAY: No, Mr. Chairman. The curling rink sheets will be the same size. The arena ice will be a different size, but curling will be the standard size.

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Fort Smith, \$3,100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total Inuvik, \$3,520,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Total Baffin, \$4,783,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Keewatin. Total Keewatin, \$1,990,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Kitikmeot, \$2,215,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total buildings and works, \$16,413,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Equipment acquisition, headquarters, \$40,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total equipment acquisition, \$40,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Contributions. Total headquarters, \$1,750,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Fort Smith. Total Fort Smith, \$950,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Inuvik, \$1,537,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Baffin, \$1,565,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Keewatin, \$50,000. Agreed? Mr. Minister.

HON. GORDON WRAY: Mr. Chairman, there is a mistake in the book there. It should not read "Eskimo Point", it should read "various". That is the regional total. For some reason they have got "Eskimo Point" in total Keewatin on page 10.30.

CHAIRMAN (Mr. Wah-Shee): That is fine, just for a point of clarification. Total Keewatin, \$50,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total Kitikmeot, \$28,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Contributions, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total contributions, \$5,880,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Sport And Recreation, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total sport and recreation, \$22,333,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. We are on page 10.32, lands, buildings and works. Ms Cournoyea.

MS COURNOYEA: I am sorry, Mr. Chairman. I seem to be a little bit behind but I am sitting over here so I do not always catch your eye. Further to the territorial government's responsibility, which I agree with, but it seems to me that further to the questioning of funding needed capital projects for reserves, we also have a primary community gym which will be going into the Hay River Reserve for \$670,000, and we are also funding projects for Lot 500 in Yellowknife. So I take it that the territorial government has decided that they will be paying for land development and facilities required in both reserves and on land that has been specially selected and contributed to band councils within a settlement. Is that right?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Yes, we are being slowly edged into it but hopefully we will be able to get some negotiated agreement with the federal government fairly shortly. However, we have to recognize that, you know, until the federal government and ourselves come to an agreement, we have to do something in some of these communities. We cannot just keep telling them, "Well, wait until we talk to the federal government." So we have been edged into it slowly but we are sort of holding the line on them and treating every one on an as-it-comes-up basis. I am hoping that very shortly we will have some kind of policy agreement from the federal government.

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

MS COURNOYEA: I realize, Mr. Chairman, that the government hopes that they can get these things resolved with the federal government, but would it be fair to say, then, in other communities, if land was selected within the community which you want to develop and require facilities there, the territorial government will take the same responsibility that they are taking at this point in time in Lot 500 and in the Hay River Reserve?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. I think that what is fair to say is that it will be treated on an "as case" basis. Thank you.

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

MS COURNOYEA: So, then it is also fair to say the "as case" is an ad hoc basis and there is no government policy on this type of development. Thank you.

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

HON. GORDON WRAY: The Member is correct. We do not have a policy and it is very much ad hoc at present. Thank you.

Lands

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. We are on page 10.32, lands, buildings and works, headquarters, \$250,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Total buildings and works, \$250,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. Page 10.05, total capital expenditures, \$47,306,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. That completes the capital budget for Municipal and Community Affairs. Okay, now we are dealing with the O and M main estimates, dealing with the Department of Municipal and Community Affairs.

Directorate, Total O And M

We are on page 13.10, the directorate. Total O and M, \$3,748,000. Page 13.10. Is everybody on the same page? We are on page 13.10, directorate. Total O and M, \$3,748,000. Agreed? Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, on the responsibility of the directorate, it has been announced that a committee has been formed to review community government and regional councils. Could the Minister state at which stage these people are, in dealing with the evaluation of regional councils and community government?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. That responsibility is now under the Government Leader's office. It is not being co-ordinated by the Department of Municipal and Community Affairs.

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

MS COURNOYEA: Mr. Chairman, then does the Department of Municipal and Community Affairs have a major input into the evaluation, by informing the community councils that this issue is being addressed? What type of involvement does Municipal and Community Affairs have in directing that this evaluation will be well-known to the people who are most affected?

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

HON. GORDON WRAY: Our involvement is to the extent that the deputy minister of the department is a member of the review co-ordinating committee. We have funded, I believe, two representatives from every regional council to come to Yellowknife to meet with the co-ordinating committee and we have, by and large, informed the communities that it is taking place. However, the major responsibility for informing communities and keeping regional councils aware of what is going on falls to Mr. Braden, who is heading up the review.

CHAIRMAN (Mr. Wah-Shee): Ms Cournoyea.

MS COURNOYEA: I realize that the Minister has stated that this falls under the Government Leader and Mr. Braden is involved and also that the deputy minister is involved. Would it be possible to get the qualifications of the other people who are addressing this issue on behalf of the community councils?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. GORDON WRAY: I believe that will be possible. I think there was a statement issued on the make-up of the review committee and who was on it and their backgrounds, so perhaps I would be able to get a copy of that from the Government Leader's office and provide it to the Member.

CHAIRMAN (Mr. Erkloo): Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, we were provided with a list of the people who were involved. However, some of the individuals I have not heard about or they are not known to me and some of their qualifications were listed. I think what we would be most interested in is, do those qualifications bear the experience they might have had in the Northwest Territories in formulating community councils and the problems that exist in terms of determining responsibility of regional councils?

CHAIRMAN (Mr. Erkloo): Directorate, total O and M. Mr. Nerysoo.

MR. NERYSOO: Mr. Chairman, could the Minister explain the increase to other O and M under directorate? What is the reason as to why such an increase has taken place, the 19 per cent?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I believe the Members are requesting an \$105,000 increase, is it? There is \$7000 related to the central charges for computer services; \$43,000 O and M for headquarters and regional telephones, etc.; \$31,000 is an increase for affirmative action; \$24,000 is in travel increases of superintendents and the deputy minister.

CHAIRMAN (Mr. Erkloo): Directorate, \$3,748,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Mr. Richard.

Motion To Extend Sitting Hours, Defeated

MR. RICHARD: Mr. Chairman, I move that sitting hours be extended beyond six o'clock so that we could conclude the consideration of this department's budget.

CHAIRMAN (Mr. Erkloo): Mr. Richard, are you making a motion?

MR. RICHARD: Yes, sir.

CHAIRMAN (Mr. Erkloo): There is a motion on the floor. All those in favour? Opposed, if any? The motion is defeated.

---Defeated

Directorate, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Directorate, total O and M, \$3,748,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Works And Capital Planning, Total O And M

CHAIRMAN (Mr. Erkloo): Community works and capital planning, total O and M, \$1,525,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Erkloo): I will do it one more time. Community works and capital planning, total O and M, \$1,525,000. Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, I did not realize we had agreed to sweep through this section as well. Mr. Chairman, there are some difficulties with certain people that have been transferred to the Inuvik Region to handle the affairs of that particular region and we realize from time to time that people must be transferred. However, it is questionable sometimes whether these people have come to the Inuvik Region because they are qualified or because they really want to or other regions have felt that their relationship with the particular individual is no longer in the best of health. Now, if we are faced with one or two individuals in the Inuvik Region for one or another of these reasons, how long does a Minister expect to keep these individuals in the Inuvik Region?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. I think if the communities and/or the Member or Members representing that area can indicate to us the specific concerns they have and the individuals involved, then obviously the department will have to look at the situation and take action. There is obviously no point in having people there if they do not enjoy the confidence of the people they are supposed to be working with. However, I think, and in all fairness, that if we are asked to take action it should be on the basis of some specific concerns that either come from the communities or the MLAs representing that region.

CHAIRMAN (Mr. Erkloo): Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, I believe that at some point in time a region does not really have much input into who will be delivered to that region. I am sure that the Minister is aware that certain people are being delivered with some reluctance and with the full knowledge of the government that there will be problems developing. It would appear to me that at some point in time this government, if they are moving people around because of a reason that comes up time and time again relating to that one individual, that they would spare us the onus of having to deal with that individual and come back and request that the person be moved again. I am sure the Minister is quite aware of that particular situation.

Perhaps we can make more overtures but that is a very uncomfortable situation to be in at a regional or community level. Every community, I believe, has a certain degree of fairness in dealing with new people coming in, because technical expertise is required and we understand that. But it is very upsetting to the region when you have knowledge that the person was transferred to your region because he was not wanted in the other one. We do not appreciate that. We have had

that circumstance over the years and we certainly try to deal with it with patience. However, I suppose we can launch a campaign to bring this to the attention of the honourable Minister but I believe he was aware of the situation before that person was transferred to the Inuvik Region, so hopefully, it will not happen in the future. Thank you.

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

Explanation Of Increased Person Years

MR. McCALLUM: Thank you, Mr. Chairman. Under this particular activity there is an increase of three PYs. Can I ask the Minister, is this where the term positions are?

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

HON. GORDON WRAY: Thank you, Mr. Chairman. One of the term positions is in here. The other two term positions are in recreation. The three positions for this department are a capital budget assistant, which is a term position, a clerk-typist and a municipal engineer.

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

MR. McCALLUM: Mr. Chairman, I just wanted to get it straight. It is my understanding from what we were told previously that you were to put a capital budget assistant in here and a clerk-typist to respond to capital projects. These were to be term positions. The third position I understood came under the community works management training task of this activity and that was to be a manager of works training and development, to develop training programs. I thought these were the three PYs in here. So I understood there were two term positions under capital planning and budget and one under the community works management training in this particular activity. I just wanted to get it straight.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. GORDON WRAY: Thank you. The Member was clearer in explaining the positions than I was. He is correct. The engineering position is a person who put in place the training program for the community works management. However, the clerk-typist was not one of the term positions. She is a permanent PY for that division. The capital budget assistant is the only term position of those three.

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

Motion That Position Of Capital Budget Assistant Be Put Into Capital And Salary Deleted From O And M, Withdrawn

MR. McCALLUM: Mr. Chairman, I would like to move that the term position, capital budget assistant, be deleted and turned back into the capital budget and the funds, that is the salary O and M associated with this PY be cut from the O and M budget.

CHAIRMAN (Mr. Erkloo): Mr. McCallum, can we have a copy of your motion, please?

MR. McCALLUM: Well, Mr. Chairman, I will if you will just let me speak to it first. What I am suggesting is that the payment for this capital project position come out of the capital project the position would be involved with. That is what has been occurring in the past in other departments and I see no reason to change it now. Once the project is finished that they would be involved with, since it is a term position, I would like to see the position itself terminated.

MR. RICHARD: Agreed.

CHAIRMAN (Mr. Erkloo): I would still like to get a copy of your motion. Okay, we will have a break for five minutes.

---SHORT RECESS

CHAIRMAN (Mr. Erkloo): We will all come back to order now. Mr. McCallum.

Motion That O And M For Community Works And Capital Planning Be Reduced By \$100,000

MR. McCALLUM: Mr. Chairman, may I, whatever the term, withdraw that motion that I made and I would like to move the following motion: I move that the operations and maintenance estimate for community works and capital planning be reduced by \$100,000.

CHAIRMAN (Mr. Erkloo): Can we have a copy of your motion, Mr. McCallum? Your motion is in order. To the motion, Mr. McCallum.

MR. McCALLUM: Mr. Chairman, the reason I indicate this is that this is a term position that I am talking about, involved with this reduction in community works and capital planning. I believe that it should be taken out of capital funds and, because it is a term position, I believe the position should be terminated and not be allowed to become indeterminate. The reason why I say the amount of money that I do is because any time you add PYs, person years, to the total complement of the government, it not only involves the department that is asking for this particular PY, it involves the Department of Personnel who must go through a process of advertising and go through the process of interviewing, before making a determination who would get the job. It involves the Department of Government Services because, we have been told, of the costs that are involved with providing space, providing furnishings, telephone and paraphernalia that are used to deal with this particular position. It involves the Department of Public Works because Public Works then has to find a place for this PY or person that is placed in a position, that is taken from the PY, in order for that person to have some place to work. It may involve other departments as well, more indirectly than the ones that I have indicated. An indirect impact may very well be with Education, who are in the area of providing some kind of training for people within the total complement of the government. I do not believe that this should present any difficulty. Mr. Chairman, we have been told by Ministers of the government to give them examples of where it can be done. What has been asked for here is simply a response to what has been asked of us and so I would trust that other Members of this committee of the whole would support that motion. Thank you.

CHAIRMAN (Mr. Erkloo): To the motion. Mr. Richard.

MR. RICHARD: Mr. Chairman, I am in support of the motion. Looking at the O and M figures with the proposed increase, it works out to \$250,000. If Mr. McCallum's motion carried, the increase would be \$150,000 in this O and M figure. Instead of an increase of three PYs it would be an increase of two PYs. Mr. McCallum has made it clear where he is suggesting that the \$100,000 come from. This is the sort of motion, Mr. Chairman, that I would like to see put forward and carried with respect to each and every, virtually each and every page in this O and M book, so that we can find the \$20 million or \$25 million which I believe must be cut out of the entire O and M budget. I would urge other Members to agree with Mr. McCallum and support his motion.

CHAIRMAN (Mr. Erkloo): To the motion. A point of order. Mr. Ballantyne.

Direction Within Motion Questioned

HON. MICHAEL BALLANTYNE: Mr. Chairman, if you would clarify the motion. My understanding is that the committee can move a motion to reduce or delete a sum of money at an activity level. Mr. McCallum's motion could only say to lower or reduce the total capital expenditure by \$100,000. A motion cannot, in itself, give direction as to deletion of a PY and it cannot give direction of where that money should be taken from. So, I want to make very clear that if this motion passes and it goes to third reading as that, it means that the Minister has to reduce this activity by \$100,000. It is not proper within the terms of this motion for the Member to suggest cuts in PYs or what that money should come out of. My understanding would be that if the Member wanted to do that there would be a separate recommendation made by the committee. That is how I read the rules and I wonder if the chairman could clarify the rules.

CHAIRMAN (Mr. Erkloo): I already made my decision in that I said the motion was in order. I will read the motion. I move that the O and M estimate for community works and capital planning be reduced by \$100,000. Therefore, your point of order was not really a point of order. Mr. Ballantyne.

HON. MICHAEL BALLANTYNE: I just wanted it clarified so the Members recognize what agreeing to this motion means. It does not mean that any PY necessarily, any individual PY, will be taken away, it will be...

CHAIRMAN (Mr. Erkloo): To the motion, please.

HON. MICHAEL BALLANTYNE: Okay, if I could, I have a little bit of a problem with the process. I recognize what Mr. McCallum is trying to do and as a Member of the Executive Council, we welcome suggestions as to recommendations as to where Members see the budget should be cut. Now, I have a little bit of a problem with an ad hoc process where, as we go through the budget, any MLA can decide on a whim, as it were, that they do not like something so that should be cut. I think that ultimately what we would like to do -- I think we share the concern of Members. We could have a number of recommendations, specific recommendations, of where Members see that it should be cut. We can come back together as an Executive Council, look at the totality of the budget and try to accommodate the recommendations of Members. The danger in doing it activity by activity is that some of the interrelationships between different departments might get distorted. So for that reason, I for one, will be voting against the motion but I support the principle that we welcome recommendations.

MR. RICHARD: But you will vote against the motion?

HON. MICHAEL BALLANTYNE: Yes.

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

Clarification Of Direction Sought

MS COURNOYEA: Mr. Chairman, I guess I am a little bit confused by the rationale that the honourable Minister of Justice put forward. The other day I know I did not take as active a part as some other Members in the debate. However, it seemed to me what was being told, when the honourable Members from the corner over there were suggesting a percentage decrease, that that was not really acceptable but the desire of such people as Mr. Ballantyne was that we go to specific little areas and tell them where the decreases should be made. Now, I am a little concerned why that is a problem when the other one was a problem. I certainly feel that I want to accommodate and go through this process as quickly as possible and as painlessly as possible but I think maybe it would be wise for some people to get their minds together and not to confuse people like I am being confused because of the argument from that corner over there and Mr. Ballantyne's arguments to not come at us with a percentage, but tell us specifically from point to point where you want us to decrease -- now, that is not acceptable, so I am confused at this point of time. I would like some kind of really clear direction. Otherwise we will be at this budget probably for another seven or eight months. Can anyone agree on anything? I mean just for people such as myself.

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

HON. MICHAEL BALLANTYNE: Just if I could to clarify what I am saying. Because this is the first time I think this House has gone through this process, I agree it should be clarified. With this process, if for instance in every activity level there is a vote to decrease that activity by a certain amount of money, then the net result will be, when the bill is finished, it will go to third reading with those reductions having taken place. What I am saying is, if the will of this House is to make certain cuts, at some point we would like some flexibility as to how those cuts are made. This de facto makes that happen. Now, if rather than a vote, there are recommendations along the way, then there could even be a motion at the end of the process, at the end of the bill when you get to the total, to reduce it by a total amount. That is another way of doing it with recommendations. But what I am saying is that if each activity is reduced, it takes away some flexibility from the Executive Council to deal with the totality. That is my concern. My concern is to follow the direction of Members -- I think this is valuable information.

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

Position Needed To Support Capital Projects

HON. GORDON WRAY: Thank you, Mr. Chairman. I think it is rather ironic, because when we went through the budget, people were congratulating me on the amount of capital projects that we are doing and the first position that they want to cut is the position that we are going to need to

support those very capital projects. When you look at the total O and M of the division of \$1,525,000, well, to start with, \$605,000 is direct subsidy to tax-based municipalities for water and sewer. I have no flexibility there whatsoever. That leaves me with \$442,000 in headquarters salaries or I could wipe out two regional positions because that is the sum of two regional positions. Either way the \$100,000 has to be found somewhere because I need that person to support these capital projects. I cannot go to the capital money to take it out. A \$100,000 is a lot of money to start looking for in your capital. I mean, I pride myself on my capital to not have fat in the capital. I mean \$100,000, for example, is the cost of upgrading the swimming pool in Fort Smith. It is a large project -- \$100,000.

---Laughter

That is just an example, Mr. Chairman. That is part of the problem, to fund, say, \$100,000 out of this particular activity. The fact is and I raised this argument with my colleagues, that is why I ended up with only seven PYs for the department, because \$100,000 is not easy to find within this particular activity because there only is \$400,000 to start with. That is part of the problem. As I say, when I lose \$605,000 of the \$1.5 million, I have no control over that. That is the water and sewer subsidy to tax-based municipalities. The only other flexibility I have would be to take \$100,000 out of the \$442,000 which has already been approved for headquarters, which means that I would have to either lay somebody off who is already working or lay off...

CHAIRMAN (Mr. Erkloo): To the motion, please, Mr. Wray.

The Chair will recognize the clock and I will now rise and report progress. Thank you to the witnesses and Mr. Wray.

MR. SPEAKER: Mr. Erkloo.

ITEM 18: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 1-87(1), APPROPRIATION ACT, 1987-88

MR. ERKLOO: Mr. Speaker, your committee has been considering Bill 1-87(1), Appropriation Act, 1987-88 and wishes to report that the Department of Municipal and Community Affairs has been approved in the amount of \$47,306,000 capital, and further, Mr. Speaker, your committee begs leave to sit again.

Motion To Accept Report Of Committee Of The Whole, Carried

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

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

SOME HON. MEMBERS: Agreed.

---Carried

MR. SPEAKER: Do I have unanimous consent to proceed with the assent of Bill 13-87(1)? Are there any nays?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Mr. Clerk, will you see if the Commissioner is prepared to give assent to Bill 13-87(1)?

ASSENT TO BILLS

COMMISSIONER PARKER: Mr. Speaker and Members of the Legislative Assembly, as Commissioner of the Northwest Territories, I assent to Bill 13-87(1), being a bill to amend the Legislative Assembly and Executive Council Act. Thank you.

MR. SPEAKER: Be seated please. We will now refer to the Commissioner as "Four-per-cent Parker". It will take a little while.

Mr. Clerk, announcements and orders of the day.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. There will be a Nunavut caucus meeting immediately after adjournment today. There will be a caucus meeting at 9:30 a.m. tomorrow morning.

ITEM 19: ORDERS OF THE DAY

Orders of the day for Tuesday, February 24th.

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Oral Questions
6. Written Questions
7. Returns to Written Questions
8. Replies to Opening Address
9. Petitions
10. Reports of Standing and Special Committees
11. Tabling of Documents
12. Notices of Motion
13. Notices of Motion for First Reading of Bills
14. Motions
15. First Reading of Bills
16. Second Reading of Bills
17. Consideration in Committee of the Whole of Bills and Other Matters: Tabled Document 1-87(1); Bill 1-87(1); Bill 7-87(1)
18. Report of Committee of the Whole
19. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Tuesday, February 24th, at 1:00 p.m.

---ADJOURNMENT

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