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

# LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRORIES

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YELLOWKNIFE, NORTHWEST TERRITORIES

THURSDAY, MARCH 19, 1987

MEMBERS PRESENT

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

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Thursday, March 19th. Item 2, Ministers' statements. Mr. Ballantyne.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 38-87(1): Approval Of Plastic Pipe Sprinkler Systems

HON. MICHAEL BALLANTYNE: Mr. Speaker, I am pleased to announce to this House that the fire marshal of the Northwest Territories has now given approval to the use of a specially designed form of plastic pipe for use in sprinkler systems in public buildings. This system fully meets the legal requirements of the Fire Prevention Act and the National Building Code.

This type of sprinkler system is now widely used in the USA and is being used in the province of Quebec. It is anticipated that this product will be applied to construction across Canada by the end of this year. The advantages of this system include great cost savings produced by lower transportation and labour costs, and greater versatility of the material. It is estimated that several hundred thousands of dollars can be saved in the construction of buildings currently planned for the NWT. Are you guys listening?

This initiative is especially welcome at this time when capital construction costs continue to escalate. Thank you.

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

Item 3, Members' statements.

Item 4, returns to oral questions. Item 5, oral questions. Mr. McCallum.

ITEM 5: ORAL QUESTIONS

Question 0147-87(1): Contract With Outcrop Ltd. Re NWT Data Book

MR. MCCALLUM: Thank you, Mr. Speaker. I have a question for the Minister of Government Services. Would the Minister inform the House of the arrangement with Outcrop Ltd. regarding the publication and distribution of the NWT Data Book?

MR. SPEAKER: Mr. Minister.

HON. LUDY PUDLUK: Thank you, Mr. Speaker. I thank the honourable Member for the question. I will take that as notice and will get back to him before Saturday morning. Thank you.

---Applause

MR. SPEAKER: The question is being taken as notice. Oral questions. Mr. Paniloo.

Question 0148-87(1): Action Taken On Letter

MR. PANILOO: (Translation) Thank you, Mr. Speaker. This is a question to the Minister of Renewable Resources. This winter I was given a letter and I gave the letter to the honourable Member. I just wanted to know what action he has taken thus far. I could not find any funding so I gave the letter to the honourable Member. Thank you.

MR. SPEAKER: Mr. Minister.

Return To Question 0148-87(1): Action Taken On Letter

HON. RED PEDERSEN: Thank you, Mr. Speaker. I did receive the letter from the honourable Member. I have passed it to my department for them to look into the possibility if we can find money on it. I checked yesterday; I do not have an answer for the Member but I will have a letter to him and an answer by tomorrow.

MR. SPEAKER: Thank you, Mr. Minister. You will then be in contact with the Member with a reply. Oral questions. That appears to conclude this item for today.

Item 6, written questions.

Item 7, returns to written questions. Item 8, replies to Opening Address. Mr. Curley.

ITEM 8: REPLIES TO OPENING ADDRESS

Mr. Curley's Reply

MR. CURLEY: (Translation) Thank you, Mr. Speaker. I would just like to make a comment in the House. I am happy to be returning. Maybe some of the Members are concerned but I do not want them to worry about what their votes were. I have forgiven everyone.

I just want to say that at the beginning of 1987 there was a concern in my constituency and this was something nice happening in my community when they voted in the leaders for the communities and there were three mayors elected, Louis Pilakapsi from Rankin Inlet; Eli Kimmaliarjuk from Chesterfield Inlet and Simeonie Natserk from Repulse Bay. Those mayors have a big job ahead of them and I will be supporting them. I know in the future this is going to be something big for those mayors, to work to the best of their ability in the communities.

Tragic Airplane Crash, Rankin Inlet

I feel that 1987 is a good year but at the same time something awful happened in my region where the plane crashed. The plane with Bishop Robidoux and a businessman from Churchill crashed in Rankin Inlet. I think there were five of them. That was one of the tragic things that happened. There were a lot of people that mourned the death of those people, especially the plane crashing in the wintertime. There is always a problem in my community in the way of fire-fighting equipment. There is nothing of that sort in our community. The people just looked at that plane in flames and they could not do anything, because there is no fire-fighting equipment and it was too far from the community. This is a concern in our community. I think the airplanes should be cautious outside the community all the time and I think there should be something in the way of fire-fighting equipment that can go off the road. Those people were loved by a lot of people.

When I was young I met Father Didier. I first met him in 1968 when I first worked for the government and I have never forgotten him, because he was available to assist me during a meeting with the federal government. He told me he had never seen a better interpreter, because I was interpreting for them. I know the Commissioner mentioned him before.

Just before we met here at the Legislative Assembly I travelled in my community and there were many concerns from my constituents, especially with the boundary agreement. My constituents want to get a lot of information about that. I know that the people will be informed about this issue as it goes on and whether the plebiscite is going to be held. I want to say again, the day before yesterday I was over in my constituency -- and I know Joe Arlooktoo's concern about the soapstone quarry, I know the soapstone business is going up now -- but in my constituency they do not have any soapstone available. I would like to thank the government at the present time because they have given assistance in the way of funding to acquire soapstone for the people. Right now, we have to try to sell as much as we can to the tourists. I am happy to state that the government is now assisting us in the way of funding to get soapstone. I, myself, do not know how to carve but I feel that the people should be assisted in that way from the government.

#### Gravel Crusher For Chesterfield Inlet

In Chesterfield Inlet we had concerns for a long time because they do not have an adequate water reservoir. Some of the honourable Members and the Commissioner know about that. I think it is about 20 feet of snow that is built up in the wintertime where they have to go and get their water from. They did a study on this and I would like to thank the government for that. For a long time Chesterfield Inlet has been established as a community. Up to the present time they do not have any gravel available for making lots for housing. It is the same with Repulse Bay. They have an inadequate gravel source. There is some in Chesterfield Inlet but they do not have the road built to go and get gravel. The Member for Kivallivik said that the gravel crusher in Baker Lake is going to be transported to Chesterfield Inlet to build a school this summer. I would like to ask the Member for Kivallivik, the Minister, to rush this gravel crusher going to Chesterfield Inlet so they can build a school.

As the honourable Members for Baffin Region know, there are no dock facilities in some of the communities, and these are needed especially during sealift for the barges. I feel that this has to be looked at in the future. The federal government keeps saying there is no funding available for that purpose. Sometimes whenever there is bad weather and without any docks they cannot do any delivering of stuff in the communities. Some of the communities have a concern and there has been no action so far.

I am happy to say that the motion over here about the GNWT travel allowance was supported. I was happy to be supported by the Members. The MLAs will have to try to talk the federal government into understanding our concerns about vacation travel assistance being taxed. It is taxed if you travel in the North but if you go down south it is not taxed. For that reason I would like the honourable Members to keep supporting that issue and write letters to the federal government. I think they can act on that.

#### RCMP Services For Repulse Bay

I have not mentioned this to the Minister of Justice yet, but in Coral Harbour there is an RCMP to deal with the Repulse Bay people and the RCMP from Coral Harbour stays just a short time in Repulse Bay and this was a concern of the people in Repulse Bay. I think there should be an RCMP stationed in that community. They found out that there are a lot of things that have to be done in Repulse Bay concerning crimes and the people of Repulse Bay do not have any belief in that RCMP any more because he does hardly anything when he goes there. He was good in his own community of Coral Harbour. Every time he goes to Repulse Bay, he gets homesick -- even after half a day -- and he would try to go back home. The council has to make reports to the RCMP and when the RCMP is homesick, they never have enough time to make the complete report.

#### Economic Development Conference, Rankin Inlet

Recently there was a conference in Rankin Inlet and there were a lot of things that came out of that meeting and were presented to the government. The caribou quota has to increase. We are going to have to share the renewable resources when they have equipment that is needed to get this going. Sometimes there is talk about the caribou declining in the Keewatin area. This is one of the things that the Keewatin people would like to see being a priority and there has to be a boat available and a freezer. These are the things that the business sector would like to start getting. One of the things that was mentioned was that in the tourism area, the communities in the Keewatin are starting to participate in tourism. In Coral Harbour they took an outfitters training workshop and this was just completed. They were appreciative in having taken the course because they felt it was very informative. They were very sad to see me being removed from the Executive Council.

### Keewatin Regional Council Report On Suicides

A few days ago there was a study done on the suicides among young people. The Keewatin Regional Council have written a letter. I think the suicide rate has dropped in bigger centres, for those who have bigger recreation facilities. (Translation ends)

With respect to the social issues in the Keewatin Region, there was a major report prepared by the Keewatin Regional Council on suicide in the Keewatin Region. I think it is important to emphasize the results of this work done by field workers who are residents in the Keewatin, because their findings identify reasons that people commit suicide that have been related to stress caused by programs that GNWT has responsibility for. Education being one; training, for economic development, employment; living conditions; social programs and other areas such as family problems; problems with the law; culture change and so on. I indicated too that I think lack of recreational facilities was a factor amongst all those. There have been 16 suicide victims in the Keewatin from 1977 to 1985, all of whom were male. Fourteen of the 16 were between the ages of 15 and 30. Six were caused by gunshot wounds and 10 were caused by hanging. These statistics do not include suicide attempts for which there have been reports of numerous attempts, even down to as young as a seven year old boy. There are no simple solutions for what is a very complicated problem. But we cannot ignore those situations when people feel so desperate that they would rather commit a violent death than cope with their personal problems. All levels of government must respond to the most urgent emergency needs in the communities in the North and over the long term, it is our responsibility to ensure social cohesiveness through good education, communication, economic stability and cultural renewal within the communities and people's everyday lifestyle. Mr. Speaker, I raise that point because I do not believe we should set aside a report to which very diligent work was given by the fieldworkers at the Keewatin Regional Council.

### Involvement In Legislative Assembly

Mr. Speaker, with respect to my own personal involvement in the Legislature, I think it is important for me to indicate that I have had a very good involvement in the Legislature. I may sound strange because I am sure there are many who do not share my viewpoint. But I want to say that this institution, I think, has become a real, true, representative of the people of the NWT, with hard feelings, disagreements, wide gaps of differences and so on. But that is a fact of life. But as for the honourable intentions of MLAs, I think that is up to each one of us to measure that kind of style. But I, for one, have been quite satisfied with the role that I have been given in the Legislature. I have been given freedom to speak and freedom to represent my constituents and I have had tremendous support from right across the NWT, as an MLA from 1979 to 1983. I have enjoyed representing my constituents and my colleagues from right across the NWT, from coast to coast to coast. I have had a good relationship with my colleagues from the other provinces and other sectors of the economy. And I think my role, in a small measure, has contributed to better understanding of what the Northwest Territories is all about. I think we have a long way to go, but I think we have begun the challenge before us.

Mr. Speaker, I think it is also important that I, at least, thank all the members of the department staff who had dedicated their time and respect and loyalty to me as a Minister of Economic Development and Tourism. I would personally like to thank the Government Leader who has given me that trust. Right from the beginning, as a junior Minister, he gave me that major portfolio. I remember so very well because there were four other MLAs that were ahead of me who were given the first chance to select which department they would like to have. I was surprised that Economic Development and Tourism and Energy was not one of their first priorities but either second or third. But my list included the first on the top, Economic Development and Tourism, the next one was Public Works and Highways. So I would like to thank the Government Leader for giving me that trust.

### Appreciation Of Departmental Staff

Mr. Speaker, the department has gone through a number of changes and I do not want to dwell on them but I would just like to thank the people who dedicated their time to me, and in particular my former deputy minister when I first joined the department, Mr. Jim Britton. I think he did an excellent job in helping us to develop the strategy at that time. Surely, I think it was important to the Eastern Arctic, for he had a wide understanding of the field programs and social programs, as well as the community leaders who are playing a role today. So my wholehearted understanding and farewell to those people who have dedicated their time to me.

Mr. Speaker, regarding the business sector, I think it is also important that I mention my good relationship with the tourism industry in the Northwest Territories. We have started the strategy to create greater awareness of southern Canada and the market place by extensive joint initiatives between the government and the industry. I would like to personally thank the previous president of the Travel Industry Association, Mrs. Betty Palfrey, and the present president, Jack Walker, for the very important role that they are now faced with today. And I know that they will do a good job in presenting the Northwest Territories to the world and in the market place.

#### Expo '86

Mr. Speaker, I think it goes without saying that I had the greatest respect and satisfaction for being involved with Expo '86. I personally again, would like to stress my sincere appreciation to Mr. Braden and his staff, the executive of that group, for their support during the project. I personally would like to acknowledge the contribution of all the young people, right across the Northwest Territories, who played a role in this very important event. I will never forget the time that they asked me to speak, a number of times when the chips were a bit low, and there were all kinds of difficulties. But I think it was important that we sent a message to them -- that the people of the Northwest Territories were proud and that they had the greatest respect for the young people's dedication and the commitment that they gave. I know that this young group, as I said to them once, are the next generation of leaders and I know that they are watching this Assembly from time to time and I know one day we will see a number of them in this House to meet the people of the Northwest Territories.

Mr. Speaker, I have been very grateful for having such a hard-working staff while I was a Minister in the government. I would like to leave a message to all of them, to carry on their dedication to serve any Minister that works for them, and I know that they are dedicated and hard-working and I know that they will do a tremendous job in representing my colleague, Mr. Sibbeston.

#### Praise For Rose Marie Karnes

Mr. Speaker, I have been very grateful for having an excellent executive assistant. I know that she would never want me to say such a thing, but I think Rose Marie Karnes is one of the hardest working executive assistants to any Minister. I fully would like her to know that she has my full support in whatever field she is in. She is most loyal, dedicated and very respectful. I know that my colleague, whoever hires her will find that out.

---Applause

Mr. Speaker, I have been very grateful for the response that I have received from my constituents with an understanding of what happened and tremendous support. Not only from my constituency, particularly I think, Mr. John Todd, is one I would like to mention; the president of the Keewatin Chamber of Commerce, Ray Mercer; and my hometown representatives from Coral Harbour, particularly Louie Bruce and Leonie Duffy and Chesterfield Inlet, Anthony Kaludjak and Andre Tautu in Repulse Bay. So there has been a tremendous response to what happened as well as to give a message to me that life goes on from here. I have had a good relationship with the friend of the Northwest Territories, Mr. John Parker and his wife. I would just like to indicate that they are welcome to visit my constituency at any time if they are ever in that area.

I know that my colleague, Mr. Sibbeston, has a tremendous responsibility. The Northwest Territories I think is, no doubt, one of the smallest, in terms of the provinces and governments of the country. But I think it is also one of the most difficult ones to govern because here we do not have all kinds of discipline that the other provincial legislatures and the governments have, with the kind of population representation that we have. But as a result of that, I would like him to know that he has my full support and respect. He has given me tremendous understanding in what I was doing. I have had a number of times that I shared with him my personal feelings, as well as my plans. I would just like him to know that I will be there whenever the support is needed. And I would like you and your wife to continue the dedication that you, yourselves, have given to this job; to dedicate your service to the people of the Northwest Territories.

#### Appreciation Of Respect And Support From Colleagues

Mr. Speaker, I am grateful for a number of colleagues in the House, particularly Mr. Tom Butters, who I think, in my association with him, in spite of the differences, has always had a sense of respect for some of the positions that I have taken. I remember when I was the president of ITC, I



do not know whether he thought I came from the moon or something, an alien, but he certainly thought I was a strange breed -- I have tremendous respect. I am saying it in a good fashion because he has done me a lot of good.

Mr. Red Pedersen, whom I have known for a long time -- in spite of my rough edges, Mr. Pedersen has been a very loyal supporter of my initiatives and my dedication. My colleague, Mr. Gordon Wray, I thank for his tenacity in standing up to what he believes and I wish him well. I know he is ill today, but I have spoken to him and I look forward to sharing some of the regional plans that we have in the Keewatin. Again, my appreciation to Nellie Cournoyea, who has been a long-time friend, as well as sharing some of the vision of the Inuvialuit and Inuit people. I know that your efforts in the House will be remembered. I would also like to thank Moses Appaqaq for his dedication and support. Joe Arlooktoo and Eliza Lawrence -- I know you have got a big responsibility in the House.

As well to those of you that did not put your support to me in the House, I do not hold any grudges against anybody. You have a responsibility. I am prepared to work with any Members of the House and I will do so. I have been asked to stay in there and I look forward to being back in June and see what kind of initiatives we might want to try for next year.

So, Mr. Speaker, to you, I know that this has not been an easy time for you as well. But I think the Northwest Territories is growing and I think is starting to at least find its way in Confederation in Canada, even though we have difficult challenges in terms of division and economic development requirements of the North. I think the challenges that we have identified are exciting and to me I think I can only say to Members of this House, "We have got work to do. We have got a responsibility to represent our constituencies."

AN HON. MEMBER: Hear, hear!

MR. CURLEY: So let us go forth. Thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Curley. Item 8, replies to Opening Address.

Item 9, petitions.

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

ITEM 11: TABLING OF DOCUMENTS

HON. RED PEDERSEN: Thank you, Mr. Speaker. I would like to table the following document: Tabled Document 52-87(1), 1985 Annual Report of the Science Institute of the Northwest Territories. Mr. Speaker, this report is translated.

MR. SPEAKER: Thank you, Mr. Pedersen. Tabling of documents. That appears to conclude this item for today. Pardon me, Mr. Butters.

HON. TOM BUTTERS: I wish to table the following document: Tabled Document 53-87(1), 1986 Annual Report of the Public Utilities Board of the Northwest Territories. I regret I am not sure if it has been translated, but I will try and provide the department the materials in translation if they are required.

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

Item 12, notices of motion.

Item 13, notices of motion for first reading of bills. Item 14, motions. Motion 21-87(1), Retention of Flow-Through Shares in the Income Tax Act. Mr. Ballantyne.

ITEM 14: MOTIONS

Motion 21-87(1): Retention Of Flow-Through Shares In The Income Tax Act

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker.

WHEREAS the federal government is proposing major changes to both personal and corporate income taxes;

AND WHEREAS these changes are expected to remove many investment incentives currently in the tax system;

AND WHEREAS many junior mining companies exploring in the North are not yet producing and, therefore, have no taxable income;

AND WHEREAS these companies do not, therefore, have the opportunity to write off their expenses against other income for tax purposes;

AND WHEREAS the flow-through share mechanism has allowed such companies to pass the tax benefits of their exploration expenses on to other taxpayers;

AND WHEREAS some planned investments in the NWT may be cancelled if these incentives are removed;

AND WHEREAS the ability to use flow-through shares has enabled the exploration industry to remain viable during a period of low metal prices;

NOW THEREFORE, I move, seconded by the honourable Member for High Arctic, that this Legislative Assembly request that the federal Minister of Finance retain provisions for flow-through financing in the Income Tax Act and not remove them as part of the tax reform.

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

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I think Members of the House are aware of how important the mining industry is to the NWT. There are presently seven producing mines in the Territories with over 2000 direct employees in those mines, 80 per cent of whom are residents of the NWT. In 1986 there were \$258 million worth of goods and services produced by these mines. The total expenditures in exploration yearly are \$40 million and approximately 75 per cent of that \$40 million is financed through flow-through shares. The NWT is fifth in the country among provinces and territories in mineral production. In 1986, there have been at least 49 companies involved in 99 exploration projects.

Right now many mining companies, particularly junior companies that are not producing, cannot make use of deductions for exploration under the Income Tax Act because they do not have any taxable income. Such companies can, through limited partnerships, pass on the tax advantage of exploration to individual investors. So an investor will invest money in a specific exploration venture, and when the funds are spent he will get a tax deduction equal to 133.3 per cent of his investment and he will get shares from the company. Now, for instance, if they find something, those shares will be worth a lot of money. But if they do not find anything, he will get a tax deduction of 133.3 per cent. So it is a very viable way to attract investment opportunities in the NWT.

Since 1981-82, because of flow-through shares and through a long period of low metal prices, exploration activity throughout the country has really thrived. This has been the single most important incentive to keep exploration going. I think people have to recognize also that there is a 10 year period, approximately, from original exploration to the time when a mine comes into production. What we are talking about here is, first of all, that incentive, and it is generally southern dollars that will be invested in northern exploration companies and northern projects. There are the direct benefits of employment opportunities and buying of goods and services. The only way we are going to have more producing mines in the NWT is that we have to do a lot of exploration. So it has an immediate benefit and it has a long-term benefit. In the future we will hopefully have a much larger number of operating mines.

Incentive To Mining Exploration

We have had a long debate during this session about where our money is going to come from in the future and how are we going to finance ourselves -- the reality is the mining industry is one very viable sector of our economy. It is one area where we pay for ourselves and it is one area I think all of us should support. So I think this motion is very important. The federal Minister of Finance has not made a final decision as yet, whether or not to take this provision out, but I think that it is important that we as a Legislative Assembly send a strong message to the Minister of Finance saying that, especially in the NWT, but also in other areas of Canada, this is a very constructive incentive for mining exploration and mining activities. So I hope other Members of the House will support this motion. Thank you.

MR. SPEAKER: Thank you, Mr. Ballantyne. Mr. Pudluk, as seconder.

HON. LUDY PUDLUK: (Translation) Thank you, Mr. Speaker. The mining industry has always been very important to the northern economy. It creates jobs for northerners and spends a lot of money on supplies and services. There are many small companies that exist almost entirely because of the mining industry. These small businesses include aircraft and trucking supply companies, expediting services and retail stores. In my constituency of the High Arctic there are two major mines on Little Cornwallis Island. These are the Polaris Mine and also the Nanisivik Mine near Arctic Bay. These mines provide many jobs for northerners and help support many small companies in the area.

This motion is concerned with the advantages of the flow-through share program to the mining industry. It is through this program that the mining companies are able to do much more exploration work. This is the very important work of searching for new sources of minerals. There are some small companies doing this work that could not exist without the funds that come to them through this program. The flow-through share program, as the Member for Yellowknife North has explained, makes these small businesses worth investing money into. This program attracts much-needed money into the NWT. Because the exploration industry and any mines that might be developed create so many jobs, I think it is very important that the federal government keep this important program to help the northern mining industry. Thank you.

MR. SPEAKER: Mr. Butters.

Benefits Of Flow-Through Shares

HON. TOM BUTTERS: Mr. Speaker, this is an important motion. I would be grateful if I could just present a brief government position and report on this initiative. Flow-through shares benefit the NWT mining industry, our government and our people. The share arrangements assist mining companies, raise money to locate new mines and provide employment to northern residents; not just the workers in the mines, but people in the service sectors to the exploration industry. For example, they are responsible for funding of most of the recent exploration of new ore reserves at Pine Point.

Since this measure was implemented, that is the flow-through shares arrangement, annual exploration and expenditures in the NWT have increased from \$20 million annually to \$40 million annually. The NWT Chamber of Mines indicates that this tax mechanism is presently responsible for about 75 per cent of the exploration expenditure in the NWT and without it, our exploration industry would suffer drastic cut-backs. On a longer-term basis the number of NWT mines and employment would decline, causing loss of revenue to our government and jobs to our people. Governments also benefit from this activity and reports of a recent study on these shares in Quebec indicate that the federal government and the Government of Quebec received, in revenue, some \$300 million on these financings and some 66,000 jobs have been created, for the most part in the North and the remote regions, where we are experiencing high unemployment.

This government is very supportive of this taxation initiative and of the Member's motion. Over the last six months, I have met with Mr. Wilson on this matter and sent him letters reinforcing our desire to see the initiative continued. I have also spoken with Mr. Masse and, when Mr. McKnight was in Whitehorse meeting with the northern mines Ministers' conference, indicated to him, publicly, that we would ask for his support with his colleague, the federal Minister of Finance, so that I am quite sure that the federal government is aware of the importance of this provision. It is aware of our government's interest. Now, with the passage of this motion, it will be aware of the support of this House. I thank you very much, Mr. Speaker, for the opportunity to speak to the motion, to the mover, and the seconder, and trust that it will get unanimous support. Thank you.

MR. SPEAKER: Thank you, Mr. Butters. To the motion.

AN HON. MEMBER: Question.

MR. SPEAKER: You wish to finalize the debate, Mr. Ballantyne?

HON. MICHAEL BALLANTYNE: No, I have nothing more to add, except that I just want to reiterate that it is a very important motion.

Motion 21-87(1), Carried

MR. SPEAKER: Thank you, Mr. Ballantyne. To the motion. All those in favour? Opposed, if any? Let the records indicate the motion is carried unanimously.

---Carried

Item 14, motions.

Item 15, first reading of bills.

Item 16, second reading of bills. Bill 26-87(1) remains on the order paper.

Item 17, consideration in committee of the whole of bills and other matters. Bill 1-87(1), Appropriation Act, 1987-88; Bill 7-87(1), Education Act; Bill 6-87(1), Criminal Injuries Compensation Act; Bill 2-87(1), Advisory Council on the Status of Women Act; Bill 17-87(1), Mechanics' Lien Act; Bill 14-87(1), Loan Authorization Act, 1987-88; Bill 25-87(1), Supplementary Appropriation Act, No. 4, 1986-87; Bill 29-87(1), Write-off of Assets and Debts Act, 1986-87; Bill 24-87(1), Student Financial Assistance Act; Bill 8-87(1), Elections Act; Bill 30-87(1), Plebiscite Act; and Bill 9-87(1), Financial Administration Act, with Mr. Gargan 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 The Executive

Aboriginal Rights And Constitutional Development Secretariat

CHAIRMAN (Mr. Gargan): We are on the Department of the Executive, on the item Aboriginal Rights and Constitutional Development. Does the committee agree? Mr. Butters.

HON. TOM BUTTERS: Thank you, Mr. Chairman. If we could continue with the general comments on that particular...

AN HON. MEMBER: (Inaudible comment)

HON. TOM BUTTERS: No, we had the general comments on that. I believe the Minister indicated to the House some days ago, that he would like to provide some indication of the position of this government at the First Ministers' Conference; I believe he might be able to do that, although it may not be translated but that element might be discussed as well at this time, sir.

CHAIRMAN (Mr. Gargan): Mr. Patterson.

HON. DENNIS PATTERSON: Yes, thank you, Mr. Chairman. I do have copies, I regret, in English only, of the position paper of the government with respect to the 1987 First Ministers' Conference, which I will circulate now. The paper is being translated, I understand, and will be completed by tomorrow morning, but I will circulate it now if the committee wishes and I would also ask if I might invite Charles Overvold, the secretary to the secretariat, to appear with me at the witness table during general comments and discussion of the budget. Thank you.

CHAIRMAN (Mr. Gargan): Does the committee agree that the Minister circulate his document on aboriginal rights?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Does the committee agree that the Minister brings in his witness? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Mr. Minister. Mr. Minister, for the record, would you introduce your witness and go on with your presentation?

HON. DENNIS PATTERSON: Yes, thank you, Mr. Chairman. I have with me, Mr. Charles Overvold, executive director of the Aboriginal Rights and Constitutional Development Secretariat. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister, you could go ahead with your presentation.

GNWT Position At First Ministers' Conference On Aboriginal Rights

HON. DENNIS PATTERSON: Mr. Chairman, I am just circulating a position paper on the government's position on the forthcoming First Ministers' Conference on Aboriginal Rights. The paper reaffirms the positions that have been approved by this Legislative Assembly with respect to previous First Ministers' Conferences. It is not proposed that our position should change; the Government of the Northwest Territories, it is recommended, should support a constitutional amendment which would recognize the right to self-government; and further, we propose that the Government of the Northwest Territories support a constitutional amendment which would recognize the principle that aboriginal government should have sufficient revenues to provide levels of services to aboriginal peoples which are reasonable, compared to the levels of public services available to other Canadians. We also recommend, in this paper, that any political accord arising from the First Ministers' Conference, 1987, include provisions respecting the sharing of negotiation costs, infrastructure costs for aboriginal self-government, and program and service costs for aboriginal peoples, and finally, that any arrangements respecting the financing of aboriginal self-governments be flexible, so as to meet the requirements of the aboriginal peoples affected.

Mr. Chairman, if I may just comment a little bit more on this matter, Mr. Ballantyne, Mr. Sibbeston and myself have been preparing for this meeting for some weeks and I regret to inform the House that the last preparatory meeting on Friday, March 13th, which I attended, did not result in an agreement on a proposed amendment to present to the First Ministers' Conference. While this is a disappointing development in that the preparatory meetings were expected to have come up with agreement on a proposed amendment for the First Ministers' Conference, it does not mean that all is lost with respect to the conference coming up on March 26th and 27th. It does mean that the pressure is on the government leaders of the provinces and territories and the Government of Canada to take the work that has been accomplished up to date and bridge the gap so that there can be consensus reached.

I might note that Mr. Sibbeston has just received an invitation from the Prime Minister to meet the key participants the night before the conference, on March 25th, with a view to attempting to come up with common positions. The Prime Minister has also advised us that the agenda for the conference will be a constitutional amendment on aboriginal self-government, firstly -- that is the matter that has been discussed over several years -- and secondly, treaties and treaty issues. So Mr. Chairman, that is a bit of an elaboration on the position for the First Ministers' Conference. Basically the position of the government as recommended by the Ninth and 10th Legislative Assemblies has not changed and we are still hopeful that there might be some compromise reached.

I would point out that at the last First Ministers' Conference or at the initial First Ministers' Conference, where the constitutional amendment was reached, the wording of that amendment and the agreement on that amendment was actually only achieved at the meeting itself. In fact on the second day of the meeting. So the prospect is not entirely bleak and our government will continue to use its best efforts to try to achieve agreement and compromise, if possible and where necessary. So those are all the opening comments that I have on this secretariat, Mr. Chairman. Thank you.

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

MR. NERYSOO: Thank you. Firstly, I have had an opportunity to review the comments made by the honourable Minister yesterday. With regard to that one section where you say that a number of problems could develop if land selection in this claim is not satisfactorily addressed, I would not necessarily suggest that there would be problems but issues, which could probably be dealt with. "Problems such as the taxation, planning, zoning and third party use of selected lands" -- I do not necessarily say those are problems. I think they are issues that have to be dealt with, recognizing that they are issues that have to be negotiated and some resolution to those particular issues -- and the problems that may arise out of not addressing them as issues, I think, are more appropriate than trying to raise them, you might say, as concerns. But I would not necessarily suggest that they are problems at this particular time.

The other point I would like to make, Mr. Chairman, and question generally about the process of the committee: How often does the Executive Council, dealing with aboriginal rights and constitutional development, need to deal with ongoing negotiations of claims?

CHAIRMAN (Mr. Gargan): Mr. Minister.

#### Role Of Executive Council Subcommittee

HON. DENNIS PATTERSON: Mr. Chairman, I regularly provide the Executive Council with progress reports on the negotiations. So the Executive Council itself, I would say at least monthly and often more often than that, receives progress reports on claims. Where there are issues of significance, such as the federal comprehensive claims policy or devolution or the Dene/Metis mini-package, meetings are held of the Executive subcommittee on aboriginal rights and constitutional development and recommendations are made to the Executive Council as a whole. We have had, in the last two or three months, special meetings to deal with issues such as devolution, including the health transfer, which has an impact on claims. We have had extensive meetings on the federal comprehensive claims policy at the Executive Council level. We have had a full briefing on the Dene/Metis mini-package, for example. Thank you.

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

MR. NERYSOO: Mr. Chairman, I guess what I asked is how often does the committee meet? I do not believe that reports necessarily deal with the issues at hand or which are outstanding at the negotiating table. And those at times are more frequent than the so-called meetings that take place. So I would like to know how often does the committee of Executive Members meet to deal with the issues that are being negotiated at the claims table?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. DENNIS PATTERSON: Mr. Chairman, I do not have a record of the meetings of the subcommittee, but at least once a month and sometimes more often. It depends on the necessity to meet. It depends on issues arising. We meet as required. There is not a regular meeting scheduled but over the past six months or so I am quite sure it has been at least once a month. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

MR. NERYSOO: Thank you. In that case, if I could ask this particular question. Is it the responsibility of Mr. Patterson to make the necessary concessions or compromises or state the position of the government, through Mr. Overvold, in the absence of meetings of the subcommittee on aboriginal rights and constitutional development?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. DENNIS PATTERSON: Mr. Chairman, where there are major issues rising at the claims negotiations, these are generally known in advance and Mr. Overvold goes into negotiations, having got a mandate from the Executive Council, where there are major issues. Where he has to deal with an unexpected situation, where he has not had time to obtain direction, where appropriate, from the Minister or from the Executive Council, the subcommittee or the full Executive Council as appropriate, he has been instructed, if he takes positions, to reserve the position on the qualification that the Executive Council direction and approval may have to be subsequently received before it can be confirmed. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. General comments. Are there any further general comments? Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. Mr. Chairman, and to the Minister, in instances where there are differences of opinion between the territorial negotiator and the aboriginal rights, what is the process of approaching the Executive Council in trying to deal with what those differences might be in trying to gain the support of the Executive Council and the Government of the NWT?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. DENNIS PATTERSON: I am sorry, Mr. Chairman, I could not quite understand the question. Differences of opinion between the territorial negotiator...

MR. NERYSOO: Yes, and the aboriginal negotiators.

CHAIRMAN (Mr. Gargan): Mr. Minister.

#### Resolution Of Concerns Arising In Negotiations

HON. DENNIS PATTERSON: Well, Mr. Chairman, basically we try to be supportive of native organizations wherever possible in the negotiations. Where Mr. Overvold, or a department of the Government of the Northwest Territories has identified concerns with a particular subject under negotiation, then Mr. Overvold's first efforts are to try to negotiate a compromise which will resolve those concerns with the Dene/Metis organization. Where there is failure in negotiating a resolution of the concern, then the matter is brought to the Minister responsible, and thereby taken to the Executive Council for its consideration.

Generally, I would like to say that in the Dene/Metis negotiations, I believe that these kinds of problems have been minimal. Basically at the negotiations themselves, we have been able to resolve any difficulties without the need for taking matters to the Executive Council and without the need for confrontation, if you like, between the negotiators from our government and the Dene/Metis negotiators. I would like to point out also that on a number of occasions since the claim has been actively negotiated, the Executive subcommittee has met with the Dene/Metis negotiators and talked to them directly about possible problem issues. We met as recently as Monday of this week to discuss the mini-package with the Dene/Metis negotiators directly. So there is fairly good communication and problems have been minimal. Thank you.

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

MR. NERYSOO: Thank you, Mr. Chairman. I thank the Minister for allowing me to raise another issue that he has mentioned. How often do the departments approach the appropriate Ministers to raise concerns that they have as departments, prior to negotiations taking place? Is it an ongoing process or is it just the departmental officials presenting positions that they themselves as a department and as an official see as an issue?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. DENNIS PATTERSON: Mr. Chairman, since Mr. Overvold deals directly with representatives of departments during the negotiations, I will ask him to answer that question. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Overvold.

#### Consideration Of Departmental Positions

MR. OVERVOLD: Thank you, Mr. Chairman. There are a number of times, particularly when we negotiated the wildlife agreement. There were very lengthy negotiations involved and because it was the first major agreement that we negotiated, we did encounter a lot of policy-related issues. The departmental representative, I know, consulted many times with his immediate supervisor and with the deputy minister and with the Minister. Yes, the departments generally bring departmental positions to the claims table.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. Are these positions incorporated into the position that has been adopted by the Executive Council? Or have there been situations where departmental positions have in fact not been conducive to the positions taken by the Executive Council?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. DENNIS PATTERSON: Mr. Chairman, in the event that a department has a concern and the matter is brought to the Executive Council, then the Minister for that department has a full opportunity at that forum to express the concerns from that departmental point of view. There have been times, of course, as in any cabinet, where various Ministers have presented viewpoints that are at odds with the majority of the cabinet. In those cases, the views of the majority of the cabinet have to carry and the appropriate department is then bound by the decision of the cabinet. But I would like to stress that it is very rare in Executive Council generally, and specifically it is very rare in the discussion of land claims issues, that we do not eventually reach a consensus position at the Executive Council. I would like to emphasize, as well, that there is a subcommittee of the Executive Council which includes the Minister of Justice, the Government Leader and myself, and appropriate Ministers where the subject involves them, which meets in advance of full Executive Council consideration of these issues and attempts to resolve any issues and to make recommendations to the Executive Council which will not in any way compromise the government's overall interest and each department's concerns. So this situation of confrontation is not a common occurrence at all, Mr. Chairman. Thank you.

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

MR. NERYSOO: Thank you, Mr. Chairman. I am happy that the Minister is so confident that conflicts do not arise, and that all departments are in fact abiding by the position taken by the Executive Council and that there are no opposing positions being taken at the negotiating table. I can vouch for the fact that that is not necessarily the case, because I have been at those negotiating sessions myself. I am happy that he is confident in it and I am happy that the Executive Council is so confident in the fact that there are no opposing positions, departmental positions, being taken, because it somehow shows that, I guess from my perspective, maybe the Executive Council is not on top of the situation as closely as I think they are and that they are not kept up to date on the ongoing, immediate discussions that take place. Because I can tell you as a Minister responsible, that there are those conflicts that arise. At times, in fact, in complete contradiction to the negotiating positions that the Executive Council has promoted in this House and in past sessions, as well as publicly stated positions of the Executive Council. So I just wanted to make those last closing comments because I think it is necessary for the public and the Executive Council to hear them.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. DENNIS PATTERSON: Well, Mr. Chairman, I believe the Member is referring to second table negotiations which the Member has been involved in. Those negotiations, I would like to point out, are all subject to working groups reporting to their respective negotiators on the government or the Dene/Metis side. I was referring to the claims talks when I was saying that there do not seem to be any serious conflicts. I would like to ask, if the Member is going to pursue this, precisely what is he talking about? I would like a specific example of an instance where government departments have undermined the government position because I do not really know what he is talking about. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

MR. NERYSOO: Mr. Chairman, I would hope that the Minister is not suggesting that the second table issue is not dealing with aboriginal rights because, from the perspective of the aboriginal people, the Dene/Metis, we are dealing with the claims issue and it should not be -- the second table issue should not be considered. I want to also remind the honourable Member that I happen to be a regional negotiator and that I do sit at the main table discussions, and I am also dealing with the questions of overlap and heading up that particular discussion, so I am not referring only to the question of the second table in that, from our perspective and the perspective of the Dene/Metis, the second table does deal with aboriginal rights -- it is not an issue that is separate from the question of negotiating aboriginal rights.

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

"Mini-Package" Concept And Procedure

MR. T'SELEIE: Mr. Chairman, I just wanted to ask some sort of layman's questions on the Dene/Metis claim because unlike Mr. Nerysoo, I have not myself been involved that much in negotiation of that claim. I do not know if the Minister can answer this, but I have been hearing the terms "mini-claim" and a "mini-package" and I am wondering -- you know, there must be a reason for



calling it a mini-package. It gives the impression that there is something larger, sometime down the road, that is being planned or contemplated. I would like to ask the Minister that; perhaps he cannot answer that -- I accept that if he cannot. The Minister said in his opening remarks that the mini-package goes to the social development committee of the federal cabinet and I would like to know what happens to the mini-package from there and when we can expect to know what the federal cabinet wants to do with this mini-package.

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

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. Mr. Chairman, the so-called "mini-package" developed by the Dene/Metis was basically their package which was submitted to the federal government in order to form the basis of determining the mandate which the federal cabinet is going to give to the Dene/Metis claims negotiator. It was also developed by the Dene/Metis to show the federal government, around last June, what they expected of the new federal land claims policy. Now that the policy has been passed, the federal government is going to consider the Dene/Metis claim first amongst all the comprehensive claims in the country, with a view to giving that claim a specific mandate.

The mandate tells the negotiator how far they can go. It basically will recommend the amount of land, the amount of money, and the scope of negotiations in areas such as renewable and non-renewable resource development, lands, and those kinds of financial compensation in those kinds of matters. It was called a mini-package, Mr. Chairman, because it was really incomplete; much more work has to be done in a number of areas. The paper on the subsurface, for example, was really only a discussion paper that laid out principles. The land and resources part of the mini-package was incomplete.

The way things will happen from now on is that the mandate, from the federal government to the Dene/Metis claims negotiator, was presented to the first cabinet committee, yesterday. That was the committee on social development. Within two weeks, it is expected that the mandate will then go to the priorities and planning committee of cabinet, which is the final consideration it needs. From there, the negotiator will be expected to go back and meet with the Dene/Metis to work out an agreement in principle. That process is expected to take about a year and both parties are expecting that an agreement in principle could be signed by the end of 1987. So the good news is, the Dene/Metis claim is top priority on the federal agenda, the mandate will be clarified within a couple of weeks and, if that mandate is satisfactory to the Dene/Metis, then they can really move fast to lay the basis for an agreement in principle, which would flesh out a number of these areas based on the scope of the mandate. So, that claim is moving really faster than any other comprehensive claim in Canada. For reasons really unknown to me, the federal government has decided to make it a priority and so, provided the mandate is acceptable to the Dene/Metis, things could move very fast. Thank you.

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

Land Selection Problems, Norman Wells

MR. T'SELEIE: Mr. Chairman, I wanted to ask about the land selection with the Dene/Metis claim. The reason I would ask it is because of Norman Wells, which is the place that I represent. I gather, in that place anyway, that the Dene/Metis cannot claim say, for instance, the artificial islands; that is outside of this mini-package agreement.

CHAIRMAN (Mr. Richard): Mr. Minister.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. The approach that has been worked out so far toward Norman Wells is that there will simply be a cash compensation package developed for Norman Wells. There will be no subsurface interest or land selection involving the Norman Wells area. There will simply be a cash compensation to reflect the Dene/Metis interest in those lands. Thank you.

CHAIRMAN (Mr. Richard): Thank you, Mr. Minister. General comments. Mr. T'Seleie.

MR. T'SELEIE: It seems to me that I recall part of a land selection problem just within Norman Wells, mainly with the Metis with respect to land selection. I would like to know whether that has been resolved by now.

CHAIRMAN (Mr. Richard): Mr. Minister.

HON. DENNIS PATTERSON: Mr. Chairman, I am aware of the problem basically between the Metis and the hamlet of Norman Wells, concerns about land selection. The problem, I expect, can be resolved when Mr. Overvold visits Norman Wells to discuss first-hand how things can be worked out. He has been invited to go there and expects to go there shortly. I think a meeting of that kind will help to calm some of the concerns. Thank you.

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

#### Definition Of Terms

MR. GARGAN: Mr. Chairman, in the discussion paper on the First Ministers' Conference on aboriginal matters, there are two terms used and I just wanted to get clarification on why the Minister is using the term "self-government for aboriginal people" and "aboriginal self-government". Are there different definitions for those two terms? Because I know in the constitutional talks the term "aboriginal self-government" is used rather than the term "self-government for aboriginal people".

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

HON. DENNIS PATTERSON: Mr. Chairman, it was not intended that there be any difference. In the constitutional discussions that we have had and the various amendments that have been developed, none of which have actually led us to concrete proposals at the moment, some proposals describe this right as "the right of the aboriginal peoples of Canada to self-government". Other proposals say that the aboriginal peoples of Canada have the right to aboriginal self-government. But the Constitution itself, the proposed amendment, would use either one of those terms interchangeably. I really think they mean the same thing. Thank you.

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

MR. GARGAN: Another discussion that the Minister mentioned, when Mr. Nerysoo was asking questions, was with regard to whether there was any confrontation between this government and aboriginal organizations with regard to aboriginal claims. The Minister did say that there was not confrontation but there were discussions when it came down to policy-related issues. I would like to find out exactly what that means. Does it mean that the government has a policy that they follow and that is the way things are with this government and that the negotiations should reflect that policy? Or rather, should it be that, whatever is negotiated by the aboriginal council, the policy is changed to reflect the aboriginal position?

CHAIRMAN (Mr. Richard): Mr. Minister.

#### Government Policies And Aspirations Of Native People

HON. DENNIS PATTERSON: Mr. Chairman, it is difficult to answer that question in the abstract. There are times when existing government policies and programs could conflict with the aspirations of aboriginal peoples. For example, the GNWT has to represent the interests of all peoples, native and non-native, in such areas as wildlife harvesting. The aboriginal negotiators are primarily, and properly primarily, concerned with the rights of aboriginal people to harvest. So there are times when our government has to ensure that the rights of non-native people to harvest are considered, because we do not expect the aboriginal negotiators to have those rights uppermost in their minds. It is not who they represent. In the areas of community lands, we are, as a government, going to have to be assured that the interests of existing municipalities are respected when community lands are being selected and community lands provisions are being negotiated. For example, we would not want to see our municipalities completely hemmed in as far as their ability to expand is concerned, by selection of strategic lands by aboriginal peoples.

Those are the kinds of areas where the interests of the government and government departments and existing government policies have to complement our desire to support aboriginal organizations in their negotiating stand. Thank you, Mr. Chairman.

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

MR. GARGAN: Thank you, Mr. Chairman. As a Member, I have attended leadership meetings and in a lot of cases, even I as an aboriginal person get kicked out of the leadership meeting when it comes to the critical issue of land claims. So I am not too aware of what occurs when this happens. I was just wondering whether, related to wildlife issues -- and I know the Minister indicated that there are some gray areas. I am also interested in finding out whether there are areas where the aboriginal people have exclusive rights. If that is the case, perhaps the Minister would just summarize what those exclusive rights might be.

CHAIRMAN (Mr. Richard): Mr. Minister.

HON. DENNIS PATTERSON: Yes, thank you, Mr. Chairman. I will ask Mr. Overvold to answer that question, please. Thank you.

CHAIRMAN (Mr. Richard): Mr. Overvold.

#### Harvesting Rights In Negotiations

MR. OVERVOLD: These documents are still officially confidential, but basically, yes, we have already agreed that the Dene/Metis will have exclusive harvesting rights to certain species and certain areas. Definitely, on their own lands that are selected, the Dene/Metis are the only ones who can harvest. There will be provisions to allow the Dene/Metis local people the ability to give permission to other people, but it is basically up to them if they want to allow other people to harvest on their own lands.

They can make those kinds of arrangements. They have that say. They have absolutely exclusive harvesting rights on their own lands. I can tell you that the existing system for harvesting fur-bearers is reflected in the agreement. The Dene/Metis will have exclusive activity in that area and there are other provisions. As well, the Dene/Metis will have preferential rights to harvest.

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

MR. GARGAN: Thank you. I would like to respect Mr. Overvold's position, too, with regard to land claims in that it is still being negotiated. In order not to jeopardize the position of the aboriginal people, perhaps I will just leave it at that for now. When the settlement comes out I will find out exactly what it contains.

I would like to ask the Minister then, whether it is possible for this government to take a position that says that the Constitution respecting exclusive rights of aboriginal people to self-government -- whether this term could be used.

CHAIRMAN (Mr. Richard): Mr. Minister.

#### Self-Government Rights

HON. DENNIS PATTERSON: Mr. Chairman, I have been attending these meetings for about three years and nobody has ever suggested the word, "exclusive", be used. I am not quite sure what the Member means. There has been grave concern expressed by the provinces that aboriginal self-government should not mean the setting up of a third order of government or a sovereign state within the Canadian federation. That kind of suggestion, if it is pursued, I am afraid, to be realistic, will result in almost total and unanimous opposition from the federal government and the provinces. The direction the discussions have taken up until now is that there is much room for aboriginal self-government in Canada. It means that authority is delegated from the federal government and from provincial and territorial governments to aboriginal people to run their own affairs in respect to language and culture, education, wildlife and a broad range of subjects. Governments are saying that we are willing to see native people take control of their own affairs, but not at the expense of setting up a completely new order of government which would be states within the Confederation of Canada.

So if the word implies sovereignty, Mr. Chairman, I am afraid it would not fly very far since the present Constitution requires the agreement of seven provinces with 50 per cent of the population before an amendment to the Constitution can be approved. For better or for worse, the consent of those provinces and the federal government is required if we are to obtain an amendment which would formally recognize self-government rights. Thank you.

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

MR. GARGAN: Thank you, Mr. Chairman. Perhaps this government does not have to go so far as trying to pursue other provinces to change it so they recognize the exclusive rights of aboriginal people to govern themselves. Perhaps this government could, in its opening presentation, recognize the exclusive rights of aboriginal people to self-government. I do not know whether that is going a bit too far but after all this government is composed of a majority of native people.

CHAIRMAN (Mr. Richard): Mr. Minister.

#### Two Opposing Viewpoints

HON. DENNIS PATTERSON: Mr. Chairman, there are basically two opposing viewpoints in the First Ministers' Conference about how aboriginal self-government should be described. Some provinces are saying that the right to self-government is a contingent right, which means that it basically exists only if a province and a native organization and the federal government agree on a certain right to self-government being handed over in certain agreed areas.

The other viewpoint, which our government takes, is that when "aboriginal rights" was added to the Constitution when it was repatriated, that right which is described as "existing aboriginal rights" included the right to self-government. It means a lot of things but fundamentally it means that aboriginal people should have the right to control their own destiny. And that bald statement of that right, namely that aboriginal peoples have the right to self-government in Canada, need not be made contingent on agreements being devised with provinces and with the local jurisdiction. We have supported that position consistently and we will support that position at the First Ministers' Conference.

Rather than an exclusive right, I would rather describe it as an inherent right. That is the position we will be taking in our opening statement -- that aboriginal peoples in Canada have an inherent right to self-government; that if aboriginal rights are to mean anything, they mean the right to have self-determination to control your own destiny. So I think that is the term we will use. I think if we use the words, exclusive rights, no one is going to know what we mean, and I think inherent rights is just as strong and clearly puts us on the side of the aboriginal organizations. Thank you.

CHAIRMAN (Mr. Richard): Mr. Gargan.

#### Position Of GNWT

MR. GARGAN: Thank you, Mr. Speaker. I am not too sure which way the discussion on the First Ministers' Conference is going to go, whether it is going to be a failure or whether it is going to be supported in some way, shape or form. I understand that in the Northwest Territories there is constitutional development occurring and if for some reason this whole recognition were to be entrenched in the Constitution, the aboriginal self-government were entrenched in the Canadian Constitution, what is this government's position? The Minister indicated that we have to look after the interests of other people who have been affected by aboriginal claims. What is this government's position, if for some reason this did get entrenched in the Canadian Constitution and recognizes the aboriginal peoples' right to self-government? What position would this government be in, if that were the case?

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

HON. DENNIS PATTERSON: Mr. Chairman, our government has been taking the position that we are way ahead of the rest of the country in discussing aboriginal self-government, through the work of the Constitutional Alliance which includes representatives of aboriginal organizations but also some representatives of non-native people and the public government of the NWT.

We have been paying a lot of attention to how the special and unique rights of aboriginal people can be appropriately accommodated in a public government system. So our feeling is that if the right to aboriginal self-government is entrenched in the Constitution, it will basically mean that the innovative approaches developed, for example, by the Western Constitutional Forum to provide guarantees to native people within a public government, can be given permanent constitutional protection. And we are basically saying at these conferences that we have already started and are already well on the way to the kinds of discussions that will be required in various parts of the

country to elaborate and refine this inherent right to self-government. The process has worked well; it has been a long process but it seems quite possible that the interests of native people and the interests of public government can be accommodated.

We are doing the same in our land claims negotiations with the second table concept. So we welcome the entrenchment of an amendment because it will basically allow these provisions that we are discussing at the alliance, in the land claims talks, particularly at the second table, to be given the protection of the highest order of law in the land, namely constitutional entrenchment. Thank you.

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

MR. WAH-SHEE: Thank you, Mr. Chairman. In regard to claims, I understand that aboriginal self-government is the position that at least the Western Constitutional Forum is taking, that we are putting together a western constitution in the event of division. However, even in the event that division does not occur, there will still be a need to incorporate the unique concerns that aboriginal people have in the public institutions of government. So as far as the definition of aboriginal self-government in the NWT goes, I really do not feel that that whole concept does apply to the NWT. At least that is the feeling that I get.

#### Aboriginal Self-Government In Southern Canada

The aboriginal people in southern Canada are basically talking about aboriginal self-government on lands that they have total control over, like reservations, Metis colonies, and so forth, where it is only the aboriginal people who live in those areas and have exclusive control over an area of land. So it is only the aboriginal people who can run their own affairs and get elected, and the type of authority and jurisdiction that these aboriginal people will have in the future, as far as I understand it, has to be negotiated within their ~~own~~ provincial jurisdiction that they would reside in, along with the support of the federal government.

But in the NWT, even though the aboriginal people, through their aboriginal claims, have exclusive rights over certain areas of land, it does not mean that they have exclusive aboriginal self-government. Aboriginal self-government, I think, is a term which is rather confusing, not only to the aboriginal people but I am sure to the non-native people who reside in the NWT.

Fundamentally what we are talking about in the NWT is a public institution of government. It does not really matter who you are, whether you are an aboriginal person who is entitled to claims or a non-native who happened to move into the NWT. We all have equal opportunity to run for office and be elected. But I think the provision that perhaps gives the impression that we do have aboriginal self-government is in the area where aboriginal people are asking for special guarantees, that I think you are referring to, the guaranteed representation in the regional and tribal councils. There may be guaranteed representation in regard to a certain number of seats within the future Legislature. I think those kinds of provisions do give the impression that we are talking about self-government. But I do not want to give the wrong impression, that we are talking exclusively about aboriginal self-government, because we are still talking about the system of government we have, which is really a public institution. So if you are talking about special status for aboriginal people, there are only certain provisions within the public institution. I think we have to keep in mind that does give some guarantee.

The other area, of course, deals with the rights that aboriginal people negotiate through their aboriginal claims, which gives them special status in their relationship with the federal government and future provincial or territorial institutions. But in terms of aboriginal self-government, I really do feel that when we do attend these First Ministers' meetings and attend conferences with the other aboriginal groups across Canada, we are not really put in the same category.

Sometimes I get the feeling that the representative of the territorial government and particular Ministers who attend these First Ministers' Conferences look at the other aboriginal groups and the other provincial premiers and the federal representatives and say, "Look, we realize that the aboriginal people in southern Canada have all types of problems. We appreciate that they want self-government and so forth, but we in the Territories are fairly unique; we have looked after our aboriginal people." So that is the kind of sense that I get. And my feeling is that we have not concluded an arrangement between the aboriginal people and the territorial institution that we are working on. It is still an ongoing process.

Confusion And Lack Of Policy Within Territorial Administration

So coming with that kind of feeling in mind, the area that really concerns me is that there seems to be a confusion and a lack of policy within the territorial administration and there seems to be a confusion on the part of the federal government as well. The groups who are legitimately representing the interests of the Dene in the whole negotiations of aboriginal claims and participating in the constitutional evolution of the Northwest Territories are the groups that we call the band councils and the chiefs. Those are the ones that are being given the legitimate recognition by the federal government and recognition on the part of the territorial government as well, vis-a-vis dealing with the issue of aboriginal claims and dealing with the constitutional evolution. But when it really comes right down to it, what is their role right now? What is the role of the band councils? And what is the future role of the band councils? Are they just going to vanish? And in their place in the communities, are we just going to say, "Well, the chiefs and band councils have performed a legitimate function up to now; now we have to give legitimate recognition to only the municipal councils that we as a territorial administration have set up"? What is their role in that area? Also what is their future role in regard to the whole area of Dene claims? The chiefs and band councils, will their only function in the future be the implementation of claims?

So there is a confusion in regard to that, because the territorial government funds capital expenditures only for municipal councils and they do not fund capital expenditures for band councils. You go to Indian Affairs and they say, "Well, we have already transferred responsibilities to the territorial administration." So there is a confusion in that area and I would hope that that whole area can be cleared up, because you are giving recognition on one hand and then on the other hand, this administration does not appear to have any policy in regard to whether they are going to give them any recognition at all in the future. Or is it the case that once the claims are negotiated, that that whole area will be much clearer in the future? I would like to ask that of the Minister.

CHAIRMAN (Mr. Richard): Thank you for your general comments, Mr. Wah-Shee. Mr. Minister, do you care to respond?

Not All Aboriginal Participants At First Ministers' Conference Have Land Base

HON. DENNIS PATTERSON: The Member has raised some fairly profound questions, Mr. Chairman, but I will try to respond. First of all, as to the appropriateness of the NWT participating in discussions on aboriginal self-government. I would like to mention first of all that not all the aboriginal participants at the First Ministers' Conference have a land base. The Metis, for example, are full participants and many of their members live in cities and do not have much prospect of acquiring a land base. But they are still interested in constitutional recognition of their distinct peoples.

Some say that we have aboriginal self-government now in the Northwest Territories with the native majority, but if that majority is eroded, we should be looking to the day when certain guarantees of representation of the first citizens of the Northwest Territories may be required to be incorporated in the new or revised constitution of the Northwest Territories. The amendment in the Constitution to reflect aboriginal self-government could protect guarantees that might be worked out through the Constitutional Alliance process. I would like to simply say that I do believe our government is grappling with the issue of the status of the band council. At the community level, the new legislation prepared by the Department of Municipal and Community Affairs does attempt to deal with that dichotomy. At the territorial level, this Legislature has given the mandate to the Constitutional Alliance to work out those questions as to special rights to native people within a public government at the territorial level.

As to rights of the aboriginal people to participate in management of lands and resources, those rights and those special guarantees are being addressed in the land claims process to a limited extent. Any rights, such as to participate in wildlife management, a guaranteed right, which arise from land claims agreements, and it appears there will be special rights, will be given protection under the Constitution as a modern treaty. The land claims agreements are already given constitutional protection by virtue of the amendment passed in 1983. I would like to make it clear also that our government insists that any self-government amendments in the Constitution must in no way prejudice or derogate from treaty or land claims agreement rights.

### Several Avenues To Getting Self-Government

So there are really several avenues by which aboriginal people in the NWT can get self-government and unique rights and guarantees: the policies of our government in respect to local government and integrating the band council with local government institutions, which is being done with the new legislation; rights that can be achieved at the land claims table, which our government is participating in and supporting, which will be given constitutional protection; and finally, rights on an overall government basis that may be recognized if there is an aboriginal self-government amendment which would entrench provisions that might be developed through new constitutions, either through division, where there might be two new constitutions or through amendments to our way of doing things now in a united territory, if there should not be division.

So it is a complicated maze, but I believe that at the local level, the territorial level and through constitutional amendments such as those we will be discussing in the next couple of weeks, there are, fortunately, several avenues for aboriginal people in the NWT to get guarantees and special rights. Aboriginal people in southern Canada do not have the luxury of that kind of choice. Many of them do not have the opportunity to participate in comprehensive claims negotiations. Many of them have no prospect of enlarging whatever land base they might have. But in the NWT there are at least three avenues: local level; this Legislature; and the national level through land claims talks and self-government amendments.

So we have a unique position, I agree, and we try at the First Ministers' Conference to explain that unique position. But basically I think we can encourage governments, public governments in Canada, that they need not be afraid to be creative and sit down with aboriginal peoples and come up with new arrangements to recognize the special rights and unique interests of those aboriginal peoples. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Richard): Thank you, Mr. Minister. The Chair would like to recognize the presence in the gallery of James Ross, the chief of the Fort McPherson band. Welcome.

---Applause

General comments. Mr. Wah-Shee.

### Taxation Exemptions For Aboriginal People

MR. WAH-SHEE: Thank you, Mr. Chairman. On behalf of my Slavey brother..

---Laughter

...I would like to make a few comments. In regard to just one general section of the claims -- not getting into specifics, because I know the claims negotiations are under way. But generally speaking, it is my impression that dealing with claims, particularly North of 60, the whole area of tax exemption does not appear to be one that the aboriginal people seem to have. In southern Canada, where you have reserves and so forth, the treaty Indians have tax exemption. The problem is that there appears to be a disagreement with the feds and the provincial jurisdictions in regard to native corporations. But I think North of 60, this whole area of tax exemption -- what is the position of the territorial administration in regard to negotiating comprehensive claims? Would the territorial administration support initiatives by the aboriginal groups if they were to pursue tax exemption not only on lands that are owned by aboriginal people but also perhaps in the area of investments that the aboriginal people might wish to make? In other words, are the aboriginal people just being treated like any other Canadian in regard to the whole taxation issue? Or are there any exemptions that perhaps can be negotiated? This question is just strictly in general terms.

CHAIRMAN (Mr. Richard): Mr. Minister.

HON. DENNIS PATTERSON: Mr. Chairman, the area of taxation is a subject that has yet to be addressed at the Dene/Metis claims negotiations. It has been identified, however, as a subject that should be addressed once the mandate has been approved. Generally, what we do, Mr. Chairman, on an area like this which involves both land taxation and personal and corporate taxation, is to first of all wait to see what the Dene/Metis position is as tabled at the land claims talks. Then we analyse the position and seek input from various government departments and ultimately such an issue as this would likely receive Executive Council consideration.

To answer the Member's question, we have no position now on taxation because the subject has not even been touched yet at the land claims talks. Thank you.

Aboriginal Rights And Constitutional Development Secretariat, Total O And M, Agreed

CHAIRMAN (Mr. Richard): Thank you, Mr. Minister. General comments. Aboriginal Rights and Constitutional Development Secretariat, total O and M, \$611,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Richard): Are Members of the committee agreed that this part of the Executive budget is now concluded?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Richard): On behalf of the committee, I want to thank Minister Patterson and Mr. Overvold. Thank you. Mr. Butters, what is your pleasure, sir?

HON. TOM BUTTERS: Mr. Chairman, before the Executive can be concluded, there remains the Highway Transport Board, I believe, and the Public Utilities Board and the Energy, Mines and Resources Secretariat. I would like to raise them in accordance with their appearance on the schedule. That would be, say, between numbers 15 and 16. For the moment, if we might proceed with the Legislative Assembly's budget.

CHAIRMAN (Mr. Richard): Do Members agree that we defer further discussion of the Executive budget and move to number 14, Legislative Assembly?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Richard): Mr. Butters, is the Hon. Don Stewart going to be attending?

HON. TOM BUTTERS: Mr. Chairman, I do not tell the Hon. Don Stewart anything, so I assume he is listening in and will probably attend. Here he is.

---Laughter

CHAIRMAN (Mr. Richard): I would like to welcome Mr. Speaker to his committee of the whole. Mr. Speaker, did you wish to introduce the proposed budget of the Legislative Assembly, sir?

Legislative Assembly

HON. DON STEWART: Thank you, Mr. Chairman. I wonder if I might call the Clerk to sit with me on the presentation of this budget.

CHAIRMAN (Mr. Richard): Are Members agreed that we allow the Clerk of the Assembly to sit with Mr. Speaker?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Richard): Proceed, Mr. Speaker.



Speaker's Opening Remarks

HON. DON STEWART: Thank you, Mr. Chairman. The Legislative Assembly budget, under the authority of myself and with the approval of the Management and Services Board, provides for all activities of the Legislative Assembly in the administration, financial, research and public affairs services, required by Members of the Legislative Assembly.

In the budget before you, the operations and maintenance portion is \$4,844,000, which represents an overall increase of three per cent. The budget before you is not a normal budget because, as I am sure you are all aware, this budget covers the period in which we will have a general election. We are forecasting a reduction in committee and sessional days for the latter part of 1987 and the early months of 1988. This, however, is partially offset by costs related to the increased involvement in the election process of the office of the Legislative Assembly and costs related to a new Assembly. Some payments to Members are pro-rated because of this election year.

The increase in one person year is for a full-time Law Clerk for the Assembly. The Management and Services Board identified this position as the workload of the Law Clerk was greatly increased due to committee activity as the board continues to establish the independence of the Assembly from the Executive branch. It is my intention not to fill this position immediately, but to allow the new Assembly to decide how it wishes to handle the services of the Law Clerk.

The budget represents a four per cent increase to Members' basic salaries and indemnities and a five per cent increase to the constituency allowances. At the direction of the House, the Management and Services Board has appointed a three man commission to review Members' and Ministers' salaries, benefits and allowances. The commission will report to the Management and Services Board with recommendations which then will be brought to the Legislature for inclusion in the Legislative Assembly and Executive Council Act. It is my intention that any changes would not be effective until the 11th Legislature.

Mr. Chairman, the capital budget for the Assembly is \$547,000 which represents \$47,000 for the acquisition of equipment for constituency offices and \$500,000 for renovations and equipment to meet this Assembly's commitment and requirements to aboriginal languages and to the inclusion of French. Mr. Chairman, I would be pleased to answer any questions this committee may have.

CHAIRMAN (Mr. Richard): Thank you, Mr. Speaker. Any general comments? Mr. Gargan.

MR. GARGAN: Just one concern I wanted to express. As far as the basic salaries of MLAs go, Members are not required to pay UIC. I do not know how this could be addressed because I do not know if other Members are concerned about it, but if for some reason a Member does not run or is not re-elected then you have -- I have been a Member for three and a half years now and I did not notice until just my last pay cheque that Members are not required to pay UIC. So I thought I would bring that up.

CHAIRMAN (Mr. Richard): Mr. Gargan, it may be that it has only been collected from you recently because maybe your unemployment is only now on the horizon. Mr. Speaker, did you wish to comment on the issue of the UIC deduction from the Members' salaries?

HON. DON STEWART: According to federal legislation, UIC cannot be collected from Members of Legislative Assemblies. It is a federal act and beyond our jurisdiction.

CHAIRMAN (Mr. Richard): Thank you, sir. General comments. Ms Cournoyea.

Decoration And Cultural Displays

MS COURNOYEA: Mr. Speaker, I am not going to comment on the extent of the budget. However, I would like to see, as a general direction, that this Legislative Assembly perhaps works a little more aggressively at decorating the walls for different cultural displays during the Assembly. I realize it is not as easy as, you know, just making a statement because it is difficult to get various displays organized and put forward. Perhaps invitations could be given out to various groups who are in this business to help along with this area. It seems it happens for a little while and then, probably because of the workload that the Legislative Assembly staff has, we do not seem to continue that exercise. So I would like to make a suggestion that in order to help out, various groups be invited to perhaps take certain times of the year to make these displays. I know from my area, if we were given an invitation, we would be happy to take a turn once every year and

come up with a display so that there will be some representative crafts or manufactured goods that came from a region. I do not expect that there is time for the present staff to spend a lot of time on it, but it may be that there are people like us sitting out there who would be glad to contribute.

AN HON. MEMBER: Hear, hear!

MS COURNOYEA: And I would like to see that invitation go to other organizations as well. Thank you.

CHAIRMAN (Mr. Richard): Thank you, Ms Cournoyea. Mr. Speaker, did you wish to comment?

HON. DON STEWART: Thank you. This was one of the topics that was discussed at the last MSB meeting. It dealt more with the MLAs' quarters than it did with the actual Assembly hall. However, we are proceeding with a committee of people who are talented in the decoration principles and we certainly are prepared to accept any ideas and goods, materials from different areas as long as the job is done in a professional manner so that the place does not take on the appearance of a circus.

---Laughter

And it may be, but we should not advertise the fact unnecessarily. For the decoration part of it, the point at which this changes from being really something unique and really well worth while to something that just steps over that line and becomes really inappropriate, is fairly narrow and we need to have people who know what they are doing in this regard. We are taking steps to get a committee together that will have that type of expertise and will be prepared to work with groups such as yours or any others that may wish to provide materials to decorate the area.

AN HON. MEMBER: Hear, hear!

CHAIRMAN (Mr. Richard): Thank you, Mr. Speaker. General comments. Mr. Paniloo.

MR. PANILOO: (Translation) Thank you, Mr. Chairman. I have a question to Mr. Speaker. The MLAs' wages are not that much. In the Baffin Region the expenses for living are high. I can just barely survive with the wages we make. Sometimes it is not enough. I would like to ask how much the MLAs' wages will increase. We did not get any raise for a long time, just once. What is the percentage for the increase of wages for the MLAs?

CHAIRMAN (Mr. Richard): Mr. Speaker.

HON. DON STEWART: The agreed increase for this year has been four per cent. However, we have set up a commission that will look into it and make recommendations to the Legislative Assembly. This information will be taken to caucus for discussion and then will be reported. However, I do not intend to make any changes in the wages of the people who are sitting as MLAs now. This will not take effect until the 11th Assembly, after the election.

CHAIRMAN (Mr. Richard): Thank you, Mr. Speaker. General comments. Are Members agreed that we move to the detail of the capital of this budget?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Richard): We are on page 1.05 in the capital estimates. Total capital expenditures, \$547,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Richard): We will now move to the main estimates, to page 1.07 for the O and M expenditures, also page 1.08. Total O and M, \$4,844,000, Canadian. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Richard): Are Members agreed that this concludes the consideration of the Legislative Assembly budget?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Richard): I want to thank Mr. Speaker and his Clerk, Mr. Hamilton. Thank you very much. The committee will now adjourn until 1:30 this afternoon.

---SHORT RECESS

Department Of Justice

CHAIRMAN (Mr. Wah-Shee): The committee will come to order. We are dealing with the Department of Justice. Mr. Minister, do you have any opening remarks you would like to make?

Minister's Opening Remarks

HON. MICHAEL BALLANTYNE: I do, Mr. Chairman. I have 111 pages but I will give the honourable Members a synopsis of the department.

Mr. Chairman, and Members of the Legislative Assembly, it is my pleasure as Minister to present to you the main estimates of the Department of Justice for your consideration. As Minister responsible for the Department of Justice, it is my second presentation of the budget of that department. Members will recall, during discussion of the budget of the department last year, I sought and obtained the advice of Members on issues and matters that needed to be addressed within the department. I am pleased to inform this House that over the last year we have made substantial progress within the department toward the attainment of the goals and objectives we set for ourselves. This last year we have seen the realignment and reorganization of the Department of Justice to better equip it to deal with the demands placed on it.

During consideration of the budget of the Department of Justice last year, several important issues were raised by Members. I am pleased to inform the committee that most of those issues have either been addressed or are in the process of being addressed. With your permission, Mr. Chairman, I would like to refer to some of those issues.

Law Reform Capability

A law reform committee for the Northwest Territories has now been established and is headed by Mr. Justice Marshall as its chairman. I understand that the committee is functioning well and is reviewing important law reform matters. Funding has been provided for the law reform committee. It is expected that during the course of the year considerable activity will be undertaken by the law reform committee.

Revision Of Statutes Of The Northwest Territories

The second major item, Mr. Chairman, is revision of statutes of the Northwest Territories. Work has already begun to revise the Northwest Territories statutes from 1974. During the course of the year, I will be advancing legislation to recognize the revision process and to give statutory authority to the revision commissioner.

It is anticipated that the revision and translation initiatives will be completed within the next two years. Over the last year in response to the criticism that statutes of the Northwest Territories were not readily available, I am pleased to inform Members that a bound volume of the

acts of the Northwest Territories, 1984, is now available and it is anticipated that bound volumes for 1985 and 1986 will be available in the next few months. Of course, with the revision of the legislation there will be a complete and up-to-date set of territorial acts published in due course.

#### Placement Of A Judge In Baffin

In February, 1987, I announced in the Legislative Assembly the appointment of Mr. Orval Troy, QC, of Ottawa as the new territorial judge for the Baffin Region. It is anticipated that the judge will be arriving in Iqaluit in the coming weeks. In addition to placing a judge in the Baffin, there will be registry staff that will be required for the court. A court clerk and a registry clerk will be required to administer court services and file the necessary court documents in the court registry office.

I would like to also inform Members that an additional lawyer for Maliiganik Tukisiiniakvik has now been appointed. The lawyer will eventually be placed in Pond Inlet and will provide legal aid services. This has been done in response to the request of the Members of this Assembly for a lawyer in North Baffin. It is my understanding that initially the lawyer will work out of Iqaluit for a period of two or three months, after which he will move to Pond Inlet.

#### Justices Of The Peace Task Force

Recently, I announced the formation of a ministerial task force to study the terms and conditions of the appointment of justices of the peace and coroners in the Northwest Territories. The task force has now commenced its work and it is anticipated that the report of the task force will be sent to me early in the spring. As Members are aware, several questions have been raised in the past about recruitment, training and tenure of justices of the peace and coroners.

The task force is expected to address all of these issues and to recommend an appropriate regime for justices of the peace of the Northwest Territories. Mr. Chairman, I am firmly of the belief that with the enhancement of the justices of the peace program, we will be able to give more and more responsibility to the justices of the peace to deal with minor criminal offences locally within the communities, as opposed to relying solely on a fly-in fly-out system as is presently the case.

Some concern was raised last year over the turnaround time in the legal registries office. In order to improve the efficiency in the legal registries within the government, this section has been amalgamated into a consumer and corporate affairs division. The amalgamation will provide an enhancement of resources for land titles, companies registry, document registry and vital statistics registry. In addition, funding has been identified to computerize functions with the vital statistics registry and legal registries. These two measures will, in my view, enhance the efficiency of both these services.

Mr. Chairman, as Members will note, the budget of the Department of Justice reflects the reorganization of the department and the creation of a policy, planning and programming division responsible for defining and analysing problems and strategic planning for the department. This division will be responsible for developing and monitoring departmental policies. The position of assistant deputy minister has also been established. The creation of a constitutional law division, responsible for addressing the needs of constitutional law and the Charter of Rights and Freedoms issue, is also reflected in this budget. A rental review officer is required in consumer and corporate affairs division to implement the provisions of the Residential Tenancies Act. Increases in legal aid case loads, as well as costs associated with delivering legal aid to individuals in the NWT, will require increased funding in 1987-88 of \$364,000. This includes an increase of \$98,000 to be provided to regional organizations. The budget also reflects the increase of the federal contribution arising out of the recent agreement on legal aid signed with the federal Attorney General.

#### RCMP Agreement

The cost of police services under the RCMP agreement continues to rise as the Government of the NWT pays a higher percentage of the shared costs with the federal government and in order to meet base deficiencies within that program, I have emphasized to the RCMP the need to show restraint in spending and toward that goal, a number of austerity measures have been taken by the RCMP. Over the past several months my officials have been negotiating with the RCMP in an attempt to bring the

costs and estimates under control. As a result of these discussions, we have managed to have the RCMP estimate for 1986-87 lowered by \$900,000 -- from \$17,500,000 to \$16,600,000. This situation will be carried through into 1987-88. The original estimate provided to us by the RCMP was \$19 million. Through our discussions, this figure has now been lowered to \$18,165,000. This is the amount identified for RCMP costs in this main estimates document and the RCMP have agreed to stay within this amount.

As I announced during the last budget review of the department, I intend to improve the criminal compensation program. As a first step, I have transferred this responsibility to the policy, planning and program division to give it a higher profile. I am also seeking more resources for this program.

The items I have just shared with you are a brief outline of some of the areas where I plan to place emphasis within the upcoming fiscal year.

#### Initiatives Of Public Service Program

Mr. Chairman, I would also like to comment on some of the initiatives that will be undertaken over the coming year within the Justice department's public service program. Mining inspection services will be increasing in both the number and quality of its inspections in NWT mines. In conjunction with both labour and management, the recommendations of the Bardswich report will continue to be addressed. There will be an increased emphasis placed on the role of mine occupational health and safety committees during their visits to the mines. New resources are being devoted to the occupational health aspects of the program. A medical consultant in occupational health is now developing initiatives, which will directly address health issues in the work place. The Mine Occupational Health and Safety Board will continue to meet four times per year and review a broad range of occupational health and safety issues in the mining industry.

The safety division has been expanding its safety education and awareness program. It has conducted workshops in Iqaluit, Inuvik, Hay River, as well as Yellowknife. On-site job safety continues to be monitored through inspections at work places throughout the NWT. In addition, the public is being safeguarded through the inspection of elevators, boilers and electrical and gas installations.

The Liquor Licensing Board, as well as the board secretary and liquor inspectors, will be developing a comprehensive education information program designed to inform both the licencees and the general public of the requirements of the Liquor Act. Under the leadership of the new board chairman, I expect to see the activities of the board streamlined and made more effective.

The labour section is striving to make its services more accessible to the public. A toll free telephone line is shortly to be installed, so that persons within the NWT can phone for assistance at no cost to themselves. Work is proceeding on preparation for amendments to the Labour Standards Act and I doubt we will be able to get them on the agenda for the life of this Assembly, although if it is possible, I will give it an effort. If not, they will be ready for the first session of the next Assembly. The Labour Standards Board continues to fulfil its mandate as an appeal body. It presently faces a substantial workload, with some of the cases under review involving large sums of money.

A great deal of progress has been made in fire safety over the past year. The number of firefighters trained to an internationally recognized standard continues to increase. A great deal of activity is planned in this area over the coming year.

I am pleased with the progress that has recently been made within the public services program and I look forward to continuing success over the next year. The services provided by the program are delivered directly to the general public and are, as a result, especially important to establishing the credibility of this government. Thank you, Mr. Chairman. That concludes my opening statements.

---Applause

CHAIRMAN (Mr. Wah-Shee): Thank you, Mr. Minister. Does the Minister wish to invite any witnesses for the committee?

HON. MICHAEL BALLANTYNE: Yes, Mr. Chairman. I would ask permission to move to the witness table and invite witnesses into the Assembly.

CHAIRMAN (Mr. Wah-Shee): Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. I hope the Minister is reasonably relaxed now to deal with the Member's questions. Mr. Minister, would you identify your witnesses for the record please?

HON. MICHAEL BALLANTYNE: On my left we have our chief of finance, Mrs. Louise Dundas-Matthews and on my right, you all know Mr. Stien Lal, deputy minister of Justice.

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

MR. NERYSOO: Point of order. Is the manner in which the Minister is dressed allowed as proper dress in this House?

CHAIRMAN (Mr. Wah-Shee): There might be a problem if he was dressed in his native attire. I gather that taking off his jacket is quite appropriate as long as he does not take anything more than that off.

---Laughter

General comments. Mr. Nerysoo.

Complaints Arising From Labour Standards Act

MR. NERYSOO: Thank you, Mr. Chairman. Firstly, with regard to the comments made with regard to the Labour Standards Act amendments. Prior to even suggesting changes I wanted to indicate that I do have concerns with the present implementation of the act itself and the manner in which the complaints of individuals have been dealt with. I know of a couple of instances where complaints have been filed about a year ago, with regard to a contractor in the area of the Mackenzie Delta. No response has been given and no final solutions have been made regarding a decision on these particular complaints. I am concerned further that if the labour standards officers are not responding, then could the Minister indicate why, and whether or not there is going to be an improvement in the present process of dealing with the complaints that arise out of the present Labour Standards Act?

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

HON. MICHAEL BALLANTYNE: I think the Member's concern is valid, and if we end up making significant changes to the Labour Standards Act, in fact there could be a greater workload put on the board and the board's staff members.

Historically one of the problems that we have had in this area is, we have not had adequate support for the Labour Standards Board. Within the last year, I have appointed a number of new members to the board. We have reorganized our department's capability to serve the board, so that they have the same lawyer now who is dealing with cases. The major emphasis of the department right now is on streamlining the Liquor Licensing Board, but we will be concentrating on this board within the next few months to identify what we can do with the structure -- what, in the future, resources they will need and what sort of support services we as a department can give them. So I think that, historically, they have done quite well with very limited resources and I see the situation improving, but as we get into amendments to the Labour Standards Act, I see the possibility of myself, or for the next Minister of Justice, coming to this House and asking for more resources so that it can undertake those responsibilities.

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

MR. NERYSOO: Thank you, Mr. Chairman. In your view, is there going to be consideration made to place some labour standards officers in the regions, as opposed to retaining them in Yellowknife at headquarters? Not to suggest there will not be a need for the staff necessary to carry out the responsibility of enforcing the Labour Standards Act, but I have a concern that maybe it is time to consider placing some of the people to deal with particular larger regions and areas that have some very serious issues to deal with.

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

No Funding Available For Decentralization

HON. MICHAEL BALLANTYNE: Mr. Chairman, if we had the resources, the ideal situation would be to put officers in the regions. As it stands now, we have 2.5 PYs only. We were given a very strong message by the Financial Management Board when we came in with our request, that there are just not the resources available. So for the present time, we are not intending to decentralize this function. If in the future, the Legislative Assembly considers this a priority and is prepared to give the department more resources, then it would be advantageous to have inspectors in the regions, I agree.

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

MR. NERYSOO: Thank you, Mr. Chairman. I would not necessarily suggest that there would be a need for permanent positions, as opposed to the option of hiring contract workers to carry out the same responsibility where there is a need for those particular individuals to deal with situations, where there is an overload of work.

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

HON. MICHAEL BALLANTYNE: The problem that we have with contracting out the responsibility is that there is a certain level of expertise and knowledge which is necessary. In fact, the board operates on a quasi-judicial basis and the decisions of the board can be and have been challenged in court. It presents some difficulty to let out that sort of responsibility on a contractual basis. As we go into this year, we will be exploring ways to enhance the service and there might be some room to move in that area.

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

Application Of Provisions Of Charter

MR. NERYSOO: Thank you, Mr. Chairman. With regard to another issue in this department, I have a problem. It is a question of the application of the Charter of Rights and the manner in which individuals have been arrested. The charter is not being applied properly in the communities. Mr. Chairman, people are not being told, firstly, that they have a right to legal counsel; secondly, they are not being told that they have been charged and they are being arrested; and thirdly, they are being detained overnight in some instances and yet no charges are being laid against those particular individuals. Now, is that a practice that the Minister and the Department of Justice is condoning? Or is it a practice that has to be dealt with so that there is a recognition of the Charter of Rights with regard to the application of the charter itself in the communities, and the manner in which the arresting officers or the RCM Police make individuals aware that there are certain legal rights under the charter? Could the Minister respond to that?

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

HON. MICHAEL BALLANTYNE: I think it is obvious to everybody that RCMP officers are bound by the law of the land and, of course, they have a responsibility to uphold the provisions of the Charter of Rights and Freedoms and other Canadian and territorial laws. What I would like to get from the Member, and I do not know if this is the appropriate place, are the specifics as to what officers did what, to whom, and when, and we can deal with it on an individual basis. I am confident that there is no widespread abuse of the powers of the RCMP whatsoever in the Northwest Territories. There is always the chance that there is an individual mistake made, or an individual judgment call, but I think it is a matter in which I could sit down with the Member afterwards and get the details and we will look into it.

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

MR. NERYSOO: Mr. Chairman, firstly, I think that all the Minister has to do is go to his courthouse and find that there are situations where that case does in fact arise. But I have a concern with regard to the communities. Unlike Yellowknife which the Member represents, the communities of Fort McPherson, Arctic Red and Aklavik, presently do not have legal counsel in the community. They do not have access to legal counsel when they have been arrested. Is there a

process now in place to allow those individuals that have been arrested to phone certain legal advisers? Who is responsible for paying for that, then? Are the RCMP allowing, and indicating that that right exists under the Charter of Rights? Or are the RCMP presuming that people have knowledge of those rights and the existence of those rights?

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

Positive Steps To Alleviate Problem

HON. MICHAEL BALLANTYNE: We are very aware that there are problems in small communities, the same problems the honourable Member faced when he was Minister of Justice. We are taking some very positive steps to come to grips with those problems. As you know, we are putting an extra lawyer in the Baffin and we are putting an extra lawyer in Tuktoyaktuk. We hope to see that with the enhanced training of JPs and potentially enhanced responsibility of JPs, justice will be much closer to home. Anybody who is accused of a crime has the same right now, as he did under the honourable Member's tenure, of a collect call to legal aid. Legal aid, of course, would pick up the cost of the calls; it has been the practice for a period of time.

I think, though, that the Member's comments are valid. In the huge country that we have in the NWT, with small communities and limited resources, it is difficult sometimes for people in the smaller communities to receive proper justice. Part of what I have tried to do in the last 14 months is to attempt to address that problem. So we are not all the way there and I hope that the steps we are taking will help alleviate the problem. We have a way to go before we can say that everybody has equal access to justice in the Territories.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. First from my interpretation of what has been placed in Tuktoyaktuk, that particular legal service that is provided in that community, is not going to be available to the communities of Aklavik, McPherson and Arctic Red. It is intended to serve the Beaufort communities. Nor will it be available to serve Inuvik, unless, of course, there is a change in the mandate of that particular facility and that particular court worker program.

With regard to legal aid, is there a 24 hour service to that body or are you suggesting that people should be waiting until the next day to call the legal aid group to get legal service? The reality is that any ordinary person in Yellowknife has the opportunity to phone a lawyer and a lawyer's residence, but that is not the case in the communities. I am just wondering whether or not it might be considered that information be made available in the detachments, to allow individuals to phone legal counsel immediately.

CHAIRMAN (Mr. Gargan): Mr. Minister.

Costs Of Phone Calls Paid By Legal Aid

HON. MICHAEL BALLANTYNE: It is my understanding that every detachment has been given a list of lawyers and after hours they have the home phone numbers of those lawyers. Legal aid will pay those costs, if the phone call is made after hours.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. Could the Minister provide me with the information as to where that list is located in the various detachments across the NWT? Is it beside the phone? Is it hidden in the desk of one of the officers, or whatever? Could I get that information from him, as to whether or not that information is readily available upon the arrest of any individual?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: Certainly, I will get that information for the Member. I will also let the RCMP know that we expect that information should be there, should be readily available, and that anyone who is in that situation should be aware that they have that right. I will get him the information and make the point to the RCMP to make sure that is being followed consistently.

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



MR. NERYSOO: With regard to court services, is it the intention of the Minister to establish a separate facility and separate service in the Inuvik Region, to serve that particular region generally with court services and a judge?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Court Services For Inuvik Region

HON. MICHAEL BALLANTYNE: What has happened, everyone knows, is that there have been fairly strong demands put on the department to provide judges in various regions of the NWT. We have been able to get resources from the Assembly to provide an extra judge in the Baffin. What I thought we could do, after conversations with Chief Judge Slaven, is that Chief Judge Slaven would spend a good part of his time in the Inuvik Region, essentially work as a regional judge for that region and to carry out the spirit of having a judge who is very familiar with the region, without the large expenses that one would have to incur by introducing a new judge in a specific region.

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

MR. NERYSOO: Thank you, Mr. Chairman. Could I get the information with regard to the costs associated with the new Inuvik court facility and what the rental rate will be? Further, if the Minister could provide me with the alternative costs that had been provided to this government for consideration during its review for that particular facility, I would like to review that.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: Certainly. I will make that information available to the Member.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. If I could ask the Minister about the public education group dealing with providing information on amendments to the Constitution, amendments to laws, generally. Are the advertisements that are being made public going to be made available also in the Dene languages? On TV I have noted them in English, but I have not noted any of them in the aboriginal languages to date.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: The intention is that they will be providing some sort of audio-visual short clips, that you are seeing in English, to provide those in the aboriginal languages. Yes, that is the intention.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. Has the Minister any knowledge as to when those TV spots are going to be placed on CBC?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: No, I do not have specific knowledge. As the Member is aware, the Public Legal Education Society is independent. I was recently at their annual general meeting and I listened to their plans. I could get, for the Member, a timetable of when and what particular information will be distributed in the native languages.

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

MR. NERYSOO: Thank you. Just generally with regard to police services, is there an intention on the part of the department and the RCMP to reduce the number of officers that now reside in Inuvik? If so, is the Minister open to suggestions as to where they might be utilized in other communities in the Northwest Territories?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: No, at this point in time, there is not an intention to reduce the size of the force in Inuvik. When and if that happens, depending on the economic trends in the area, I would be interested in any ideas the Member might have of where he thinks or where other communities may feel that added resources are needed.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. General comments. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. This is just for clarification. I am a Member of the Legislative Assembly and if I find out something that the police have to do, who am I supposed to report this to? If I see an RCMP not doing his job in the community properly, who should I report it to? I know they answer to the RCMP in Iqaluit, but if I find out they are doing something wrong in my community, who would I report it to? Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: What I would suggest, as an MLA, if any MLA is aware of any problem with the RCMP, is to let me know directly and I can find out that information for you.

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

#### Visitors To Community Holding Cells

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I have a concern on this subject at the moment in Lake Harbour. Now I know where to report it to.

Another question that I have is regarding the jails that are in the communities and are used at times for people who are remanded. They are not allowed any visitors in the communities because the RCMP has a policy in the communities that only the parents can go and see the person, but other relatives cannot go to visit that person in the cell. I would like this rectified because there was a problem that was created in Lake Harbour and he came and asked me why this is so. I was told by the RCMP that they have a policy that only the parents can visit. The person that wanted to visit that person in the cell was of age and I could not understand what kind of a policy they have. I think if this is the case in the communities, when they cannot be visited by anybody else but the parents, I think there should be a change to that policy, so the people that are in the holding cells in the communities can be visited by their friends or other relatives, not just their parents. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: I know the RCMP do have a policy. I was not aware that it was quite so restrictive. I will get from the RCMP exactly what the policy is and I will communicate that to the Member. If the Member still has concerns we can talk to the RCMP about the possibility of modifying the policy.

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

#### Local Detention For By-Law Infraction

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. This has something to do with the holding cells in the community again. The communities make by-laws -- for a person to go into the holding cell for five or 10 days. When the hamlets make a by-law in the communities regarding the holding cell -- and you can only put a person in there for just a short time. There is also a problem in the small communities about the number of days you can be held in the holding cell and this stops the hamlet council from amending their by-law regarding the number of days you can stay in the cell. Because you can only be in the holding cell for three days, not any more. I have not heard of anyone breaking the hamlet by-laws and having to be held more than three days in the cell. We would like to be able to -- even though in the hamlet by-law we have five to 10 days that we can hold a person. But the police have a policy again that you can only hold a person for three days in the cells in the community and this has been a problem with the hamlet. I would like to get more information on that to see if the hamlets can make a by-law saying that you could hold a person for more than three days. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: Our municipal legislation is where you will find the authority to make by-laws, but I am not aware of exactly what by-law the Member is talking about. It might be that there is not the authority in the municipal legislation to allow the municipality to have a law that puts somebody in jail for more than three days. So if that is the case, it might be necessary to change the municipal law.

CHAIRMAN (Mr. Gargan): Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Maybe I could clarify myself. I was just using that by-law as an example, because hamlets make by-laws. For example, if a person commits a crime, they could put a person in jail for so many days and the RCMP also has a policy that you can only hold a person for three days in a community jail. I was just trying to say that the hamlets should be able to make by-laws to have a person who committed a crime held for more than three days.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: I was not aware that this happens all that frequently, that people are put into the local cells under a local by-law. It is something though I think I would like a little time to look into and to see if there is a conflict between the municipal law and the police policy or whether or not the municipality actually has the authority to make a law which provides for longer than three days detention within the community. I will look into the matter and I will get the information to the Member.

CHAIRMAN (Mr. Gargan): Mr. Arlooktoo.

Dog To Detect Drugs, Iqaluit Airport

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I have another comment. When Pauloosie Paniloo asked a question of the Justice Minister, I did not get the reply exactly. He mentioned that there is a dog in Iqaluit -- they wanted the dog to search for drugs at the airport in Iqaluit. I would like to know whether you have any plans to have such a dog in place? In the surrounding communities from Iqaluit, quite a number of people get charged for possession of drugs. For instance, in Lake Harbour and Cape Dorset, especially the young people get charged for drugs and they never find out just exactly where these drugs are coming from. They usually are bought in Iqaluit and these traffickers are never caught in Iqaluit either. I would like to know if a dog that sniffs for drugs can be placed in the Iqaluit airport. I have heard that there has been one in Iqaluit but I do not know how many times that dog has been used for sniffing out drugs in the airports. But the surrounding communities do get drugs from Iqaluit and this is one of the concerns that the communities have. I would like to know if you have any plans to have a dog in place in Iqaluit airport or not. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. I guess the Member should be aware that these dogs that you are talking about are highly trained and there are not that many of them in the country. They are generally used at international airports when it is anticipated that there is potential for large shipments of drugs that come in from outside the country. I understand that at least once they have used this type of dog in Iqaluit. It would only happen if the police thought that during a period of time there is a good likelihood that a relatively large shipment of drugs would come into the community. There are not that many dogs in the country and the RCMP have no plans to have a dog in Iqaluit. In the future there is a possibility that if the police feel that the problem is getting more serious and that a lot of drugs are coming into the community, the police might bring up a dog again from the South for a period of time and have that dog at the airport in Iqaluit.

CHAIRMAN (Mr. Gargan): Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. This is a question to everybody because it will be heard. I am not trying to say Iqaluit is a bad community. I want everyone to know that. I just want to suggest a solution to a problem. I have relatives in Iqaluit. I do like Iqaluit, so I just wanted to inform you that the community as a whole, Iqaluit, is all right. Thank you.

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

Appreciation Of Minister's Response To Issues

MR. RICHARD: Thank you, Mr. Chairman. In terms of general comments, Mr. Chairman, I just wanted to put on record in all seriousness my positive remarks about this Minister's addressing of the issues that have been raised, certainly by myself, in the past year or so, involving programs of this department. I will be brief but I will be positive.

This time last year when we reviewed this department's budget, I did through motions and recommendations seek some initiatives that the Minister has, to his credit, responded to in this past 12 months. I am thinking particularly of the request for a fifth territorial court judge to be placed in the Baffin Region. The request that there be something substantial done in the area of law reform -- and that has just been started and, Mr. Chairman, notwithstanding all of my comments of the last five weeks about the ballooning budget of government, law reform is one area that we are not even touching, not even scratching the surface. I think once the committee that the Minister has established gets into some of these areas, they are going to see that they are going to require staff and a lot of financial resources to do the job adequately but I am appreciative that the Minister has started the process.

Also, the computerization of legal registries; that has not moved very much in the 12 months, but I see from the Minister's introductory remarks and some of the statements in this main estimates document that there is movement toward that. I think that is an area that has to be given some priority because it is an area of government that calls for the government to provide services to the public and the service is deteriorating, I think, because of the volume of business that the government is doing in the public registries area. The procedures have to be modernized and certainly it addresses itself well to computerization. In another area, the Minister, I think, has made some changes both in personnel and in streamlining the process of the Liquor Licensing Board. There has been quite an improvement there, in my observation, in the last number of months.

Revision Of Labour Standards Act

So, I wanted to put those positive remarks on the record, Mr. Chairman, and perhaps to conclude with a question of the Minister arising out of his opening remarks, when he mentioned that there is a plan to amend the provisions of the Labour Standards Act and I notice some reference to it in the objectives of the department. It includes one which is to develop methods of administration related to amendments to the Labour Standards Act and although the Minister indicated that he may not make the June session with these amendments, I am wondering if the Minister or Mr. Lal could indicate what are the planned changes, just if they could be summarized? Is there going to be a major rewriting of that legislation? Just what is the intention there? Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: The intention is a major rewriting. Right now we have a 44 hour work week, rather than a 40 hour work week, after which overtime is paid. It will be looking at the whole area of domestics, protection for domestic help. Our legislation is very much out of date, as the Member is aware, and it is to bring it much more in line with what is now prevalent in southern Canada. So, we are looking at major revisions. We have done a fair amount of work on it already. We have a number of ideas of the areas where we will be recommending changes. With the new act, we are going to have to have better mechanisms to enforce the act. So they will be going hand in hand. I had hoped to be able to introduce them at the spring session but our legislation workload is too heavy, so it is not possible. What I might do, and I am not quite sure what mechanism to use, is to at least put out a draft discussion paper so that people can start talking about it and start the process. But we are expecting fairly major revisions to the act, to answer Mr. Richard's question.

CHAIRMAN (Mr. Gargan): Mr. Richard.

Major Revision Of Legislation Needed

MR. RICHARD: Thank you, Mr. Chairman. When the Minister indicates that, for the Labour Standards Act, as one example, there will be a major rewrite of the act, I personally believe that is required. The legislation is outdated and needs to be reviewed and revised in a major fashion, as is the case with many, many of the statutes on our books. I am wondering where the Minister sees the legislative drafting function within the department -- those same officials have to respond to the many, many requests from the Minister's colleagues on the Executive Council, the other

departments -- in parallel with the law reform committee. There are pieces of legislation, like the Labour Standards Act, that if you took the time to speak to someone in the labour standards field or an industry, I suppose, which is affected by it, and asked them what they thought, of the Labour Standards Act, I think a lot of them would say that it needs major revisions; it has to be looked at in the big picture. And as you get responses like that from the public with various pieces of legislation, it occurs to me that if you did build up the function of the law reform committee, that you would just turn that over to them and say "Well, there is a piece of legislation that has not even been looked at for 10 or 15 years. Would you look at it, go through the consultation process and come back to the Department of Justice with recommendations?" It is my understanding that a process like that takes place in some of the provinces and the federal jurisdiction.

As an example of what I am speaking of, Mr. Chairman, I noticed that on our agenda for this session is an amendment to the Mechanics' Lien Act. When I first saw that on a list that was provided to me, I thought, "Well, this Minister is listening and he is really moving along here", because the Mechanics' Lien Act is only about 100 years old. I am serious when I say that. It is an old, old piece of legislation that was brought from England many, many years ago and has never been updated. When I did get a copy of the bill we are going to consider this session, I see that all that is being done is a little patchwork. That is another piece of legislation that has to be revised in a major way.

#### Role Of Law Reform Committee

I know and I have become convinced in the last three years how hard the people in the Department of Justice have worked and I know from our workings here in the Assembly that the draftspersons have to respond to many initiatives, a lot of which are patchwork to legislation. But when I see legislation like the Mechanics' Lien Act and the Labour Standards Act, patchwork and band-aid work is not enough in my estimation. It occurs to me that maybe the law reform committee takes some of the pressure off the draftsmen within the department. Admittedly the law reform committee is going to have to be given some resources, maybe including draftspersons, but I am wondering if the Minister or his deputy could comment on that suggestion. I do not think patchwork on pieces of legislation that affect the public on a day to day basis is the way to go. I think this has to be looked at in a bigger picture.

I guess another example, Mr. Chairman, is the Residential Tenancies Act although I think the process worked there. It was looked at in a major way. There was a little study done, but that was over two years ago and it has been slow in coming. There has been a good consultation process there, I think, and that happened within the department. The drafting work was done, I believe, within the department. I think there is a function for a proper law reform committee in these areas. Thank you.

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

HON. MICHAEL BALLANTYNE: I am as aware as the Member of the problems we have with a lot of our existing legislation. It is out of date and a lot of it is irrelevant and a lot of it has to be revised. Our problem has always been that of resources and one of the major disadvantages that we have as a jurisdiction, is that it is just as difficult to draft our laws as it is for Ontario. Ontario can get their resources out of a base of 10 million people and we only have 50,000 people. I do not disagree with the proposal put forth, and in fact we have made a start at that; the law reform committee now is looking at some legislation. The relationship now, as the Member is aware, is that law reform commissions -- in our case, the committee -- jealously safeguard their independence in southern jurisdictions. So there will be some legislation that they will decide as a priority, that they would like to deal with. Under the terms that I set up for the committee, I can refer legislation to them to look at. I agree with you, and hopefully as this Legislative Assembly recognizes the importance of law reform, it will make available to the department and through the department to the law reform committee, resources to do a proper job. I do not pretend that we are doing anything more, right now, other than making a start. I hope that out of that start, some credibility will be built into the process.

So I am open to the suggestion that the Member has made and I see the law reform committee now and ultimately, someday, a commission, with adequate resources, taking over some of that responsibility from the government. I think it is a good suggestion. I still see that there always will be a need for in-house legal draftspeople for the government because we have a lot of ongoing bills and new bills that they can deal with. But I see that ultimately that mix of resources can be brought to bear on the problem, and I think we can get some pretty positive results.

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

MR. NERYSOO: Not to raise opposition to what my colleague was speaking about previously, with regard to amendments to particular acts, but I think that while there is a need to amend acts and to provide, to use the words of my colleague, Mr. Richard, services to the public, for instance the legal registries and changes to that particular area, to be honest with you, that only serves the legal profession in many instances and not necessarily the public. While I do support the changes that are taking place, I do not see that to be seen or to be explained as serving the public interest in terms of the ordinary person in the community. I do want to say as well that I support the Minister in his initiative to consider changes to major pieces of legislation and I think there is a matter of priority more than anything else that has to be reviewed in terms of how and what types of legislation are being dealt with and at what particular time. I do know, for instance, one particular piece of legislation that has not been amended since the 1960s and which is important and that is the Environmental Protection Act which deals with protection of land, which deals with protection of the manner in which the waters are being used in the Northwest Territories -- which is important. As well, I believe that the point made about the amendments to the Labour Standards Act is important because it applies to every citizen and every ordinary citizen throughout the Northwest Territories and so those types of legislation, I think, should somehow receive some priority in terms of changes and major changes in any kind of review or reform that is going to take place.

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

MR. T'SELEIE: Mr. Chairman, I would like to just ask the Minister whether, right now, there are any fullfledged RCMP who are Inuit or Dene or Metis.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: Mr. Chairman, to my knowledge, at this point there are not any.

CHAIRMAN (Mr. Gargan): Does the committee agree we go to the details of the capital estimates?

SOME HON. MEMBERS: Agreed.

---Agreed

Court Services

Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Page 6.07, Department of Justice, detail of capital. Court services, equipment acquisition, headquarters, total headquarters, \$42,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Inuvik, total Inuvik, \$68,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total equipment acquisition, \$110,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Court Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total court services, \$110,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Safety Division

Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Page 6.09, details of capital, safety division. Equipment acquisition, headquarters, total headquarters, \$79,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Fort Smith, total Fort Smith, \$14,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total equipment acquisition, \$93,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Safety Division, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total safety division, \$93,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Mining Inspection Services, Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Detail of capital, page 16.11, mining inspection services, equipment acquisition, headquarters, total headquarters, \$63,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total equipment acquisition, \$63,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Mining Inspection Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total mining inspection services, \$63,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Back to page 6.05, Department of Justice, total capital expenditure, \$266,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Does the committee agree that the capital estimates are concluded?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. Main estimates, Department of Justice. We are on page 9.10. Are there any general comments? Does the committee agree then that we go to the details of the operations and maintenance budget of the Department of Justice?

SOME HON. MEMBERS: Agreed.

---Agreed

Directorate, Total O And M

CHAIRMAN (Mr. Gargan): Directorate, total O and M. Mr. Richard.

MR. RICHARD: Mr. Chairman, part of this figure is for criminal injuries compensation fund and I believe the portion of this is \$115,000. I wanted to ask if that figure is the actual fund itself, or what portion of it is the fund, which is paid out to victims of crime?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: That is the total amount that was put into the fund during the year. Of that, approximately 75 per cent is recoverable from the federal government.

CHAIRMAN (Mr. Gargan): Mr. Richard.

MR. RICHARD: Well, Mr. Chairman, I am wondering, of the \$115,000, is any of it spent on administration, or is all of it available to draw on should victims of crime have their application approved? That is one part of my question; I would like that clarified even yet. The other part is, does this money lapse? It occurs to me that if we can annually appropriate an amount to put in the victims' compensation fund, let us say \$100,000 this year, and for some reason or other the fund is not entirely drawn down, maybe there is \$20,000 left this year, do we leave that in a pot so that next year it is \$120,000 in case there is a run on applications in the second year as opposed to the first year?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: No, we cannot. Because of the nature of our agreement with the federal government and the Financial Administration Act that does not happen. I think what you are talking about is the possibility of setting up a revolving fund. We have not done that. I do not know the limitations of our agreement, but we are in the process of renegotiating and it is something that we could look at, the possibility of setting up an ongoing fund.

CHAIRMAN (Mr. Gargan): Mr. Richard.



Increase In Applications To Compensation Fund

MR. RICHARD: Mr. Chairman, on the same fund but a slightly different question. We have in our agenda this session an amendment to that legislation which generally, if I recall, is to add to the list of crimes the victims of which can make application under that fund and it is possible because of an amendment like that, that there is going to be a greater number of applications. I believe there was some reference at one point that the government is going to do a little more promotional work to make people aware that there is this fund that can be drawn on. I expect one day we are going to also increase the maximum limits for awards under that program, so that it is entirely possible, Mr. Chairman, as a result of any number of these things -- the amendment to the legislation, the promotional campaign, or the increase of the ceiling -- that two or three years from now we are going to be seeing more and more applications for compensation for victims of crime.

I put this, I guess, in the context of the famous, unapproved fiscal framework of this government which indicates we are going to have zero growth in O and M two years from now. This is an area where the government cannot control the growth; it is similar to the incidence of crime in the Northwest Territories.

You have a big legal aid budget in this department that reacts to the volume of crime in the Northwest Territories. Unless the government has some secret plan, Mr. Chairman, I am wondering how they are going to put zero growth on the incidence of crime. I wish they could. But I would ask the Minister to respond that here is yet another area where there is a forced growth. The government is planning, for valid reasons, to promote the awareness of the public of programs like this and I think there is going to be a greater draw on the fund as a result, and therefore we will be looking, two years from now, Mr. Chairman, I suspect or will predict, at a budget in excess of \$115,000 for this item.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: There are a couple of factors that I am not sure if the Member is aware of. It is true that we anticipate obviously as we have better publicity on this program, that we will have more people drawing down on the program. And at some point, I think as a government, it is fair to say that we probably will review the amount of money that we give out in settlements. It is not a very large amount right now. So I think Mr. Richard's comments are valid. What we have tried to do is combine a number of revenue initiatives as it were, to try to anticipate that increased draw. One of those is that this year we put an extra \$60,000 in the fund. Secondly, keeping in mind that a lot of that \$115,000, is cost recoverable, it has the buying power of more than \$115,000. It has the buying power of \$190,000, because we can recover 75 per cent of costs from the federal government and we are trying to establish a new arrangement with the federal government which will be more generous than the arrangement we have now. So we expect that from the federal government coffers, there will be extra money in this fund.

Proposed Surcharge On Fines

I think the Member's idea of a revolving fund is a good one, because we could have money generating some of its own revenue in the form of interest. Another initiative that I am bringing forward in the next part of this session is an initiative that I think only Manitoba has put into place. It is a surcharge on fines. In Manitoba I think it is 10 per cent of all the fines levied in the province. For instance, if you get a speeding ticket and you have a fine of \$100, there is a 10 per cent surcharge on that, so you have to pay \$110 and that extra \$10 goes into this fund. I am proposing that we do that here. It will be fines from our laws. What has been talked about at federal/provincial Justice Ministers' conferences is the possibility of any revenues coming from a surcharge on federal fines to go to the provinces or to the Territories. The basic philosophy in a very broad generic way is that collectively those that break the law, at least are paying for some of the hardship for those who suffer because the law is broken. I personally think the approach is really good. We as a government, are very strongly committed to that. The fact is that the victim is left out of our process almost totally. So I think by putting together all those potential revenue sources, I think we will be able to handle it. If we find out that we cannot, we might have to review it. We might have to, for instance, limit the type of crime that one can collect under. There are other ways that we can manage it. We think it is important enough and we think we have enough potential for more revenue that we are prepared to go ahead with it and we do not think it is going to have a bad impact on growth in future years.

CHAIRMAN (Mr. Gargan): Mr. Richard.

MR. RICHARD: Mr. Chairman, I would still like the Minister to clarify the arrangement with the feds, because I am now confused. I understand the detailed figures that were given to us in the finance committee documents to be expenditures of \$115,000 and that includes some casual wages, so there are some administration costs in there. It is not just fund money. Also, we were told that in this particular task, if that is what the word is, there is \$46,000 in revenue. Now, if that is the money from the feds, that does not work out to 75 per cent. But I do not quite understand what the Minister is saying, that this \$115,000 has the buying power of \$190,000. I understand that we are anticipating we are going to spend up to \$115,000 in issuing cheques to victims of crime and we are going to recover -- I assume the arrangement with the feds is we recover moneys actually spent, not proposed money -- we are going to recover some of that \$115,000, so I think the \$115,000 has the buying power of \$115,000. I do not know how you get it up to \$190,000 -- unless it is American. Perhaps the Minister could clarify the revenue item, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: There are no direct administrative costs attached to the \$115,000, except for some advertising. The policy and planning unit will be responsible for the actual administration of this program. The other question, I probably did not explain it very well. The Member is correct that under our existing arrangement with the federal government, we spend a certain amount in one year and the next year we get it back and it shows as a revenue source, approximately 75 per cent of that. The Member is right. If we had the revolving fund we were talking about, then in fact it would get bigger buying power. The Member is right, we do not have that right now. There is a year lag, so this year if it is \$115,000, we will get back next year, 75 per cent of that which will show as a revenue item in the following year.

Directorate, Total O' And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Directorate, total O and M, \$1,381,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Police Services Agreement, Total O And M

CHAIRMAN (Mr. Gargan): Police Services Agreement, total O and M. Mr. T'Seleie.

MR. T'SELEIE: Mr. Chairman, I would like to know about the \$18 million that is in this part here. I know it is for the RCMP and it is 64 per cent of the cost of the RCMP in the North. I would like to ask how many RCMP this covers and also I would like to know what the figure represents. What cost does the figure represent, besides the salaries of the RCMP? I would like to know whether it covers such things as the housing for the RCMP. The reason I ask is that I am interested in knowing what the cost of policing in the North is. The last figure we had from the standing committee on finance meeting in January, was that there were something like 200 RCMP in the North. If we just took that as a simple calculation, we would find out that the cost of one RCMP in the North is something like \$140,000 a year. If that is not a fair estimate of the cost, perhaps the Minister could clear it up.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: To count everybody, there are 263 people employed by the RCMP in the North and the total cost, federal and territorial, facing the North is somewhere just over \$28 million. The Member is right, the cost is not just a breakdown of the salaries; it is the total O and M costs of maintaining buildings, maintaining residences; it is the extra costs that are involved in search and rescue; the extra costs that are involved, for instance, if there are, as there have been, a couple of very serious murder cases, where resources had to be brought in from the South, extra police brought in and extra expertise. So it is the total cost of policing in the NWT, all the operations and maintenance costs and special costs that are involved, to give you that figure.

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

MR. T'SELEIE: Thank you, Mr. Chairman. Could we have a list of what the \$28 million covers? What costs does it cover? I would guess by now that most RCMP in most communities would have their houses, their buildings, so there is no need for large capital expenditures. Could we have an idea of what this \$28 million covers?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: I do not have the breakdown with me here but I can make that information available to the Member.

Police Services Agreement, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Police Services Agreement, total O and M, \$18,472,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Legal Aid, Total O And M

CHAIRMAN (Mr. Gargan): Legal aid, total O and M. Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. Under legal aid, in some regions, especially in my region, it is very hard for them to have access to legal aid. The other problem that we are faced with at the community level, whether it is impaired driving or whatever, when individuals are charged they have a hard time understanding the terms of court. I have seen lawyers have all these books under their arms and dashing around -- these people at the community level do not understand a lot of things. Even the word "court order". There is absolutely no one there to translate for them and they are not given interpreters. They are just asked to appear. Sometimes that causes a lot of hardship.

I wonder if there is any way we can have some kind of service available for these individuals right at the community level, in Snowdrift or Fort Res. I am sure the same problem arises in the other communities, because many times when court is on they do not understand; you can tell. They have no idea what is going on and down the line when somebody tells them to reappear again now and then, it just seems like it is not fair to these people. That is one question. I missed my general comments so I will have to wait until later, but is there any way we can provide some kind of service to these people?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: I think we recognize some of the deficiencies in the system and we are doing a number of things to try to come to grips with it. The Member is aware that we passed the amendment to the Jury Act last year that will require simultaneous translation capability in the courts. There is a contract that is being undertaken right now to look at the cost, to look at what sort of extra training interpreters will need, whether or not we need a legal dictionary translated into different languages and to try to define exactly what resources will be necessary to upgrade the legal capability of our interpreters. I think that once we get that information, then we can move forward to really improving that capability.

Simultaneous Translation In Supreme Court Trial

As the Member is aware, in Resolution recently there was a supreme court trial where they had simultaneous translation. I understood that that was quite well received in the community. The courts have been quite co-operative in this area and I think they are very sympathetic toward it. So I think we will be seeing more of that. We will be seeing more trials where there is simultaneous translation provided. Hopefully, with the results of this study, and if this government and the Assembly has the political will to provide resources in the future, we will have trained legal interpreters who will be available in those situations, so people will not feel quite as frustrated as they do right now. So we are taking some initiatives in that area. I do not know if that answers the Member's question fully.

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

MRS. LAWRENCE: Thank you, Mr. Chairman. Is there any way that we could provide interpreters even for the JPs court? I know they provided interpreters for the supreme court and that went over very well. But I am just wondering about the JPs courts?

CHAIRMAN (Mr. McCallum): Mr. Minister.

HON. MICHAEL BALLANTYNE: That would be ideal but I am sure the task force on JPs and coroners will be making some recommendations. What it basically, ultimately, is going to come down to, is priorities of this Assembly and resources. I think it would be very useful to have an interpreter in every community. It might be possible to have an interpreter who has a generalized knowledge in a number of areas at the community level, who could be there for court and medical problems and could be there for just translating some of the municipal services. But ultimately it is going to be a matter of how many resources this government wants to put toward language interpretation. But I agree with the Member, I think it would be very useful.

CHAIRMAN (Mr. McCallum): Thank you. Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. I just want to make one other comment under legal aid. The legal aid that they have in Hay River works very well with individuals in Fort Res and I want to make that clear. What we are lacking is interpreters.

CHAIRMAN (Mr. McCallum): Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. In the legal aid figures there was some notation that the reason for some of the increase was simply due to volume growth. I wanted to ask if that increase in volume growth, if a portion of it was attributable to the young offenders cases that are before the courts and that require assistance from legal aid lawyers. That is the first part of the question.

#### Recovery Of Expenditures From Federal Government

The other part is whether those expenditures, if they can be isolated, are recoverable from the federal government. We keep hearing from Mr. McLaughlin, the Minister of Social Services, in the last few years that we are going to get this whole bunch of money from the feds because they are responsible for the young offenders initiative and, as I recall, Mr. Chairman, as you recall, Mr. Chairman, we have not got a penny yet. But I know we are pursuing those millions of dollars in the Social Services sphere. I guess my question is whether we are also pursuing a recovery of moneys that we are spending on this legal aid portion in defending the young offenders before the courts. Is there similarly a hope out there that we are going to recover some of these funds that we have spent the last few years on the young offenders program? Thank you.

CHAIRMAN (Mr. McCallum): Mr. Minister.

HON. MICHAEL BALLANTYNE: We have been part of the negotiating team with the Department of Social Services and the Member knows the approach we have taken. Because it is a federal initiative, the federal government should, in fact, be paying what would normally be our share as well as their share. Now, as part of the negotiating process, there are two aspects of Justice that were involved: One was the extra costs in court services to deal with the young offenders, and the other one was in legal aid. As part of the negotiating process, the federal government team -- and we agreed to that in order to get the final agreement that is now in front of Treasury Board -- refused at all to deal with young offenders legal aid. What they said was that that should properly be addressed when we renegotiate the young offenders agreement. So, it means, though, that we are talking about only 50 cent recoverable dollars, not 100 cent recoverable dollars.

MR. RICHARD: Renegotiate legal aid?

HON. MICHAEL BALLANTYNE: Yes, the legal aid agreement. That is the only way that we are going to get money back.

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

Conviction Rate Vis-A-Vis Availability Of Legal Services

MR. GARGAN: Thank you, Mr. Chairman. I just wanted to have an opportunity to speak on these things, so maybe I will just make a comment on that. Right now, I guess on a per capita basis for policing the Northwest Territories, we have 15 times higher policing up here than the national average. We also have five times higher crime than the national average but I am just wondering, with regard to crime, what is the general trend right now with regard to where a community has legal services as opposed to communities that do not have legal services? What is the trend there? Because I know that where there are no lawyers, perhaps there would be a general trend with regard to the type of crime that is committed and also the number of convictions that occur due to the fact that some of these communities do not have legal services in the communities. I want to ask the Minister whether in fact there are indicators in those areas, because I am very much interested; and although there is this philosophy of justice for all, I am sure that justice for all occurs only where there is an equity of that service. Where the community is at a disadvantage, I do not know whether justice for all applies there because you are at a disadvantage in the eyes of the law, especially if you do not have the professional people there to protect you as an individual if you are charged with a crime.

I would like to ask the Minister whether there are any indicators right now that might be able to say, well, the general trend is pretty well the same in the Northwest Territories or will say that in fact where there are legal services then there is a lesser chance of a conviction or something like that?

CHAIRMAN (Mr. McCallum): Thank you, Mr. Gargan. I guess it is all right for you to ask a question. I will give you approval. Mr. Minister.

HON. MICHAEL BALLANTYNE: Your question is a difficult one but I am sure we could compile some statistics. As I understand the question, you are asking if there is a difference in crime rates, for instance, in communities that have the full array of legal services and policing services available as opposed to smaller communities who do not have those resources available -- if there is a difference in crime rates. Am I correct? Was that the question, Mr. Chairman?

CHAIRMAN (Mr. McCallum): Mr. Minister, you can ask Mr. Gargan if that is correct, I am not sure whether it was the question or not. Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman. No, Mr. Minister, I am not talking about the difference in the crime rate but what I am indicating is, where there is a conviction, where there is a charge laid, depending on the circumstance and the location, I am just asking, where there is availability of these legal services in communities -- like my own community for example, Fort Providence, we do not have lawyers or legal aid assistance or legal workers, I forget what they are called -- whether there is a trend with regard to where there is a charge laid that there is a conviction.

In other words, I just want to find out, comparing Yellowknife, where there are a lot of legal services available, to Fort Providence, where there are none available, I would like to find out, if 10 people are charged in Fort Providence and 10 people are charged in Yellowknife, for example, how many convictions would Yellowknife have as opposed to Fort Providence, where that availability is not there? That is what I am trying to find out. I am sure there is a difference because of the disadvantage that Fort Providence has compared to what Yellowknife has. That is what I am trying to find out. I do not know whether you have any indicators to see whether that is the case. Thank you, Mr. Chairman.

CHAIRMAN (Mr. McCallum): Mr. Minister, does that clarify the question for you?

HON. MICHAEL BALLANTYNE: I think I understand the question. Essentially, what you are asking is if you really have more protection in Yellowknife than you do in a smaller community. We do not have that information available readily. What I can do is see what we can put together. It might be possible to put at least some rudimentary indicators together. I think I understand the Member's question and the Member's concern. What you are asking is, do people have a better advantage in Yellowknife to protect their rights than in a small community? So, I will try to get something together for the Member.

CHAIRMAN (Mr. McCallum): Mr. Gargan.

People In Small Communities At Disadvantage

MR. GARGAN: Yes. Just on crime statistics for Fort Providence, for example, from the detachment in Fort Providence. There was a total of 51, I believe, different types of crime. Out of those I do not really know how many resulted in a conviction, but it is quite high. I just have a concern that the people in my own community are at a disadvantage when it comes to justice. We used to have a native courtworker in Fort Providence; unfortunately that particular position has been taken away from us quite some time ago now. I do not know whether, to make some type of equalization of justice in the North, the Minister has considered maybe implementing more native courtworkers in the communities.

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

HON. MICHAEL BALLANTYNE: I think we recognize in the department, as I said earlier in response to Mr. Nerysoo's question, there are some obvious problems in providing an equitable justice system in smaller communities. It is more difficult, yes. To answer your question, I think that there are obvious advantages to living in a big centre when you have full access to all the resources to give you that protection.

As far as the individual case of Fort Providence, I am not sure of the status. You say that the native courtworker is no longer going there. I think it is something we can look at. My understanding is that the board decides where the courtworker is going depending on the frequency of crime. Again, as to whether or not we should put in more courtworkers, again it is a matter of resources. We have heard over the last six weeks some very real and I think legitimate concerns about a deficit. Though I can agree with you that there probably is a need for more resources out there, we just do not have it as a government. We just do not have the money and we are having a heck of a time just providing the services that we provide today. I think the Member's concerns are valid and a lot of our initiatives are trying to equalize some of those differences between the justice system in a big community and a small community.

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

MR. GARGAN: Thank you, Mr. Chairman. Just a point of clarification. When I said that we have not had the courtworker in Fort Providence for some time now -- I am more concerned about the North in general. Even though we use the term "justice for all", there are some disadvantages. I would hope that the department would look at the North as a whole and look at it objectively and be able to say, "Yes, there is a need for courtworkers and I think most of these communities need that service," and that they would look perhaps in that direction and come up with some kind of a solution. Certainly there is that problem that exists.

Territorial Police Force Suggested

Mr. Chairman, the other thing I did not get an opportunity to say with policing is that I understand that on a per capita base there is quite a bit spent on one individual RCMP in the North. At the same time, has the department ever considered -- ever since I became a Member I have been asking this every year and I will ask it again this year and that is whether this department has considered coming up with their own territorial police force. Have there been any studies done? Have there been any comparisons done with the public safety officers in Alaska or reserve police, where they hire their own police at the reserve level? What is the department's position on that? Because I believe we are spending quite a bit on the RCMP. Also we do have that rate 15 times higher than the national average of policing up here. So I am just wondering whether the department has a position or is forecasting something in the future. Thank you, Mr. Chairman.

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

HON. MICHAEL BALLANTYNE: Thank you. To answer the Member's last question, we are going to start renegotiating the police agreement, which ends in 1991. We will probably start next year. Our department does not have a position on it, no, and I do not think it should. The next government is going to have to make a decision as to whether or not they want to continue with an arrangement with the RCMP or if they want to provide their own police services. There are obviously good sides and bad sides to each decision.

One advantage, obviously, with the agreement we have with the RCMP now, is that it is, this year, 36 per cent paid for by the federal government. Now, it might well be that if we have our own police force, the federal government would not be prepared to pay any portion of it. That is a

possibility. Another advantage of the RCMP is that they are a fine police force; well trained, well equipped and they do their job very well. Now, if we had our own police force, it might not be, at least at first, up to that quality, which could lead us to some problems. On the plus side though, it would give us a lot more flexibility in hiring local people. We could have, I am sure, a much higher native component on a police force. We could gear the police force more toward the realities of policing in the North. So I think there are very valid points on each side. At this point in time, our department does not intend to take a hard stand on it and the next government, or the next Minister of Justice is going to have to sit down and get some direction from this Legislative Assembly in what way the Assembly wants to go. And that Minister will have to provide to the Assembly the pros and the cons of either decision.

I gave a brief reply to Mr. T'Seleie about the cost of policing in the North and it is more expensive than in the South, but the Member must recognize there is no other jurisdiction that is so vast, so huge. The cost here, because of that, and because of the actual high cost of living in the North, would be higher per capita than in the South.

CHAIRMAN (Mr. McCallum): Thank you, Mr. Minister. We will take a break.

---SHORT RECESS

Police Services Agreement, Total O And M, Agreed

I will call the committee to order. On the Police Services Agreement, total O and M, \$18,472,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Legal Aid, Total O And M, Agreed

CHAIRMAN (Mr. McCallum): Legal aid, page 9.12, \$2,790,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. McCallum): Mr. Richard, do you have a question or do you just want to leave the room?

---Laughter

MS COURNOYEA: Point of order.

CHAIRMAN (Mr. McCallum): Ms Cournoyea, point of order.

MS COURNOYEA: Mr. Chairman, I am sure that I appreciate your sense of humour when you are sitting over there but I would hope that when you are in the chair you conduct yourself as a chairman, because I believe you would not like that kind of action against you. Thank you.

Lawyer Support Services, Total O And M, Agreed

CHAIRMAN (Mr. McCallum): I do not know what point of order it is but we will go along with it. Page 9.13, lawyer support services, \$1,675,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Court Services, Total O And M, Agreed

CHAIRMAN (Mr. McCallum): Page 9.14, court services. Mr. Richard.

MR. RICHARD: Mr. Chairman, I understand that the judges of the territorial court have been in negotiations with the department regarding their salaries and benefits. Could the Minister indicate whether those issues have been resolved as yet? Thank you.

CHAIRMAN (Mr. McCallum): Mr. Minister.

HON. MICHAEL BALLANTYNE: Up to this point the issues have not been resolved but I will be meeting with representatives from the territorial court judges next week and we hope to resolve the outstanding issues in the near future.

CHAIRMAN (Mr. McCallum): Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman. I want information on the general trend of the court circuit costs in the Territories now that you have established a judge in Iqaluit. Have costs gone down?

CHAIRMAN (Mr. McCallum): Mr. Minister.

HON. MICHAEL BALLANTYNE: The judge in Iqaluit has not been placed yet and it will not be until a year from now that we can look at whether or not putting an extra judge in Iqaluit cuts down the overall court travel costs. We will be looking at that and have an answer next year.

CHAIRMAN (Mr. McCallum): Court services, \$5,043,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Consumer And Corporate Affairs, Total 0 And M, Agreed

CHAIRMAN (Mr. McCallum): Consumer and corporate affairs, page 9.15. Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. I notice on that organizational chart you have consumer and corporate affairs and they have a staff of 19. Is that just for Yellowknife or do you have someone dealing with consumers at the community level or in regions? We are having problems with a few people now because they have no place to go to complain about some of the things that they have bought, such as a skidoo which is under warranty but they cannot seem to contact anyone. Also one individual bought this boat and when the firm went under and the man left town and they turned around and sold that boat on him. There are things like that and they really have nowhere to go. Does that mean that they have to come to Yellowknife all the time or is there someone that they can contact at the community level?

CHAIRMAN (Mr. McCallum): Mr. Minister.

HON. MICHAEL BALLANTYNE: Mr. Chairman, it is another area that we have had a problem with because we have not had adequate resources there. We have two person years dealing with the whole NWT. I think they are doing quite well. They are getting newsletters out to the communities four times a year. Newsletters are going out and what is happening at the community level is that people are becoming more aware of consumer problems. We are looking at the possibility of -- and this will not solve the whole problem -- putting in a toll free number, where people in the communities could phone Yellowknife directly at no charge. But again, unless we have more resources to put in, more person years, there is a limit to what we can do. I have been impressed with a lot of the activity that is going on and I think they are doing well. The toll free number, if we can get that, should help. We were thinking of asking for a little additional help in this area, but we did not do it because we knew there was a limit on how much our department would be able to get.

CHAIRMAN (Mr. McCallum): Thank you. Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. How soon are they going to put this toll free number in? Will all the communities have access to this number?

CHAIRMAN (Mr. McCallum): Mr. Minister.



HON. MICHAEL BALLANTYNE: I just asked the department to look into it, so I do not have an answer on how long it will take but I will get back to the Member in the next week and give her an idea of the time frame for this.

CHAIRMAN (Mr. McCallum): Mr. Richard.

MR. RICHARD: Yes, Mr. Chairman, I have a question on consumer and corporate affairs but, before I ask this, I want to say for myself that I think you are doing an excellent job as the chairman, filling in for the regular chairman. I think, if we do not have a sense of humour in this sixth week of looking at this horrendous budget, then we would not be able to get through it. Perhaps, if other Members would like to volunteer to help you out, then they could do so with a straight face.

#### Consolidation Of Land Titles Offices

Getting to this item, Mr. Chairman, consumer and corporate affairs, in the past year or so, I have been inquiring of various Ministers about the desirability of consolidating the functions of the land titles office, the federal lands office, and the lands division within the Department of Municipal and Community Affairs. I appreciate that the larger issue of land claims has an impact on this notion of trying to rationalize these three different administrative offices that deal with land in this vast jurisdiction, but I believe sincerely, Mr. Chairman, that this is something that we should be aiming at and should be doing some planning on now, bringing the three offices together. During the meeting of the standing committee on finance, in the month of January, Minister Wray of Municipal and Community Affairs responded to this concern by indicating that the Department of Justice has the lead role in this project, so I would like to ask this Minister if he could indicate what is the long-term plan in this area, and precisely what, if anything, is being done at this time on this project? Thank you.

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

HON. MICHAEL BALLANTYNE: Right now, it is another one of our long-term projects. We are working on developing territorial land titles legislation. Because of the unique jurisdictional realities in the Territories, because the federal government controls 98 per cent of the land, the Commissioner controls a relatively small amount of land and the rest is controlled by municipalities, the problem is that it is going to be a while before we can get the federal government to devolve their responsibilities to us. There is that problem and I think the Member was correct -- until land claims and land selection are settled the whole area of what is and what is not municipal land is really open to question. I think that fundamentally it is a good idea. If you could get these three different offices as one, there is an economy of scale and size. Practically, I do not see it happening for two or three years. But I think it merits a further look and I have had just very brief conversations with Mr. Wray and we have outlined some of the problems. But if it is something that the Member feels strongly about, that is something that I do not mind pursuing. And at least let other parties know that we think there is some merit in the concept of amalgamating these different offices.

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

#### Proposed Territorial Land Titles Legislation

MR. RICHARD: Mr. Chairman, as long ago as the early 1970s, it is my recollection there was a proposal to take over the statutory responsibility for the land titles system. I recall as long ago as the early 1970s, in fact, draft legislation for a territorial land titles act being circulated. That is only one part of this very complex issue, but it occurs to me that 15 years later we do not seem to have moved an inch toward taking on that function. As I say, as I see it, that is only a part of the overall issue to somehow bring together the, in effect, three types of administration systems for the issuing of title to land or the holding of leasehold title. So I think I have the impression that nothing has been done. I do not purport to suggest that the solution can be achieved overnight. It is definitely a long-term project, but I would like to see something done to rationalize this process. Thank you.

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

HON. MICHAEL BALLANTYNE: The Member is right. This process has gone back a long time, but unfortunately some of the stumbling blocks that were there 10, 12, 14 years ago are still there now. And there have been 11 drafts of the new legislation. The major concern has been expressed

by aboriginal groups about the devolution of a federal responsibility to the territorial government in this area before land claims. And that is the same concern now as it was then. Because of that and because we are, right now, having some major problems in other areas of devolution, I for one, and perhaps wrongly, did not think that this should be a high priority. We are running into a lot of opposition. So it has essentially been put on the back burner. That is the reason and maybe I was incorrect in my assumption, but it has not been a major priority of the department.

CHAIRMAN (Mr. McCallum): Mr. Richard.

MR. RICHARD: Mr. Chairman, in fairness, Mr. Wray is not here, but I made a note of one of his responses, I do not have a date on it, where he indicates that Justice has the lead role in this project. Perhaps I should ask the Minister, what is the project with which his department is associated and has the lead role?

CHAIRMAN (Mr. McCallum): Mr. Minister.

HON. MICHAEL BALLANTYNE: Unfortunately, I was not at the meeting and the only project that I am aware of and I think the only thing that Mr. Wray could have been referring to is the development of this legislation, the territorial land titles legislation.

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

MR. RICHARD: Just so it does not fall through the cracks. I appreciate that there is going to be an issue of the concern of the aboriginal peoples at this time when land claims are not settled. There has to be input from them or the concern has to be addressed, but could I ask the Minister to look into the work -- if anything has been done -- on consolidating the functions of the land titles office, the lands office within Indian Affairs and the lands division office within Municipal and Community Affairs and whether anything has been done on that issue, of consolidating those functions? I appreciate that it is a long-term project. If the Minister could undertake to look into it and advise myself or the Assembly of where the government is at on that issue and whether they intend to take any steps in the foreseeable future. Thank you.

CHAIRMAN (Mr. McCallum): Mr. Minister.

HON. MICHAEL BALLANTYNE: Certainly, Mr. Chairman.

Consumer And Corporate Affairs, Total O And M, Agreed

CHAIRMAN (Mr. McCallum): Consumer and corporate affairs, page 9.15, total O and M, \$849,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. McCallum): Page 9.16, safety division. Mr. Minister.

HON. MICHAEL BALLANTYNE: Mr. Chairman, I think the Members are aware of part of the reorganization of the department. We set up a public services component of the department and the ADM, Mr. Hewitt, reports to me on that. I wondered if I could ask permission for Mr. Hewitt to join us and if Mrs. Dundas-Matthews could be excused.

CHAIRMAN (Mr. McCallum): What is the wish of the committee?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. McCallum): Mr. Minister, for the record, would you introduce your assistant deputy minister?

HON. MICHAEL BALLANTYNE: Yes, Mr. Chairman. I would like to introduce Mike Hewitt, who is the assistant deputy minister of the public service component of the Department of Justice.

Safety Division, Total O And M, Agreed

CHAIRMAN (Mr. McCallum): Thank you. Safety division on page 9.16, total O and M, \$1,795,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Mining Inspection Services, Total O And M, Agreed

CHAIRMAN (Mr. McCallum): Page 9.17, mining inspection services, total O and M, \$679,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Liquor Board And Labour Services, Total O And M, Agreed

CHAIRMAN (Mr. McCallum): Page 9.18. Liquor board and labour services, total O and M, \$529,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Grants, Agreed

CHAIRMAN (Mr. McCallum): Page 9.19, detail of grants and contributions. Total grants, \$28,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Contributions, Agreed

CHAIRMAN (Mr. McCallum): Page 9.20, detail of grants and contributions. Total contributions, \$1,410,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Grants And Contributions, Agreed

CHAIRMAN (Mr. McCallum): Total grants and contributions, \$1,438,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. McCallum): Page 9.21, detail of work performed on behalf of third parties. Are there any questions on page 9.21? Mr. Richard.

MR. RICHARD: Mr. Chairman, with respect to the implementation of the COPE agreement, the reference at the top of the page. There is a study referred to there and also the filing of land titles. Who in fact carries out that work? I believe it is federal government money, but who carries out the work?

CHAIRMAN (Mr. McCallum): Mr. Minister.

HON. MICHAEL BALLANTYNE: One of our lawyers carries out the work, Mr. Chairman.

CHAIRMAN (Mr. McCallum): Any further questions? Mr. Gargan.

Safety Education Program

MR. GARGAN: Under the safety education program, I just have a concern that I would like to bring to the attention of the Minister. The Mackenzie highway is starting to get dusty and there is a lot of gravel flying when these semitrailers and these 16-wheelers are on the road and they do throw up a lot of gravel. Just about every winter I have to change my windshield when I am travelling with my own vehicle and I do not know how to deal with this. I know the people complain a lot in Providence about these huge trucks that do not actually slow down -- because now that the road is not slippery any more and there is a lot of good traction, these vehicles just bomb up the road and there is no way that they slow down. We actually have to come to a complete standstill every time we pass those and it still does extensive damage to my windshield. I thought maybe I would bring that to the attention of the Minister because whether they put flaps on the back of their wheels or something -- I do not know how you could address that particular issue. It is an issue that has never really been addressed properly, and, perhaps, this is something that the Minister might want to look into because I am concerned.

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

HON. MICHAEL BALLANTYNE: The problem is more than a problem of the safety division; obviously, it involves DPW and it involves the RCMP. I think I will bring it to the attention of the relevant Ministers and, again, I will talk to the RCMP about ensuring that they enforce speed rates out on the highway. We know there is a problem.

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

MR. NERYSOO: Thank you, Mr. Chairman. Is there information that is provided to employees, or is there the necessary legislation in place to enforce provision by individual employers of occupational safety measures for handicapped individuals? I do not believe that that exists and I am wondering whether or not, even under the safety education program, we might be able to make employers aware that there is a need for them to provide occupational safety measures on the work site to address the needs of those handicapped individuals.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: I am not 100 per cent sure that I understand the question. The Safety Act and provisions of the Safety Act apply to everyone, including handicapped people. Maybe, if the Member could give me an example of what sort of provisions he had in mind, I might be able to answer the question a little bit better.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

Access And Safety For Handicapped Persons

MR. NERYSOO: Thank you, Mr. Chairman. First, the access by the handicapped to a particular site or, for that matter, buildings, that can allow them to get out and into and through the necessary facilities. I know, for instance, we have a very good worker in McPherson who happens to be in a wheelchair, yet none of the buildings in the community have any access for that individual to either work or, while she is employed, to really have the appropriate access necessary for safety reasons. If there is a fire in the building and she is working alone or, for that matter, if some of the elders who are not as fleet of foot, are in those buildings, it is going to be very, very difficult, in those particular instances, to provide the necessary access or service to ensure that nothing serious happens with regard to those individuals.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: Presently, under the National Building Code, proper access for handicapped people is required and we enforce that code. The problem lies with the older buildings, the existing buildings, and the problem has been that the cost to retroactively impose the new standards would be exorbitant. So this government has not taken that step to attempt to retroactively impose the new code. All the new buildings that are being built now, are built with proper access for handicapped people.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

MR. NERYSOO: I will not debate with the Minister but I can indicate to you that the Inuvik regional office recently moved a number of departments into a new office building that, in fact, does not allow access into the second floor of that particular building, for handicapped people. And in fact these were two of the most important departments, Education and Social Services, to which most handicapped people need access. Yet they are on the second floor with no access to those particular departments, and Economic Development as well.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. MICHAEL BALLANTYNE: I can see what the problem might be. My understanding is that the code requires that a building has provision for access for a handicapped person to work in the building. So I could see a potential problem with a configuration within the building whereby that access may be only to the first floor. What you are saying is that the department may have the second floor and that access is not provided. So I can see that as perhaps a weakness in the code.

CHAIRMAN (Mr. Gargan): Any further questions? Page 9.23, Department of Justice, revenues, recoveries and transfer payments. Those are information items. Are there any questions?

Total O And M, Agreed

We will go back to page 9.09. Total O and M, \$33,213,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Does the committee agree that the Department of Justice is now concluded?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. I would like to thank the witnesses and Mr. Minister. We will now turn back to the Executive, page 2.11. I would like to also recognize Mr. J.C. Heath who is in the gallery. He is the chairman of the Public Utilities Board.

---Applause

Mr. Butters, would you like to make any opening remarks?

HON. TOM BUTTERS: Yes, I would like to return to page 2.11 and conclude the two boards referred to there, the Public Utilities Board and following that the Highway Transport Board, both of whom are served by Mr. Dale Thomson, as secretary.

Department Of The Executive

Ministers' Offices, Public Utilities Board And Highway Transport Board, Total O And M

Minister's Opening Remarks

The board is a regulatory agency authorized under the Public Utilities Act, which regulates electrical and gas utilities in the Northwest Territories. The board is composed of five public appointed members and has a support staff of four public servants, which are shared with the Highway Transport Board.

The 1987-88 operations and maintenance budget for the combined operations of the Public Utilities Board and the Highway Transport Board is \$413,000, an increase of \$35,000 over the 1986-87 budget. The increase represents \$18,000 in salaries, which is shared equally with the Highway Transport Board, and \$17,000 in other expenses, of which \$10,000 is for honorariums and travel expenses especially related to the Public Utilities Board. That concludes my opening statement, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Are there any general comments with regard to the Highway Transport Board or Public Utilities Board? If not, does the committee agree then that the Department of the Executive is concluded?

---Agreed

Ministers' Offices, Public Utilities Board And Highway Transport Board, Total O And M, Agreed

Does the committee agree that the Ministers' Offices under the Executive is concluded? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you.- Page 2.16, Energy, Mines and Resources Secretariat. Mr. Butters.

Energy, Mines And Resources Secretariat

HON. TOM BUTTERS: Thank you, Mr. Chairman. I would like to move to the witness table to give a few opening remarks. I would be grateful if the committee would permit me to bring into the ropes Peter Hart, who is the secretary of the Energy, Mines and Resources Secretariat, and Eric Nielsen, our senior financial officer, who has been charged with the negotiations with Canada regarding the devolution of NCPC.

CHAIRMAN (Mr. Gargan): Does the committee agree that the Minister make his opening remarks and bring in his witnesses? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Mr. Minister, you can go ahead with your opening remarks.

Minister's Opening Remarks

HON. TOM BUTTERS: Mr. Chairman, the Energy, Mines and Resources Secretariat is responsible for providing the Executive Council with advice regarding policies and strategies relating to energy and mineral matters. Members are aware that these two sectors are major contributors to the NWT economy. Recent adjustments in world markets have led to serious losses in both industrial sectors.

Over the last year it has become increasingly obvious that the Government of the NWT will have to take a more supportive position with respect to these industries to foster an increase in their contribution to the territorial economy. For this reason, the objectives of the secretariat have grown to include the development of measures to encourage and promote industrial development in ways that meet local and territorial aspirations.

Person years will grow by 2.5 in 1987-88, with one new position being dedicated to each of the minerals and oil and gas sectors. In addition a half position is being granted to meet the secretariat's increased clerical load. Salaries and wages have been increased by \$113,000 to provide for these new positions and normal salary adjustments.

Contributions are provided to development impact zone, DIZ, groups for their operating costs, to match similar funds from industry and the federal government. These organizations ensure full communication between communities, industry and government on resource development matters. Due to operating efficiencies which have been put in place by the DIZ groups, which reduces their need for funds, \$200,000 has been released from the budget. O and M requirements increased during 1986-87 to provide for the preparation of this government's position on the purchase of NCPC and for the northern accord. O and M requirements for 1987-88 have decreased by \$200,000, reflecting the completion of our position on NCPC. Revenues are received by the secretariat for co-ordination of the GNWT participation in the Northern Oil and Gas Action Program, and for projects under the program. The decrease in 1987-88 revenues of \$40,000 reflects the scheduled completion of projects. In summary, the Energy, Mines and Resources Secretariat's total expenditures have fallen by \$287,000.

Progress Report On Negotiations For Devolution Of NCPC

The Commissioner, in his opening remarks some five weeks ago, indicated that I would brief the committee on the progress that has been achieved regarding negotiations with the federal government on the devolution of NCPC. I think all Members are aware that the Yukon Government has completed its utility transfer negotiations. The signing of the Yukon agreement should allow the Government of Canada to concentrate exclusively on the NWT transfer negotiations, and it establishes a benchmark against which federal and GNWT negotiating positions can be judged.

When considering our negotiations one should remember that the NWT operations of NCPC are much larger and more complex than those of the Yukon. In NWT we have many separate diesel-based electrical systems, over 80 per cent of NCPC's operational employees, and 90 per cent of NCPC customer accounts. We have water, sewage and heating systems, in addition to NCPC's electrical operations. Finally, NWT utility organizational considerations have been a major issue.

Despite all these complications, we were able to forward a detailed and wide-ranging transfer proposal to the federal government on December 12th of last year. We are involved in continuing a detailed analysis of the anticipated performance of the NWT Energy Corporation under a range of different financial and economic circumstances. This work is extremely important because the expected viability of NWT Energy Corporation will determine the transfer value of NCPC assets.

Perhaps the most single critical factor determining future utility viability is the level of plant and equipment replacement required over the next several years. This is because the money needed for replacements must be collected through power rates. Unduly large increases in rates to NWT consumers, due to capital requirements, are unacceptable. My Executive colleagues and I are concerned that much of the existing NCPC plant and equipment may not be in very good condition. If this is so, that fact will affect the financial terms under which we would accept utility responsibility. As a result of these concerns and our requirements to determine the current condition of the assets, Northland Utilities, an independent utility specialist, has been contracted to conduct an asset appraisal of NCPC plant and equipment in the NWT. The cost and urgency of this appraisal required special warrant funding. I will elaborate further on this point in the House when supplementary appropriations are being discussed.

The head office location decision has not yet been made by the Executive Council. We do not want to raise the hopes and expectations of communities prior to having assurances that we can reach a successful conclusion to financial negotiations. I know that the public attaches a great deal of importance to the issue and I am undertaking further research in this area to ensure that there will be a thorough cost-benefit evaluation prior to the decision. That evaluation is going on and, I would hope, it should be concluded within the next couple of weeks. That concludes my opening remarks, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Energy, Mines and Resources Secretariat. Mr. Richard, general comments.

MR. RICHARD: Mr. Chairman, I did not quite catch all of the Minister's opening statement, but I want to ask him about the current time frame. We were aiming for March 31, 1987, which is next week, and the Minister may have commented.

CHAIRMAN (Mr. Gargan): I am sorry, Mr. Richard.

MR. RICHARD: It is okay, Sam, as long as you keep your sense of humour -- that is what is important.

I am not sure if the Minister commented on whether or not there is a new target date set now but, in the context of March 31, 1987, I think it is clear to us now, on March 19, that that is not a realistic target date and it probably should have been clear to the Minister and his officials a few months ago. Although the Minister indicated, you know, that he would give some more details about this special warrant when we consider the Supplementary Appropriation Act, No. 4, tomorrow or

the next day, there is a question raised, in my mind at least, as to what the urgency was, back on January 9, of obtaining \$300,000 by special warrant to do this appraisal of the assets of the power commission.

On the one hand, Mr. Chairman, it occurs to me that we should have known sometime last year that we wanted to appraise the assets of the power commission. On the other hand, surely the Minister would agree with me, that on January 9 when the special warrant was approved, there was not an urgency to meet the March 31 deadline because, clearly, that deadline was no longer on the table. So I would ask the Minister to comment on that, appreciating that it is getting into an issue that is involved in supp number four, but at the same time, could the Minister indicate who is doing this appraisal of the assets of the Northern Canada Power Commission?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, Northland Utilities is doing the appraisal. The requirement was on the table on January 9, and I would just backtrack a bit to give the Member a few pertinent dates.

The March 31 deadline, which was signed between this government and the federal government and the Yukon, as well, in 1985, was to develop an agreement in principle and that the following year would see the implementation of that agreement. I had hoped that we might be able to meet that deadline when I took to the Executive, at the end of November, our opening position. We had had an exploratory negotiating session with the federal negotiator. The Executive approved that opening position, I believe, on December 5. It was taken to Ottawa and provided to the federal negotiators on December 12. They met on December 15; and, after a full day's discussion, the federal negotiator indicated to us that they would like to consider the proposal at some length, and that they would be going to the cabinet in the interim and would try to get back to us with all possible haste. I had hoped that they would have got back to us much sooner than they did, which was sometime about February 12, at which time they indicated that our opening position was not acceptable. I think in January, I had begun to realize that the March 31 expectation of an agreement in principle was optimistic and I was beginning to look at June.

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

#### Concerns Relative To The Yukon

MR. RICHARD: Mr. Chairman, from the Minister's understanding of the negotiations with the federal government, is one option that is open to the parties -- I guess, particularly, our government -- not to proceed with this acquisition? Mr. Chairman, the Yukon deal appears to be a foregone conclusion and I would have a concern, Mr. Chairman, even if we are just out of sync with the Yukon, what is the effect of the Yukon's cutting their deal with the feds prior to our government's cutting a deal with the feds? That is one concern, even if we eventually do make a deal. The other one is, what is the effect of there just being no conclusion to the negotiations with the feds on our acquisition of the assets and the operations? Is that an option that is open?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the Yukon timetable was -- and I should just provide this for your information. They had developed their position by December of 1985. They started negotiations in June of 1986. In September, Mr. Penikett and Mr. McKnight indicated that they expected that they would achieve agreement in principle by October 31 of last year. They did not reach an agreement until February 5. So that was their timetable.

The Member asks whether we are committed to deal. No, I think, and this is one of the concerns I had when I responded to him, on choosing the headquarters location, that it would be soon. It was one of the concerns I had that if we do not deal, if we cannot cut a deal which is in the best interests of the people of the Northwest Territories, and if I have already indicated to a community that they would become the headquarters, then I would have raised expectations, maybe, unnecessarily and harmfully. The Executive has said that we have to ensure that the deal is in the best interests of the consumers in the Northwest Territories before we go ahead.



Balance Sheet Of NCPC In NWT Shows Profit

There is one other question, Mr. Chairman, which I do not think I answered. I think we are the ones who are being approached by the federal government. If we cannot get a satisfactory arrangement, then I do not think that we have to deal. One of the difficulties is the balance sheet of NCPC on the NWT side. It has shown a quite nice profit, thank you, for the past five or six years. When I met with the Hon. Barbara McDougall, the Minister for Privatization, in January, my feeling was, following that meeting, that the federal government and Ms McDougall and her privatization committee are looking at NCPC as a private enterprise which is doing very well and at the present time is a profitable enterprise. I tend to think that there are certain things that have occurred in the recent past, such as the Pine Point shut-down and some of the other rate arrangements, that I would want to see brought to the federal government's attention to point out that it might not be such an up-and-coming enterprise.

CHAIRMAN (Mr. Erkloo): Mr. Richard.

MR. RICHARD: Mr. Chairman, if the federal government is keen on shedding this crown corporation, is there a risk that if we are unable to cut a good deal as the transferee or the purchaser, that the federal government and Ms McDougall and her committee will sell or transfer this profitable crown corporation, if Ms McDougall sees it as that, to a third party?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: I remember the question the Member asked previously with regard to the precedent being set by the Yukon arrangement. Mr. McKnight, speaking in the Yukon when the deal was concluded, in response to a question from the press, indicated that, no, the arrangement that had been concluded in the Yukon would not be disadvantageous in a precedential sense to the NWT. I remember hearing him say that.

With regard to Ms McDougall, when I met with her in January, I invited her to the NWT and I believe that I have been successful in encouraging her to pay that visit. So it is my expectation that I will have an opportunity to indicate to her in the very near future the reality of just providing power to the NWT.

The last question was: Is there a risk? Not that I have heard at the present time. Obviously that is an option open to the federal government at any time. But I tend to feel that there will be full and complete discussion, negotiation, consultation, between the federal and territorial governments. I am quite sure that Mr. McKnight's objective is to obtain the determination described within the memorandum of understanding which we both signed in 1985.

CHAIRMAN (Mr. Erkloo): Thank you. Any more general comments? Mr. McCallum.

Debt Load And Employees

MR. MCCALLUM: Just along the same lines, Mr. Minister. Were the deal to go through whereby this government would take over what is left of NCPC, there are two questions I would have. First, about the debt load, how the present debt load of NCPC would be divided. For example, what percentage did the Yukon take over of the existing debt load and what would be the NWT's share of that debt load? Secondly, the question of employees, dealing with the Yukon takeover. There may have been some employees with that deal who did not stay on with the Yukon government. If that were to happen with the NWT, would this government have to make compensation for those employees or would it be the federal government that would have to look after that compensation? That is, on payouts or severance pay. Is there any arrangement by which the employees that are with NCPC -- are there arrangements that this government has to take on these employees?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: The memorandum of understanding indicated that both governments would do everything possible to ensure that the existing employees of NCPC would be dealt with fairly and humanely. Our expectation is and would be that the 80 per cent of the commission's people who work in the NWT, who are currently producing our power, would continue to be desired by us to produce that power. So our expectation would be that those employees' positions would be required by us on such a transfer and devolution.

The first question, with regard to the debt load. Obviously, that is a question currently under negotiation and we are working on that. If one used the Yukon precedent, in the Yukon situation they began with a debt of \$142 million with a debt write-down of \$47 million and a debt after write-down of \$95 million. Just looking at the flexible and hard debt in the case of the Yukon, it was \$40 million flexible and \$16 million hard. So the net price paid for NCPC would be \$75.5 million. If you extrapolate that formula to the NWT -- and that is all I am saying, extrapolating a Yukon situation to the NWT -- on the total debt of \$102.3 million with a write-down of \$19.9 million -- that would give a debt after write-down of \$82.4 million. Then looking at, again, the flexible and hard aspects of the debt, there would be a flexible debt of \$34.6 million and \$14 million hard, with a net price for the NCPC of \$65.5 million. But as I say, that is just using the Yukon formula.

CHAIRMAN (Mr. Erkloo): Mr. McCallum.

MR. MCCALLUM: Thank you, Mr. Chairman. In relation to dealing with employees, I can appreciate that were this government to take it over that they would do everything for it. Have overtures been made to existing employees in the NWT now hired by NCPC, to come on strength in a similar manner as has been done with forestry or with any other department that would be devolved to this government?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

Letter Of Comfort To Present NCPC Employees

HON. TOM BUTTERS: Obviously, we are not that far along in our negotiations that we could begin to make a firm offer. We are aware of the concern of employees and to that extent, Mr. Nielsen and I have travelled to the head office in Edmonton and have spoken to people there. I have spoken to members of the union here and indicated our keen interest in ensuring that our operating staff are not left adrift. And I did provide a very general letter of comfort some two months ago to employees, indicating that if we are successful, we are interested in the services they are currently providing and we would wish to see such services continue to be provided us. A letter of comfort is about as much as I have done to date.

CHAIRMAN (Mr. Erkloo): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. With regard to employees of NCPC, has the Minister received a commitment on the part of the corporation that they themselves are not going to reduce their staff complement in the midst of the negotiation process? I raise this because it could have a bearing on the number of person years that are transferred or open for negotiation during discussions at the table. I have a concern that we could have a situation where we lose those individuals and lose professional staff that could be of service and of necessary support to run a transferred corporate structure in the Northwest Territories.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: The Member asks a very pertinent question and it has been a concern of ours. As I say, Mr. Nielsen and I travelled to Edmonton very shortly after we had set up the negotiating team and spoke with staff there and I have spoken with the representatives of the union here. The major problem related to these negotiations, and that alludes to the question raised by Mr. Richard, is that if there is no deal, then we have raised a lot of expectations out there among both management and staff and maybe have prohibited managers from continuing to manage and staff from continuing to operate. So we have had to point out that negotiations are ongoing. We will advise them as soon as we can with regard to hard progress but have suggested that, regrettably, for them it is business as usual, and they are going to have to continue to make the management and operating decisions that they have been making over the last three or four years, while the matter is under discussion and consideration.

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

Decisions In The Midst Of Negotiations

MR. NERYSOO: Thank you, Mr. Chairman. I do not wish to have a situation where the present corporation is not making decisions that are of a proper financial nature, nor do I raise the concern to in any way cause problems for the managers that are presently employed by NCPC. But I

do have concern with regard to decisions in the midst of negotiations that, upon further review, would have this government realize that there was a need to retain those individuals in order for us to provide the same type of service that is presently being provided.

Further, Mr. Chairman, it could be that the reduction of person years could in fact be in smaller communities -- smaller communities where generally the majority of people that are employed and are capable of providing the service are native people, or they are people who have been born and raised in those particular communities. So I just have a concern that business as usual may in fact may mean a reduction in staff that could have a bearing on the type of service that is provided to the residents of the communities throughout the Northwest Territories. And in fact, may cause the government to rethink the discussions and to rethink whether or not it is even viable for us to provide the type of service that it is necessary to provide.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: I would expect that the Member's concern is maybe overblown. I would say that the staff who are probably most at risk are those persons who work and reside in Yellowknife in the head office. I feel that the people who are currently operating the plants in the Northwest Territories are all required and I would not expect to see a reduction in their numbers. If anything, as loads increase, I would expect to see the number of employees increase. I agree with the Member, and I guess I did not advise him fully. I have sent a letter of comfort. I do not have it with me, but it would indicate to operating employees that my expectation would be that their services would be required under a devolutionary arrangement. I wanted to assure them of that and as I say, at the present time, it is a letter of comfort only, but I could probably provide a copy of that letter to the Member to see whether he feels the terms are realistic in view of the current negotiating situation.

CHAIRMAN (Mr. Erkloo): Mr. Nerysoo.

#### NCPC Personnel Decisions

MR. NERYSOO: Thank you, Mr. Chairman. Maybe I can then point out a specific -- I do not know what the circumstance is, but rumours. Rumours are that, for instance in the community of Fort McPherson, from a staff complement of seven, there has been a decision made by management to reduce that, even though the responsibility of that particular group of individuals also includes running the plant in Arctic Red River. The other thing is that this particular group of individuals has the responsibility of maintaining the water system in the community. So, if it is a rumour, so be it. But if the case is that management has made a decision to reduce the staff complement in that community, I think, from having had an opportunity to review the responsibilities of that group of individuals, it is going to be a reduction in service, not only in Fort McPherson, but also a reduction of service in Arctic Red River. I think that it is necessary for our government to be made aware of those decisions that are being made and of plans NCPC has with regard to its management of the personnel of the Northwest Territories. It should be information that is provided at the negotiating table as opposed to decisions being made in the process of "business as usual" decisions, so that we are aware that those decisions are being made.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, that information will not be available at the negotiating table unless asked for, but I will enquire of the headquarters in Edmonton -- I made an error in saying Yellowknife earlier -- first thing tomorrow morning and pursue the concern raised by the Member.

CHAIRMAN (Mr. Erkloo): Thank you. General comments. Energy, Mines and Resources Secretariat, total O and M, \$1,365,000. Mr. Richard.

MR. RICHARD: Mr. Chairman, just to leave the NCPC question. In this secretariat, I believe, is the place where the \$200,000 in grants to the development impact zone societies -- now, I appreciate that this has been reduced from \$400,000 to \$200,000 from last year to this coming year. I am wondering, what is the balance of the \$200,000 going to be used for? The proposed expenditure of \$200,000 for this coming year -- which DIZ group is active and is going to use that?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

Two Active DIZ Groups

HON. TOM BUTTERS: Mr. Chairman, there are two active DIZ groups. One is the Beaufort/Mackenzie DIZ group and the other is the Mackenzie/Great Bear DIZ group. In my opening remarks, I indicated that some economies had been affected by marrying the regional council initiatives with the two DIZ groups. Before I respond to the question I would mention that we have experienced difficulty this year in that the original budgets for the Beaufort/Mackenzie group, which was \$164,500, is short because we have not yet received the federal government's contribution of \$55,000. With the Mackenzie/Great Bear DIZ group there was \$150,000 allocated this year and in that case we have not received the federal government's \$68,750. We are hoping that those amounts will be provided, but it is getting awfully late in the fiscal year.

The budget has been reduced for the next year. I did, on receiving this responsibility, go to Calgary and talk with those companies that are contributing and found them still supportive of putting funds into the development impact zone groups. However, contributions would be reduced and we are looking at, instead of two meetings in the year, one meeting in the next fiscal year. But all the companies said that should the requirement for the DIZ groups to meet -- say, there is an application to extend the pipeline from Norman Wells, or that there is some increase in activity in the Beaufort DIZ area -- they all agreed that they would be willing to increase their contribution. The federal government would appear to be the problem, although they have indicated, just as they did a year ago, that that money would be available. For the Beaufort/Mackenzie Delta DIZ group, we are looking at \$75,000, of which this government will contribute one third and for the Mackenzie/Great Bear DIZ group, we are looking at \$85,000, of which the territorial government will contribute one third.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Energy, Mines and Resources Secretariat. Mr. McCallum.

MR. McCALLUM: The Minister will recall that during the standing committee on finance meetings, I had suggested that within the Economic Development and Tourism budget there was a person year with salary and related O and M costs totalling \$100,000. I suggested at that time that that particular PY and the attendant dollars may be better placed in this particular secretariat. He is asking for 2.5 PYs here and I wonder if he could give me any indication whether he had discussed this with his colleagues, and did anything come out of it?

Obviously it has not, but I would like some idea why you were not able to get that PY. You are asking for 2.5 PYs, which includes a steno -- and I expect that is part-time -- an oil and gas adviser, somebody to deal with the non-renewable mineral development, and I would like to know what really was required of the PY in Economic Development. Thank you.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

EMR Secretariat Operates In Area Of Policy And Programs

HON. TOM BUTTERS: Mr. Chairman, I think in the standing committee on finance, I responded very positively to the Member's suggestion and later, when I discussed it with my colleague, Mr. Curley, he indicated that he was looking at increasing positions in his department for people associated with the mining industry. But the increase was not in the policy area, it was in employment and employing people to a greater degree than currently occurs. The Energy, Mines and Resources Secretariat is operating in the area of policy and programs and the people that we would require would be assigned in the policy area, not in the role of finding jobs or preparing people for industry or getting a greater degree of local involvement in the mining industry. So I was not successful in encouraging him to look at that. Mr. Hart just reminded me -- also fostering the growth of the mining industry itself. This minerals policy man or woman that we would be looking at would be, I guess, working in view of the Minister's challenge to us to accept a greater degree of involvement in the mineral industry management in the NWT. We would use this individual to see whether or not we could take over a greater degree of responsibility than we currently accept.

CHAIRMAN (Mr. Gargan): Mr. McCallum.

MR. McCALLUM: The Minister will recall that when we discussed this in the standing committee on finance, I agreed with him that it should be. I agreed that at the time this would likely develop into some kind of a department because of the ever-increasing difficulties. I am not talking about

taking an individual. That particular person year was vacant last year in Economic Development. You want somebody to formulate strategy, policy and provide advice. The non-renewable resource person in Economic Development was there to promote non-renewable resource development and recommend terms for socio-economic agreements, which I suggest would be in terms of policy as well. That PY is there but there was nobody in that position last year in this government. The individual went to another task -- north warning system co-ordinator. We are not talking about taking that individual. I am saying that you want two PYs, you do not have anybody in them yet. This PY was not used last year. Instead of asking for 2.5 PYs, why do you not take the one from Economic Development and then you only ask for 1.5? You can take the \$100,000 with you, too. I do not understand why you cannot make that deal.

We have the new EDA agreements that list half a dozen different subagreements, one of them in renewable resources, in small business and they go on. This is dealing with non-renewable resources and whether there is anybody in it or not, I am simply saying, take the PY. I am not talking about the individual that is there. He already has a job. He is doing the north warning system; that is why they wanted us to approve that position this coming year. I do not understand why they want one for the north warning system and one for non-renewable resources, but they have not got anybody in it. They have not had anybody for a year. You have 2.5 PYs for policy development. I am not talking about taking the individual out. If that individual is happy in what he is doing as north warning system co-ordinator, fine. But the PY is still empty there and that is the point I am making. Simply switch one. I do not understand why you are asking for these extra person years. You may be able to get three people out of 2.5 PYs.

CHAIRMAN (Mr. Gargan): Mr. Minister.

#### Greater Involvement Of Northerners In Mining Industry

HON. TOM BUTTERS: Mr. Chairman, there is a legitimate role within the Department of Economic Development for someone to provide encouragement for a developing mining industry. Mr. Curley has been very active in pushing the development of the flow-through shares and, as I mentioned, for a greater involvement of northern people in the mining industry. Economic Development is one of the key figures in the seminar on mining which is taking place next door. So I was convinced, when I spoke to Mr. Curley, that there is a legitimate role for that responsibility in Economic Development, which could probably be enlarged and may be enlarged in the future.

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

MR. T'SELEIE: Mr. Chairman, I would like to ask the Minister about the northern accord. I would like to know what it is and whether the Minister has plans of a certain date when he wants to conclude a northern accord -- all of those things.

CHAIRMAN (Mr. Gargan): Mr. Minister.

#### Proposed Northern Accord

HON. TOM BUTTERS: Mr. Chairman, the question, what is it? It is a very good question. I am not sure if I know exactly what it is. Before Christmas I went to Nova Scotia and Newfoundland to talk with politicians and officials in both of those jurisdictions relative to the accords that have been developed there. And especially, or obviously, as they own their own resources, they are in a situation a lot different from what we are in. But they do have the situation where they do not own their offshore resources. In both cases, the accord has developed a way in which the jurisdiction, say Nova Scotia, can jointly with Canada provide management to those resources off Nova Scotia's coast and also develop a fiscal arrangement with Canada by which certain returns from those resources, when they are realized, can accrue to the Nova Scotia treasury. Now, both those accords, the Newfoundland and the Nova Scotia accords, have been put in legislation, but as yet they require mirror legislation on the federal side and in neither case have they been nailed down.

Now, in the Northwest Territories, we have the additional problem in the sense of an accord in that not only do we not own our offshore resources, but we do not own our subsurface resources. The federal Minister and the Conservative government, to their credit, have been very much interested and willing to devise and determine a way in which the Territories can be involved in a management situation and also in a fiscal arrangement situation, with regard to the development of resources

onshore and offshore. The federal Minister hired from outside of his department an individual, Russell Banta, whom I think everyone has met. He has been in the Territories very frequently over the last year or nine months, met with the government and any other interested individuals, native organizations, and examined this whole matter of what might be a working arrangement that could be put into place between this government and the federal government. His initial projection was that such an arrangement would take three years for both the fiscal and the management arrangements. When I first met him just before Christmas, I was working on a three year schedule as well.

#### Consultation With Aboriginal Organizations

I think it was January 20th, I had a meeting with Mr. McKnight and on that occasion I rode down to Ottawa with the president of the Dene Nation and had a good opportunity to discuss with Mr. Kakfwi the progress being made in the claims of the Dene and Metis. Prior to that time, the Dene and Metis had great expectations of achieving a generalized interest, which would allow an accord to go ahead without a great deal of trouble. At about the same time that I was meeting with Mr. McKnight, Mr. Kakfwi was meeting with Mr. McKnight also and, I think, was told that the generalized interest would not go and that something else would have to be put in its place. Both Dene and Metis negotiators were told that they should look at the possibilities of working closely with the territorial government to set up an accord which would give them management input into the development of resources in the area. I received calls from both the Dene and Metis negotiators. I spoke with TFN representatives and have received communication from the Inuvialuit Regional Corporation, which is extremely interested in the possibilities of an accord.

Now, if Mr. McKnight's intentions come to pass, it would seem that he would like to see the schedule moved up and that we try to develop accord arrangements much sooner than originally anticipated. So we will be meeting with these various groups in the near future to determine just what shape the accord would take and see if we can come to some agreement and accommodation on making it fly. Obviously it requires the support of all the native groups. It is not a government initiative alone. It has got to be a joint initiative to be worked out with the federal government. I probably have not explained myself too well, but I have been caught a little bit by surprise in that the Minister's timetable seems to have been accorded and he is expecting, I think, that we would try to move quickly on it. I am going to try to do that and to obtain that objective. As I say, I have been in communication with native groups to begin some discussions on what would be possible.

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

MR. T'SELEIE: Mr. Chairman, I want to thank the Minister for all that information. I would like to ask about a figure in the O and M book -- the figure of \$524,000 for other O and M. That does not include the \$300,000 that the standing committee on finance saw the other day for someone to do an assessment of the assets of NCPC, I take it. If it does not involve that figure of \$300,000, then I would like to ask why. It seems to me that the O and M for this secretariat is awfully high. I just got a note from the chairman, who is not able to ask any questions, wanting to know if you are still interested in hiring Peter Lougheed.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, I have your note. First, Mr. Chairman, the \$300,000 that was mentioned is not included in this particular item. It will come up in supp number four.

#### Development Of Framework For An Accord

Yes, we have hired Mr. Lougheed and part of that relates to that requirement although the bulk of it, \$321,000, is associated with travel and other ongoing O and M associated with carrying out the function. I would like to just address the question with regard to Mr. Lougheed. He has been working on the accord since the beginning of December. He has worked with my staff and we have come up with the framework of an accord which we think might be used, that could be put in place quite quickly and quite reasonably. Mr. Lougheed and I will be meeting with the Dene and Metis negotiators sometime in the very near future to discuss an accord in relation to their expectations under their land claims. So that is moving along pretty quickly.

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

MR. NERYSOO: Could I ask the Minister if the framework of an accord could be provided to those Members who are interested in generally being aware and up to date on the issues that could be part of any northern accord? I will ask whether or not he could make that available to us individually.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: In a subjective or in a global sense, I could indicate to you the parameters that we will be examining with the federal government for an accord, both onshore and offshore, and give some indication of the type of co-operative management arrangement we might be looking at with the federal government. Obviously, fiscal arrangements are something that cannot be determined yet and would have to await much further discussions with the federal government. But I can give you kind of a framework on what we are looking at. Mr. Hart was suggesting that we would be providing briefings in the near future, but obviously if we rise tomorrow or Saturday, these briefings will not be concluded in that time. By the time we return after the recess, it may be too late. But I will provide a written framework for the Members.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. If I could also recommend to the honourable Member that those briefings might be appropriate during the upcoming session in May or June or whenever the timetable allows us to have those in this particular session, so that we are brought up to date with regard to the issues and discussions that have gone on.

Energy, Mines And Resources Secretariat, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Energy, Mines and Resources Secretariat, total O and M, \$1,365,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): We will turn back to page 2.09, Executive, total O and M, \$13,703,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Does the committee agree the Department of the Executive is concluded?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): I would like to thank the witnesses. Perhaps you might want to make your opening remarks, Mr. Butters.

HON. TOM BUTTERS: I would like to go to Finance next. My remarks are very short and I could probably provide them in the morning or, if we wanted to start now, we could begin with Finance and continue tomorrow.

CHAIRMAN (Mr. Gargan): Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): I would like to thank Mr. Hart and Mr. Nielsen for appearing. We are now going to the Department of Finance and I will ask the Minister to make his opening remarks at this time. Mr. Butters.

Department Of Finance

HON. TOM BUTTERS: I wonder if I might make my remarks from the witness table and ask that Mr. Nelson, the comptroller general, might join me. The other section of the department, the fiscal policy -- I do not know whether we will reach that, which is Mr. Nielsen's responsibility. We could leave it until we get there before we call him to the witness table. So, if Mr. Nelson could be permitted to enter.

CHAIRMAN (Mr. Gargan): Does the committee agree that Mr. Nelson appear?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Mr. Butters.

Minister's Opening Remarks

HON. TOM BUTTERS: The budget presentation of the main estimates for the Department of Finance for 1987-88 will reveal that more dollars will be expended and more dollars will be earned than in the current fiscal year. The 1987-88 O and M requirements of the department will be \$9.3 million, compared with \$8.6 million in 1986-87. Salary and wages will increase from \$5.4 million to \$5.7 million. Three new person years and casual wages account for \$170,000, while general salary increases will cost \$170,000. Other O and M will increase from \$3.2 million to \$3.6 million, reflecting growth adjustments of \$257,000 and price adjustments of \$120,000. These growth adjustments are primarily related to affirmative action, decentralization in the regions, and improvements to the government's collection systems.

Revenues, exclusive of the grant from Canada, are expected to increase to \$80 million, compared with \$76 million for the 1986-87 main estimates. Major increases in revenues accrue from tobacco tax, income tax and investment interest, offset by decreases in fuel tax revenues. The grant from Canada will increase from \$476 million in 1986-87 to \$520 million in 1987-88, in accordance with our formula financing agreement.

Person years will increase by 3.0 in 1987-88, a growth of two per cent over 1986-87 to 121.2 person years. Casual person years will increase by 0.1 to 8.0 resulting in a total of 129.2 person years for the department.

Major Changes

Major changes in the four departmental activities are as follows. Under administration, changes include adjustments for affirmative action, \$30,000; and for other O and M expenditures in Kitikmeot and Baffin, \$35,000. Under treasury, the major change affects the credit and collections task; this task will implement a computerized system for the improved collection of moneys, \$138,000. Under comptrollership, new person years will be added for a training officer and a payroll clerk, \$86,000; additional O and M adjustments relate to casual wages and other O and M expenditures in the regions, \$96,000. Under fiscal policy, a position has been transferred from the Financial Management Secretariat to address issues in the areas of intergovernmental relations; there will be the addition of a new person year for a secretary, \$40,000. The enlargement of the fiscal policy group stems from the increasing provincial-like financial responsibilities of our government.

In summary, total expenditures will increase by eight per cent in 1987-88, five per cent of which will be accounted for by approved growth adjustments. Person years will increase by two per cent. Revenues will increase by eight per cent, the majority a result of grant from Canada increases.

Before we move to general comments, I would like to correct an error I made in responding to Mr. Richard's question some while ago. The honourable Member for Yellowknife South asked what the limit of our government's borrowing authority was and whether the maximum allowable limit had been reached and whether the government was going to request an increase to the borrowing limit at this time. I wish to confirm that I stated on that day that the borrowing limit was \$15 million and there is no intention of borrowing relative to the budget before this House. However, in my



recollection, I believe I may have left the impression that we had committed against that \$15 million some six or seven million dollars that are related to municipal borrowings. In fact, no borrowings related to the \$15 million authority at this time have occurred and the municipal borrowings have been accommodated through our own revenues. We foresee no need to use this authority in the 1987-88 budget year. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Department of Finance, general comments. Mr. Butters.

HON. TOM BUTTERS: I believe I indicated to Members that we would look at a couple of items under Finance, one being the activities of this government with regard to the taxation of northern allowances. I indicated to Mr. MacQuarrie we should look at it under this item and I believe I indicated to Mr. McCallum that the taxation in tax-based municipalities might be looked at at this time as well.

CHAIRMAN (Mr. Gargan): Mr. MacQuarrie.

#### Taxation Of Northern Benefits

MR. MACQUARRIE: Thank you, Mr. Chairman. I had some time ago expressed a concern to the Minister of Finance, particularly with respect to one aspect of the taxation of northern benefits. I am aware that the government generally has been on top of this issue. The Minister and his department at one point were very responsive in trying to make sure that any changes that the federal government made with respect to the Taxation Act would consider the special circumstances of northerners. I think some very good submissions were made on behalf of this government and they had an impact or were of significant influence. But, of course, when the final changes were announced by the federal government, there were still certain areas that were not really satisfactory in the North. One has been pointed out already by a motion in this Assembly and that is the fact that with the allowances that are given for vacations, you are entitled to some tax relief if you take the vacation in the South, but not if you take the vacation in the North. That has been addressed by a motion. It is an important issue. I would appreciate an update from the Minister perhaps as to what has been happening right up to most recent days in that area.

I had raised one other as well, that impacted some of my constituents and that is the matter of taxing housing subsidies. Over the years, there have been some employees who have worked for employers who were quite large in the scope of their business, who had housing for employees and charged the employees minimal rents for those houses. So in effect through the years employees were being subsidized in that housing because the company was actually paying perhaps more to maintain the housing than the employees were paying the company. With the federal tax changes that occurred, it was determined that those subsidies were, in fact, a benefit of income to the employees, that they would have to begin including that benefit in their income and that it would be subject to taxation. Part of the problem is that some rather arbitrary amounts were assigned to the value of the subsidy. In a city like Yellowknife where the market value of housing is quite high, you found circumstances where it might suddenly be arbitrarily determined, where someone who had been receiving a house as part of employment benefits from a company, had been paying \$350 a month, that the market value of that house was, let's say \$1200 a month, and so the difference between \$1200 and \$350 was considered as additional income and would be taxed. Of course, that is rather a shock to people who have not been used to being dealt with in that way and could involve some very significant tax increases.

#### Taxation Of Federal Housing

Now, interestingly enough the federal government itself is one of those employers who has provided housing over the years, for some of its employees. Indeed it might have started this whole process. And so an interesting question is involved in this. If the federal government on the one hand is going to apply this kind of taxation measure to other employers who have offered housing as a benefit, are they going to apply it to themselves? So that is maybe one question that I would ask the Minister to address. The other is, what sort of negotiation is going on in order to try to ensure that the assigned market values are not exorbitant or to the point that they are going to financially cripple people who are in those circumstances?

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

HON. TOM BUTTERS: Mr. Chairman, the Member is absolutely correct; there are negotiations currently going on. I guess I did not realize we would get to fiscal policy questions so soon, and I think that, if the committee would agree, I would like Mr. Nielsen to join us. Mr. Nielsen has been a Trojan soldier in this regard, over many years, in dealing with the federal government, in both the area of housing allowances and travel allowances. I would like him to address the latter part of the Member's question, if he may, as he has very recent information relative to that and I would like to speak a bit on the matter of the taxation on the travel allowance. May he be invited, sir?

CHAIRMAN (Mr. Wah-Shee): Thank you. Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

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

#### Taxation Of Vacation Allowance For Travel In NWT

HON. TOM BUTTERS: The committee will remember that a motion has been passed with regard to an approach to the federal Minister of Finance on this matter. I must say that I met with Mr. Wilson. In fact, both Mr. Nielsen and I met with Mr. Wilson on December 17, just before Christmas, and indicated to him, very clearly, the problems that I saw would occur if they excluded native northerners and northern residents who wish to take their holidays in northern Canada from the vacation travel exemption. I felt, in my discussion with Mr. Wilson at that time, that he was very receptive to the points we made and, although we had not been successful in discussions with officials in the previous four or five months, I felt Mr. Wilson was receptive.

Since that time, the government, in response to the desire of this House, has again approached Finance Canada and, while we cannot be sure, we get the indication that the taxation of vacation travel of northern residents and of people taking their holidays in the Northwest Territories is being seriously re-examined. So, as I say, it is ongoing and we are making representations on behalf of the people, in accordance with the direction you have given us.

#### Taxation Of Accommodation

With regard to the taxation of accommodation, in January I went to see the Minister responsible for Revenue Canada, the Hon. Elmer McKay. Now, that department has the unpleasant job of implementing the taxation policy which, I think, was brought into law on December 30 of last year. I was well-received by the Minister and he indicated to me that he would send senior officials to the Northwest Territories, both from Ottawa and Edmonton, to examine the problems associated with the implementation of the taxation of northern allowance -- both in the case of travel and housing. They were in Yellowknife, I think about 10 days ago. Mr. Nielsen was in their company for a considerable time and he may have some more current details to add to what we may have achieved as a result of their visit, if I may turn the mike over to him, sir.

MR. NIELSEN: Mr. Chairman, as Mr. Butters has pointed out, the Revenue Canada officials were in Yellowknife a few weeks ago. Strong representations were made to those officials, both from ourselves and from people in the community, with respect to the issues which the honourable Member has raised.

With respect to the housing particularly, some representations were made on the basis that perhaps there really was not a housing market in a community such as Yellowknife, since the market really is influenced by the employers, who are really the people who are paying the rent in this city; certainly in so far as houses are concerned, perhaps not so much in so far as apartments. In any case, the officials did appear to be very reasonable. They received some submissions from at least two employers from the North and both of those employers have indicated to us that they were quite pleased with the reception that they got, and I guess, the advance indication from Revenue Canada on the submissions. Revenue Canada itself initially has indicated to us that the submissions were well done and as far as we are concerned and from the information we have on that, the market values that are being proposed are quite reasonable market values.

As far as the benefits are concerned, there is a specific issue, of course, and that is the issue of equity, which is one of the reasons why this proposal was made in the first place. Of course, if we have a variance amongst employers, then the system will break down, and we have raised that

issue as well, with Revenue Canada, and with particular concern with the Government of Canada. As the honourable Member has pointed out, the employer, the Government of Canada in the Northwest Territories, has not yet advised its employees of what the taxable benefits will be. We do not believe there will be any rent increase, because a rent increase would have to be negotiated under the collective agreements that the Government of Canada has with its various unions. On the other side of the coin, however, because there is a new law in Canada, there will have to be a taxable benefit identified. We have in our most recent conversations with Revenue Canada been informed that they are prepared to meet with Treasury Board very shortly. They will be following that up with us, to discuss market values, as well as to discuss the recent meetings they have had with Finance Canada on issues that were raised in Yellowknife, and what kind of feedback they have had from Treasury Board. Those meetings we expect to take place in approximately one week.

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

#### Reciprocal Tax Collection Agreement

MR. RICHARD: Mr. Chairman, another area that we have previously queried the Minister on in his relationship with the federal Finance department, or Revenue Canada, is the reciprocal tax collection agreement. I believe we passed a motion last year asking the Ministers and officials to try to get an amendment to the tax collection agreement to provide for personal income tax to be paid to the province or territory where the taxable income was earned, rather than where the taxpayer happened to be living on the 31st day of December of each year. I am wondering if the Minister could, Mr. Chairman, advise this committee of what has been done in that regard in these last 12 months. Thank you.

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

HON. TOM BUTTERS: The long and short of the response is that we have not been successful in encouraging Mr. Wilson to move from his original position. That is, they will not make any accommodation for this jurisdiction which may set up an imbalance with others. If we want to move on the tax credit, we have to do it and we have to take the responsibility. He has been adamant in responding to this. And the Department of Finance has received information from Justice that has really prevented them from changing that attitude.

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

MR. RICHARD: Mr. Chairman, I am not sure I understand the Minister's response. The issue was the inequity of the current agreement. I do not think that the proposal that we are suggesting had any particular bias toward the NWT jurisdiction. It may be that even for a jurisdiction with a small population, we have a large proportion of transient wage earners, people who earn their revenue here in the summer months and return whence they came in the month of December. Other provinces, I would think, would benefit from it. I guess there are going to be some losers on it because it is the same amount of taxes in total. But I had thought that we were going to put the position to the federal government and the provinces. Are the provinces not signatories to this agreement as well? There are 13 tax collecting jurisdictions. I appreciate the fact that we need everybody's agreement but I had thought, Mr. Chairman, that the Minister and his officials had agreed to lobby for that change on the basis that it is more equitable to have income taxes returned to the jurisdiction where the income was earned.

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

#### Provincial Agreement Not An Expectation

HON. TOM BUTTERS: Thank you, Mr. Chairman. We did not lobby the provinces. We approached the federal Minister looking at another date of residency which was investigated, a residency which would pick up the type of employee that the honourable Member has referred to -- the summer migrant worker. It was not practical and, as the Member points out, to change the date of residency or the residency requirements would require provincial agreement. And in view of the movement between provinces and the losses that some provinces would suffer, our expectation was that we would not be successful. We tried it eight or nine years ago with Mr. Allmand, but we did not lobby the provinces.

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

MR. RICHARD: Mr. Chairman, am I correct on the corporate income tax side that in the tax agreement between the 12 provinces and territories, the federal government does provide for an allocation of the corporate income tax that the federal government collects on behalf of everybody? It is allocated in some way, proportionately to where the corporate body earned its revenue; for instance, Cominco, which is based in BC earns a lot of their revenue in the NWT. So there may be fewer corporations than there are personal individual taxpayers in the country, but am I correct that the tax collection agreement does provide for corporate income tax to be returned to the jurisdiction in which the corporate income was earned? Thank you.

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

Corporate Income Tax

HON. TOM BUTTERS: Yes, Mr. Chairman, that is correct. Corporations that have a permanent establishment in more than one province or territory may attribute a portion of their taxable income between those provinces or territories. I would like to ask Mr. Nielsen to respond with regard to discussions that he has had at the officials level, at federal/territorial/provincial meetings, which relate to this matter of income tax and residency.

MR. NIELSEN: Mr. Chairman, as Mr. Butters has pointed out, the honourable Member is quite correct that there is an income tax allocation formula for corporate income tax, which is quite different from the individual income tax. However, the corporate income tax is set up on the basis that corporations are reasonably permanent members of a community. They are organized and incorporated within that community. There is not that much movement back and forth, and the corporations themselves have a certain amount of flexibility in deciding to which province their corporate income is assigned, based on numbers of employees and the level of processing that takes place within that particular jurisdiction.

In the case of individuals, however, there is substantial mobility between provinces. There is a significant administrative problem for employers in that, first of all, if employers were required to report this other than on a December 31st residency requirement, they would end up having several T-4s, based on which provinces individuals worked in. Secondly, as Mr. Butters has pointed out, the provinces do not support this proposal whatsoever. We have had discussions at the officials level. And the reason for it, I suppose, is not quite as obvious in the North as it is in communities such as border towns between Ontario and Quebec, where there are substantial numbers of people working in one province but living within another province. That is particularly true in the Hull-Ottawa area. And the provinces have made it very clear that they are not prepared to support any change in the residency requirement and would not support the proposal that an individual pay income tax in the province where that income is earned.

CHAIRMAN (Mr. Wah-Shee): With that I will rise and report progress. I would like to thank the witnesses on behalf of the committee.

MR. SPEAKER: Mr. Wah-Shee.

ITEM 18: REPORT OF COMMITTEE OF THE WHOLE

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

MR. WAH-SHEE: Mr. Speaker, your committee has been considering Bill 1-87(1), Appropriation Act, 1987-88, and wishes to report progress with the following departments being concluded: Legislative Assembly, Department of Justice, and the Executive.

Motion To Accept Report Of Committee Of The Whole, Carried

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

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

SOME HON. MEMBERS: Agreed.

---Carried

MR. SPEAKER: Mr. Clerk, announcements and orders of the day.

ITEM 20: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton): Orders of the day for Friday, March 20th, at 9:30 a.m.

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: Bills 1-87(1), 7-87(1), 6-87(1), 2-87(1), 17-87(1), 14-87(1), 25-87(1), 29-87(1), 24-87(1), 8-87(1), 30-87(1), 9-87(1)
18. Report of Committee of the Whole
19. Third Reading of Bills
20. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Friday, March 20th, at 9:30 a.m.

---ADJOURNMENT

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