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

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YELLOWKNIFE, NORTHWEST TERRITORIES

FRIDAY, MARCH 20, 1987

MEMBERS PRESENT

Mr. Angottitauruq, Mr. Arlooktoo, Hon. Tom Butters, Hon. Michael Ballantyne, Ms Cournoyea, 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, Hon. Gordon Wray

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Friday, March 20th. Item 2, Ministers' statements. Mr. Pudluk.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 39-87(1): Appointment Of Executive Assistant

HON. LUDY PUDLUK: Mr. Speaker, I am pleased to announce that effective Monday, March 23, 1987, Titus Allooloo will be my executive assistant. You all know Mr. Allooloo, who has worked with us as a Members' assistant for the Legislative Assembly. Mr. Allooloo has lots of experience because of his past work on the Beaufort Sea environmental assessment panel and now with the land use planning commission. He is originally from Pond Inlet. He has been active in public life over the years and has served as the mayor of Pond Inlet and was with the Baffin Regional Council. I am happy to have Mr. Allooloo working with me and I know that he will do a good job. Thank you.

---Applause

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

Minister's Statement 40-87(1): Standardized Primary Schools

HON. GORDON WRAY: Thank you, Mr. Speaker. I have a statement on standardized primary schools. Mr. Speaker, I would like to elaborate on remarks I made last October, explaining my Department of Public Works and Highways approach to the design and construction of standardized primary school facilities. This standard school design is now being used for primary schools in the following six communities: Fort Liard, Gjoa Haven, Pond Inlet, Chesterfield Inlet, Eskimo Point, and Rankin Inlet.

By way of background, instead of having six different designs for these schools, as has been the usual historical approach, my staff and our consultants have been working closely with the Department of Education and Minister Patterson to develop a building design that features a standard layout of rooms. This standard school can contain between eight to 18 classrooms and appropriate administrative support spaces as well. This major effort has created a building design that will be serviceable and durable without extravagance, and it will operate at a lower level of energy consumption than any other building of this size being constructed in the North today. All of this has been accomplished at a lower capital cost than has been experienced over the past several years, and in opposition to the trend of rising costs in the construction industry today.

Tenders have now been received on all but one of these standardized schools and I am pleased to be able to tell you that on the six schools with a total construction budget of \$17.8 million, we have been able to make substantial savings. We have accomplished this while still maintaining our strong commitment to northern business involvement, with in excess of nine million dollars going to northern individuals or businesses.

This is a major accomplishment, Mr. Speaker, and it should be recognized as such. It could not have been done without a commitment by the Department of Education and Minister Patterson to this standardized approach and his determination to remain on course, and it could not have been done without the diligent application of the best northern design expertise that is available anywhere from our staff and from our consulting architects and engineers.

Mr. Speaker, I am confident that we can and will continue on this course toward evolutionary improvements to our standards. As a result, we will reduce life cycle costs even further by systematically applying the lessons that we have learned from standardizing our primary school construction program, to the many other types of government buildings that we construct. We will require the co-operation and understanding of our other various client departments and their Ministers to achieve this very important task and I am sure that it will be achieved. Thank you, Mr. Speaker.

---Applause

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

Minister's Statement 41-87(1): Training, Flight Service Specialists

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. In 1986, I signed an accord with the federal Minister of Transport to work co-operatively to assist that ministry in locating and training northerners for employment in the air transportation industry. I am pleased to announce the first joint venture resulting directly from the accord. The northern careers program, the Ministry of Transport, the Canada Employment and Immigration Commission and the Arctic College have participated in the implementation of a training program at the Iqaluit Campus, to train flight service specialists for the Eastern Arctic.

Five students started the program in February and, depending on their progress, will complete the program within one or two years. The program includes academic upgrading at Iqaluit, participation in the airport observer/communicator training course at the Thebacha Campus in Fort Smith, and a period of training at the Transport Canada Training Institute at Cornwall, Ontario. This course work will be supplemented by periods of work experience at operating airports in the NWT.

The first group of students to participate in the program are Inuit from Rankin Inlet, Iqaluit, Pangnirtung, Lake Harbour and Igloolik. The federal government will contribute funding for allowances during training, transportation costs, and salaries during periods of work experience. The Arctic College will provide the instructional staff for the academic upgrading and observer/communicator components of the program. Students are settling into their new routine at the Iqaluit Campus and are making good progress in their studies.

Minister's Statement 42-87(1): Invitation To Visit Akaitcho Hall

And, if I may as well, Mr. Speaker, respecting the invitation to visit Akaitcho Hall. In February, the chairman to the Advisory Board of Akaitcho Hall, the Reverend Chris Williams, extended an open invitation to Members of the Legislative Assembly to visit the student residence in Yellowknife. He welcomed Members to meet the students and tour the facilities.

I appreciate his invitation and I plan to visit Akaitcho Hall myself in April. Students are now on spring break so I encourage you all to take advantage of the opportunity to visit the residence during the continuation of the session this spring. It is important to let students know that we care about them and want them to do well in school. Thank you, Mr. Speaker.

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

Minister's Statement 43-87(1): Workers' Compensation Pensions

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I have a statement concerning the Workers' Compensation pensions. Mr. Speaker, I would like to inform this House about some changes to the pensions awarded by the Workers' Compensation Board for disabled workers and the dependants of workers killed in accidents. Pensions resulting from accidents after January 1, 1987 were increased as a result of a decision by this Assembly to raise the year's maximum insurable remuneration to \$36,800. The pension for a dependent spouse was increased from \$836 per month to \$1012 per month. Children's pensions went from \$190 to \$230 per month.

Mr. Speaker, I am pleased to tell the House that the Workers' Compensation Board will bring the pensions of workers injured before January 1, 1987 and the pensions awarded to dependants of workers killed before that date, up to the new levels with supplementary pension increases retroactive to January 1st. The additional pensions liability resulting from these increases will be fully met from within the accident fund and there will be no additional costs to employers. Pensions awarded by the Workers' Compensation Board are lifetime pensions, Mr. Speaker, and they are not subject to income tax. The board has made supplementary increases over the years to ensure that the value of the pensions is not eroded by inflation, and I am pleased that they are able to do so again in 1987. Thank you, Mr. Speaker.

---Applause

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

Minister's Statement 44-87(1): The International Fur Trade And The Animal Rights Movement

HON. RED PEDERSEN: Thank you, Mr. Speaker. I have a statement on the fur trade. Mr. Speaker, the honourable Members of this House are aware that your government, through the Department of Renewable Resources, has been active on many fronts in support of trappers and of the fur industry in the Northwest Territories. We work actively to counter the damaging efforts of animal rights groups and we work closely with and give support to groups such as Indigenous Survival International, Fur Institute of Canada, Aboriginal Trappers of Canada and the Inuit Circumpolar Conference.

We have arranged tours to communities in the NWT for European journalists and others interested in the animal protection movement. These tours have been jointly sponsored by the Fur Institute of Canada and the Department of Renewable Resources. Mr. Speaker, these efforts are starting to pay off. The understanding and appreciation of northern society, the importance of the fur trade and the wise use of renewable resources, which were gained through these tours, are being widely discussed in Europe today.

Mr. Speaker, recently a motion was introduced in the Swedish parliament to ban the import of trapped furs. Through the enlightened debate made possible by the published reports of the journalists we sponsored, I am happy to report that the bill to ban the import of trapped fur was defeated.

---Applause

Mr. Speaker, this is a very significant event and it confirms the signs that we have observed that our efforts indeed are starting to pay off. Mr. Speaker, your government will continue its efforts to ensure that traditional harvesting of renewable resources remains an honourable and viable profession in the Northwest Territories. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Item 2, Ministers' statements. Item 3, Members' statements. Mr. Gargan.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Withdrawing Motion Concerning Egg Quota For NWT

MR. GARGAN: At an appropriate time later today I will be withdrawing my motion concerning an egg quota for the NWT. The government is presently negotiating with the federal Minister and with the Canadian Egg Marketing Board and I do not wish to jeopardize these negotiations at this time. The new Minister of Economic Development and Tourism has assured me that he is committed to giving the

Hay River Reserve Band first priority when egg quotas are allotted. The band has also been assured of the department's support. I will withdraw my motion and await the outcome of these negotiations. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Gargan. Members' statements. That appears to conclude this item for today. Item 4, returns to oral questions. Mr. McLaughlin.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Question 0141-87(1): Treatment Of Arthritis, Baffin Region

HON. BRUCE McLAUGHLIN: This is a reply to a question asked by Mr. Paniloo on March 16th, concerning arthritis.

Arthritis is a chronic condition of inflammation of the joints. It is found all over the world but more in colder climates. There is a wide variety of types depending on where the inflammation takes place. This condition affects all age groups but most often occurs between the ages of 25 to 50 years. The condition is two to three times more common among women. Recent studies have shown that native people, Indians in communities in British Columbia, have higher rates of arthritis than other populations. Preliminary studies among native people, Indians in the NWT, show that rate could be higher for some types of arthritis. This is being studied further. Higher rates of arthritis have not been reported among the Inuit.

Once established, arthritis usually takes a chronic course and most of the treatment is to relieve symptoms with painkillers and anti-inflammatory tablets. Aspirin is prescribed in writing for daily dosages at mealtimes and at bedtime snacks. Steroids and gold therapy are also used to treat arthritis. An important aspect of management is adequate rest and good nutrition. The doctors are correct when they say they cannot cure arthritis but are only able to treat the symptoms. In some instances where the joints are major, for example a hip or knee joint, and the condition is severe, then joint replacements are carried out. Specific details on arthritis can be obtained from the nursing stations in NWT communities or from visiting physicians. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Returns to oral questions. Mr. Butters.

Further Return To Question 0145-87(1): Discrepancies In Prices Of Fuel Products

HON. TOM BUTTERS: Mr. Speaker, I have a return to oral Question 0145-87(1), asked by Mr. MacQuarrie on March 17th, 1987, regarding fuel price differentials between Yellowknife and Hay River.

For some time there has been a substantial difference between fuel prices in Hay River and in Yellowknife. The Department of Government Services latest survey done on March 2, 1987, revealed that this difference persists with Yellowknife gasoline and heating oil prices being respectively 15 cents per litre and 6.3 cents per litre higher than Hay River prices.

We have determined that the key explanation of the price of gasoline differential is that the Hay River price likely does not reflect adequate dealer compensation. About two cents of the price differentials can be explained by higher transportation costs. The cost of transporting fuel from Hay River to Yellowknife is slightly under two cents per litre. Part of the price differential can also be explained by higher distributor costs in Yellowknife. Overall higher infrastructure costs for distributors, such as larger storage tanks to build sufficient inventories for periods when fuel cannot be barged in, are estimated at about three cents per litre. Taking these two costs into account reduces the price differential to approximately 10 cents per litre for gasoline and 1.3 cents per litre for heating fuel. The large remaining price differential for gasoline is explained by oil companies as being due to differences in market conditions. The gasoline retail market in Hay River has been extremely competitive over the past year. Retail outlets have aggressively competed to maintain or increase their market share, a situation which has resulted in the virtual elimination of profit margins.

Comparing Yellowknife gasoline prices to those in Hay River may, therefore, provide a poor indicator of Yellowknife's price margins. For example, prices of gasoline in Fort Smith were 11.7 cents higher than those in Hay River at the time of the March 2, 1987, survey. There are, therefore, clear indications that the Hay River gasoline market is currently experiencing intense competition and that it is these special market conditions that explain the current inordinately

high price differentials between Hay River and other communities. None the less, profit margins in the Northwest Territories communities tend to be substantially higher than in large southern metropolitan centres such as Edmonton. In Edmonton, for example, refineries may sell at a lower price in response to intense competition from other oil companies. Distributors and retailers have typically lower margins, which are sustainable because the high volumes reduce fixed costs per litre.

The Government of the Northwest Territories cannot exercise control over retail prices. Prices for fuel and other products are partly determined by market conditions in each community and may differ substantially if competitive conditions in a particular community undergo major changes. Profit margins per litre are higher than in large southern communities because of higher fixed costs and lower volumes.

MR. SPEAKER: Thank you, Mr. Minister. Returns to oral questions. Mr. Wray.

Return To Question 0142-87(1): Status Of Local Government Legislation

HON. GORDON WRAY: Thank you, Mr. Speaker. I have a return to a question asked by Mr. MacQuarrie with regard to the status of the local government legislation.

I would just like to advise the Member that I was correct when I had assumed the acts had gone to his committee. However, there were apparently some problems with the wording of the articles dealing with pornography, which caused a delay. We had to consult with the Department of Justice and with the Women's Secretariat to ensure that we came up with proper wording. I am advised, however, that that has now been amended and the acts have been forwarded to the government's legislation and house planning committee yesterday. So, hopefully, we will have them in Mr. MacQuarrie's hands very shortly. Thank you.

MR. SPEAKER: Thank you, Mr. Wray. Mr. Ballantyne.

Further Return To Question 0114-87(1): HAP Housing And Northern Rental Units

HON. MICHAEL BALLANTYNE: This is a return to a question asked by Mr. Erkloo on March 5, 1987, Question 0114-87(1), to do with home-ownership assistance program labour funding in the Baffin.

There were two possible sources of labour funding for HAP clients last year. The first was money transferred to the corporation from the Department of Economic Development and Tourism's short term employment program, the STEP program. Each client in the Baffin qualified for \$2561 in labour assistance. This fund is administered by the corporation's Baffin district office. To date all the clients, with the exception of five, have received the funding. Two of the clients are in Cape Dorset, there is one in each of Pangnirtung, Grise Fiord and Iqaluit. The funding will still be available to those clients when they begin construction this summer.

The other funding source was the Department of Indian Affairs Indian/Inuit community human resources strategy, ICHRS. This program was administered by the Department of Economic Development and Tourism in the Baffin. A review committee was formed to evaluate and approve proposals for funding. The Housing Corporation submitted a proposal on behalf of all HAP clients in the region. The corporation also wrote all clients asking them to contact their MLAs to support the proposal. The review committee did not approve the submission. The corporation is not aware of the details of that decision. Economic Development and Tourism would be able to answer any questions about the review board decisions.

The ICHRS fund in the Keewatin and Kitikmeot was also administered by the regional offices of Economic Development and Tourism. In these regions HAP clients did receive assistance. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Mr. Pudluk.

Return To Question 080-87(1): Age Requirement For Driver's Licence

HON. LUDY PUDLUK: (Translation) Thank you, Mr. Speaker. I have a return to Question 080-87(1), asked by Mr. Gargan regarding drivers' licences.

The requirements for obtaining a driver's licence to operate a motor vehicle in the NWT are contained in the Vehicles Act and in regulations established pursuant to that act. They establish the minimum age for obtaining a learner's permit, which authorizes the learner to operate a motor vehicle only when accompanied by a licensed driver, at 15. The legal age for obtaining a driver's licence is 16 in the Northwest Territories.

The requirements for obtaining an operator's licence to operate a skidoo can vary from community to community. Responsibilities for operator licensing and other requirements relating to the operation of skidoos and other all-terrain vehicles have been delegated to the community level under the All-terrain Vehicles Act. Some communities have enacted by-laws on this matter and others have not. Where no by-law exists in a community, there is no control over the matter. Where by-laws do exist, there is little consistency in requirements.

Mr. Speaker, I might add here that the Executive Council will soon be considering a recommendation with respect to regulating the use and operation of all-terrain vehicles in the Northwest Territories. To the best of my knowledge, there are no operator licensing requirements for the operation of outboard motors, either territorial or federal. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Returns to oral questions. Mr. Wray.

Return To Question 0123-87(1): Tax Grant Pay-Back Program; And Further Return To Question 0132-87(1): Responsibility For Taxes On Land Selected By Dene In Communities

HON. GORDON WRAY: Thank you, Mr. Speaker. I am going to incorporate one answer for two questions. They were asked by Mr. Wah-Shee on March 10, and by Ms Cournoyea on March 13. They are both in regard to federal grant in lieu of taxes, so I have incorporated one answer for both questions.

In response to Mr. Wah-Shee's question regarding the federal Department of Public Works not paying a grant in lieu of taxes on "land reserved for Indians", I wish to advise that this matter is being actively pursued by the department. Most recently, my department has advised the assistant deputy minister of Public Works Canada that we are extremely unhappy with their decision not to pay a grant in lieu of taxes on land reserved for Indians, and we have asked them to review this issue at an early date.

The issue is not new. Mr. Wah-Shee may remember corresponding, when he was the Minister of Local Government in 1980, with the Hon. Paul Cosgrove, then Minister of Public Works Canada, regarding this very same issue. At that time Mr. Cosgrove replied that the grant would be paid to all qualifying municipalities. For some reason late in 1985, this issue resurfaced. We believe that a bureaucratic decision was made to cease paying grants in lieu, even though the situation is the same now as it was in 1980. This arbitrary action has created serious and unexpected shortfalls in revenue for the tax-based municipalities and Government of the Northwest Territories.

The federal Department of Public Works, municipal grants division, claims that the buildings on land reserved for Indians are not federal property and therefore, they are not liable to pay a grant in lieu of property taxes. They claim these buildings are owned by the occupant or the NWT Housing Corporation. The occupant says that he should not have to pay the taxes because he resides on land reserved for Indians and that this is the responsibility of the federal government.

The position of the government and the position of my department is that those lands are federal lands. They are part of DIAND responsibility toward Dene people. They are part of that program and therefore the federal government is responsible for the property taxes, not the individuals. We have advised individuals living on land reserved for Indians, or such similar notation, not to pay taxes and that the tax notices were sent in error to the individuals.

I and my department officials are also aware of the impact these shortfalls in revenue have caused on the municipal governments and indeed, to our own government. No arrangements have been made yet to overcome the shortfalls at present and I can give no assurances that other taxpayers in the communities will not be asked to pay more to take up the slack. In the case of Lot 500 in Yellowknife, we remain resolute in our determination to collect from the Government of Canada. However, somebody must pay to preserve property taxes as a system for financing local government. Should we fail, we will have to consult with the municipal governments affected to set an appropriate course.

To further respond to Ms Cournoyea's inquiry about people getting free land without paying taxes, I can only assume she is thinking about current Dene/Metis negotiations on their settlement claim. The lands under discussion here are federal lands reserved for a specific program purpose and they are subject to the laws of general application; that is, under this circumstance, a grant in lieu of taxes. The lands under discussion may or may not form part of the Dene/Metis claims settlement. This matter, as Ms Cournoyea would correctly point out, is between the Dene/Metis and the Government of Canada. Thank you.

MR. SPEAKER: Mr. Government Leader.

Return To Question 089-87(1): Polar Icebreaker Contract

HON. NICK SIBBESTON: Mr. Speaker, this is a return to oral Question 089-87(1), asked by Ms Cournoyea on March 3, 1987, concerning the Polar 8 icebreaker. The Government of the Northwest Territories did not make a formal presentation to the federal government in support of the Arctic Transportation Limited proposal to construct a Polar 8 icebreaker. ATL's bid, made in partnership with Cleaver and Walkingshaw, a southern naval architectural firm, proposed that ATL would own and operate the ship on a lease arrangement with the coast guard. According to my officials I am advised that the federal government was not interested in this approach.

The federal government awarded the contract to Versatile Corporation, who will not only build the ship but will also select the design firm. Cleaver and Walkingshaw have joined with Canmar and several other firms to form the polar icebreaker design group, to seek the design contract. ATL may still be involved in a minor way but I do not know this for sure.

Return To Question 0133-87(1): Possible Danger To North From Submarines

I have another return to a question asked by Mr. Paniloo, concerning submarines in the Arctic. According to the Canadian military, foreign submarines operating in Arctic waters would be a danger only in times of war. Under those circumstances, these may be used to launch cruise missiles at targets in southern Canada. As well, a direct threat to northerners might arise if submarines were used to transport troops to attack a DEWline, a north warning system site or one of the northern communities. However, Department of National Defence officials have advised me that submarines capable of operating in Arctic waters must stay in waters with a depth of 200 metres in order to avoid easy detection. Because of this, it is unlikely that a foreign power would risk coming too close to shore in peacetime. In themselves these submarines pose no immediate threat to northerners and if they were sighted there would be little danger. I would note that while there have been rumours that submarines have been spotted in Canadian Arctic waters, these sightings have never been proven, according to the Department of National Defence. Mahsi.

MR. SPEAKER: Thank you, Mr. Minister. Returns to oral questions. Mr. Wray.

Return To Question W29-87(1): Fire Department Funding, Hall Beach

HON. GORDON WRAY: Thank you, Mr. Speaker. This is a reply to Mr. Elijah Erkloo, to Question W29-87(1), asked by Mr. Erkloo on March 13th, regarding funding for the Hall Beach fire department.

Mr. Speaker, I would like to answer the honourable Member's question, regarding funding for the fire department, in three parts. First of all, the 1985-86 audit report shows that Hall Beach began the year with a surplus of \$30,182 and ended it with a surplus of \$102,334, a net gain of some \$70,000. It is true that during the same year council did spend \$4152 more than their budgeted amount of \$5000 for fire-fighting services. However, they also generated a sufficiently large surplus during the same period to more than adequately cover the deficit. Therefore, I do not think this government should give them the money for that expenditure. Adequacy of O and M funding, therefore, does not appear to be the problem.

Secondly, as summarized in the government's 1987-88 capital estimates, my department will be purchasing fire-fighting equipment for communities in a number of regions, including the Baffin. For Hall Beach, this will mean eight complete new sets of top quality fire-fighting gear, plus an air compressor to fill their air breathing tanks. Requests for any additional fire-fighting equipment will be considered by my department's regional office on a community-by-community basis.

Finally, it is my view and my department's policy that fire protection is an essential municipal service, which should be under the direct financial and administrative control of the hamlet councils or the local government. To provide funding separately to fire departments would, in my view, create confusion at the local level and undermine council's authority as the elected governing body in the community.

Mr. Speaker, I have had some indication from my Baffin officials that there may be communication problems between the fire chief and the council in Hall Beach. Consequently, I have instructed them to assist both sides in this issue to resolve their communication problems and restore the effectiveness of the community's fire-fighting capability. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Wray. Returns to oral questions. Mr. Wray.

HON. GORDON WRAY: Mr. Speaker, just a point of order. I have made an error there. The question asked by Mr. Erkloo was a written question. I have given an oral reply but I will follow up with a response in writing.

MR. SPEAKER: Thank you, Mr. Minister. Item 4, returns to oral questions. That appears to conclude this matter for today. Item 5, oral questions. Mr. Paniloo.

ITEM 5: ORAL QUESTIONS

Question 0149-87(1): Pangnirtung Airstrip

MR. PANILOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Municipal Affairs and he is aware of the question I am going to ask concerning the Pangnirtung airstrip. It is inadequate because it is right in the middle of the community. Joanassie Kilabuk, who passed away in 1986, was a non-smoker and he used to plough the roads in the wintertime. He advised me that the airstrip creates a lot of dust and this is a health hazard to the public. He informed me that he got a sickness from this airstrip. The dust blows toward the houses every time a plane takes off and they have flights twice a day. When the airport responsibilities are transferred to the territorial government, I would like to know if Pangnirtung could be a priority. Thank you.

MR. SPEAKER: Mr. Minister.

Return To Question 0149-87(1): Pangnirtung Airstrip

HON. GORDON WRAY: Thank you, Mr. Speaker. The saga of the Pang airstrip continues. Ministry of Transport officials announced sometime last fall that they were going to provide funding this summer to haul gravel, resurface and extend the Pang runway, as well as look at paving it. There was a meeting in the Baffin and for some reason the mayor of Pangnirtung objected to that process. I think what Ministry of Transport officials did was to take him out of context. I think what the mayor was intending to say to them was that this really is not our choice; we would rather see a new airstrip. The problem in Pangnirtung is that there are really only two places to build a new airstrip. One is up on the bluffs and one is down on the flats. In either case, the cost is about \$40 million for each one. Plus if they were to build it up high on the bluffs, the information we have is that the strip would be closed most of the time because of the low cloud.

So I think what the mayor at the time was trying to say was that they would prefer to have a new strip. Transport Canada officials in their wisdom took the mayor's criticism of their proposed plans to heart and cancelled the project entirely. So at present, all I can say is that MOT have cancelled the extension and the gravel hauling for Pangnirtung. We are working with MOT to get the money back into the budget. However, it does not look very good at this point in time. My officials have corresponded with Quebec region, indicating that we are extremely unhappy with the course of action that they have taken, given that they had announced that they were going to do this work and therefore they had raised the expectations of people.

I really have nothing to report to the Member other than that we have asked Quebec region to relook at this and put it back on the planning boards. As far as making Pang a priority when we take over airports, I am afraid I cannot give that commitment because there are many other communities in a lot worse shape. We have 11 communities, to start with, who do not have any airports at all, so they have to be addressed first. Then we have a number of other airports after that, which have to be done. So I cannot give the commitment to make Pang a priority but certainly in context of the Baffin Region, it is one of our priorities. Thank you.

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

Supplementary To Question 0149-87(1): Pangnirtung Airstrip

MR. PANILOO: (Translation) Thank you, Mr. Speaker. The Pangnirtung residents have not agreed to the present airstrip, just in case there was a crash, which would affect a lot of the houses that are close by. If the request to extend the airstrip in Pangnirtung was not approved it is because of that reason. That is just an item of information.

MR. SPEAKER: Thank you. Mr. Wray.

Further Return To Question 0149-87(1): Pangnirtung Airstrip

HON. GORDON WRAY: Thank you. That is the information that we had received. But I should indicate to the House and the Member what the consequences of that refusal are. They have now cancelled the extension to Pang and they have cancelled the gravel surfacing. It looks as though in the spring and fall, Pangnirtung will now have to go back to Twin Otter service and MOT most certainly is not going to provide funding for the construction of a new airstrip. Pangnirtung will not get a new airstrip. At a cost of \$40 million, the federal government is not willing to commit those funds. I realize that the airstrip is in the middle of the community. It is not something that we are happy about, but it is not something that we are in control of. So what, in effect, Pangnirtung has done is, they have cut themselves off from air service.

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

Question 0150-87(1): Provincial Compromise To Recognition Of Aboriginal Self-Government

MR. NERYSOO: Thank you, Mr. Speaker. This is a question to the Minister responsible for Aboriginal Rights and Constitutional Development. Has the Minister received any indication from the provinces that there could or might be some resolution or compromise to recognize aboriginal self-government in the Constitution of Canada during the First Ministers' Conference next week?

MR. SPEAKER: Mr. Minister.

Return To Question 0150-87(1): Provincial Compromise To Recognition Of Aboriginal Self-Government

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I have just received this morning a copy of a letter sent by the attorney general of Ontario to the Attorney General for Canada, which does seem to indicate some promising development. In an attempt to bridge the gap between the position of the aboriginal groups and the provinces, Ontario has proposed to advance the following: An explicit right of self-government for the aboriginal peoples of Canada; an explicit commitment by the federal and provincial governments to negotiate self-government agreements at the request of aboriginal peoples; constitutional entrenchment of the self-government agreements; a clause providing that the amendments shall not abrogate or derogate from any rights of the aboriginal peoples of Canada; and a clause providing that the amendments shall not affect the legislative powers or proprietary rights of Parliament or the Government of Canada or the legislatures or the government of a province, except in accordance with negotiated agreements.

Mr. Speaker, Ontario is in effect proposing that a clause in the Nova Scotia proposal, which makes enforceability of the right to self-government subject to agreements actually being negotiated, would be removed. That was a problem with the Nova Scotia proposal up until now. This is a significant departure for the original position of Ontario, which was that there would be no explicit enforceable right of self-government entrenched in the Constitution. Although we have not yet received the exact wording of the proposed amendment, it does seem to be a promising development from a major participant. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Ms Cournoyea.

Question 0151-87(1): Existence Of AIDS Cases In NWT

MS COURNOYEA: Mr. Speaker, it is a question to the Minister responsible for Health. This morning I received a number of phone calls regarding a news report that was on the radio regarding AIDS and the cases that were said to be reported that existed in the NWT. The Minister has repeatedly

assured us that there were no such cases in the NWT. I would like to know what the Minister intends to do about this because people are quite upset about the whole situation and what action his department is taking as quickly as possible.

MR. SPEAKER: Mr. Minister.

Return To Question 0151-87(1): Existence Of AIDS Cases In NWT

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. The honourable Member for Mackenzie Delta, Mr. Nerysoo, brought his concerns to my attention a couple of days ago and I have been able to inquire into the situation. No cases of AIDS have been reported to my department by any medical health professional in the NWT. The medical services branch of Health and Welfare Canada has not reported any cases of AIDS in the NWT to my department. Also no jurisdictions outside of the NWT have reported to us that a case of AIDS of a former or present resident of the NWT is being treated in those jurisdictions. Mr. Speaker, there have been no cases brought to our attention.

The report this morning on the radio indicated, not that there were cases in the NWT, but that there were cases being treated outside of the NWT and that those people were originally from the NWT, and if that is the case, those jurisdictions have not indicated to us that any former or present residents of the NWT are being treated for AIDS. Thank you.

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

Question 0152-87(1): Reporting Of AIDS Cases To Department

MR. MacQUARRIE: Thank you, Mr. Speaker. Just following up on that with the Minister of Health, would the Minister indicate that medical practitioners in the NWT would be required to report cases to his department, if there were cases that they were treating? And the second part of it would be, is there a reciprocal agreement of some sort with other jurisdictions, whereby if there were territorial people being treated in other jurisdictions, that information would be transmitted to the Minister's department?

MR. SPEAKER: Mr. Minister.

Return To Question 0152-87(1): Reporting Of AIDS Cases To Department

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. The knowledge that has been given to me is that if a person who has moved from the NWT and is still under our Territorial Hospital Insurance Services plan is being treated as an in-patient for AIDS in another jurisdiction, that would be indicated on the reports to our department. Our department would know if there is an active case of AIDS being treated by another jurisdiction when the bills were being sent to our health insurance plan. Also, each jurisdiction, including the NWT, requires that medical practitioners and other health officials report known cases of AIDS to the government. This case has not happened. I am not sure what the protocol is, for one jurisdiction to report to another jurisdiction that a former resident of the jurisdiction is being treated in the second jurisdiction.

Also, I should add that for people in the NWT who require information on AIDS, it is available to them. Every nursing station and every hospital in the NWT has been sent information packages on how to deal with people that approach them with the problem. There is a protocol in place whereby people can request that blood samples be taken to see if they have the AIDS virus. That information would then be returned to that person and the medical person treating them. Thank you, Mr. Speaker.

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

Supplementary To Question 0152-87(1): Reporting Of AIDS Cases To Department

MR. MacQUARRIE: Just a final supplementary on that. Will the Minister be contacting the other jurisdictions, where apparently these cases are being treated, just to determine whether in fact there is any present link with the NWT?

MR. SPEAKER: Mr. Minister.

Further Return To Question 0152-87(1): Reporting Of AIDS Cases To Department

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I can have my officials do that, but I could say that people who may have been resident in the NWT for the purpose of work, may not have ever been in our Territorial Hospital Insurance Services plan. Therefore, though they may have actually resided up here to work, for example in the Beaufort Sea area, there would be no way for the other jurisdictions to know that. So there would be no way for them to report that to us unless that person volunteered that information to them. But I will see what type of protocol there is between jurisdictions on the reporting of former residents of other jurisdictions; if that knowledge comes to the attention of health officials in the other jurisdictions. Thank you.

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

Supplementary To Question 0152-87(1): Reporting Of AIDS Cases To Department

MR. MacQUARRIE: Just a final question, then. It seems, Mr. Minister, that there would be a link, in that someone in a news report alleged that there were territorial people. So I would suggest that perhaps the department would have the ability, because in that report there was some implied criticism that our government was not doing what it should. Therefore, whoever made that allegation, I would assume, would be co-operative in trying to help government officials here. So, with that in mind I would ask, will the Minister be attempting to follow up that lead?

MR. SPEAKER: Mr. Minister.

Further Return To Question 0152-87(1): Reporting Of AIDS Cases To Department

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. My department has had people come to them before, saying that they had heard that such-and-such a person had AIDS. We followed up those leads into other jurisdictions. In both cases they turned out to be just rumours. The other thing is that apparently an individual's name was mentioned as the source of the information and my officials will track that person down to see if we can get any type of verification. Thank you.

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

Question 0153-87(1): Information Prior To Military Exercises

MR. T'SELEIE: Thank you, Mr. Speaker. I would like to ask a question of the Government Leader about the military in the North. It seems to me that the military so far in its involvement in the North in recent years has made -- the last couple of years anyway -- two mistakes. These are not minor mistakes. First of all, they had their cruise missile fall down into Beaufort and the second mistake that they made was that they forcibly detained a citizen of the NWT when they were having their exercise in Iqaluit. Some time ago I got a copy of a letter, that was also sent to the Government Leader, about the incident in Iqaluit.

Mr. Speaker, I have in my mind an image of an innocent man going along on the land and suddenly happening upon an exercise of some kind that he does not know about. It disturbs me. This was not something that happened close to my home; if it had, I would not leave it. What concerns me is, I would like to know whether the military makes it a practice to inform the people of the North that they conduct these exercises. What kind of consultation takes place? In the case of the exercise in Iqaluit, did they write beforehand to the mayor to let people know that they would be conducting these exercises? If they did not, I would like to ask the Government Leader to look into it, to make sure that these kinds of incidents do not happen in the future again.

MR. SPEAKER: Mr. Minister.

Return To Question 0153-87(1): Information Prior To Military Exercises

HON. NICK SIBBESTON: Mr. Speaker, I had the benefit of seeing the letter that the person in question has written to the Minister of National Defence concerning his detainment in Iqaluit. I am certainly sympathetic to his situation for having been detained and all the red tape that he went through. Certainly the residents of Iqaluit were informed about the activities of the military well in advance. They were given a fair amount of detailed information as to the activities of the military while they were in Iqaluit. So it did appear as a surprise that this

gentleman suffered the detainment, and so forth, that occurred. One possible explanation is that the gentleman was not from Iqaluit and that he was a visitor from out of town. And also somewhat significant is the fact that Mr. O'Reilly is involved in Nuclear Free North. So it puts some doubt as to whether he provoked and purposely went into the area where there was a military exercise going on. So I am not casting questions or insinuating that the person in question went purposely to the area and invited the events that occurred to him, but that is a fact that the members of the public should know.

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

Supplementary To Question 0153-87(1): Information Prior To Military Exercises

MR. T'SELEIE: Mr. Chairman, if the military wanted to conduct the same kind of exercise or whatever it is that they do, in some other area, what process do they go through to let people know that they will be doing these exercises? I am thinking of my constituency. Say if there is an exercise 10 miles outside of Colville Lake, I would assume that there would be a requirement of the military to ask the people of Colville Lake, or to consult with them, or at least to inform them that they would be conducting exercise.

MR. SPEAKER: That is a suggestion, not really a question. However, Mr. Sibbeston.

Further Return To Question 0153-87(1): Information Prior To Military Exercises

HON. NICK SIBBESTON: Mr. Chairman, with respect to cruise missile testing in the North, the military do advise the government of any testing that they intend to carry out, a number of days in advance of the actual testing. With respect to any military activity, like that which occurred in Iqaluit, I am advised that the military does usually give information to the community and request that the community concur with their presence and activity. So it is not a situation where the military simply parachutes uninvited without advance information to the people in the community. There is some consultation and prior information to the military's activity.

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

Question 0154-87(1): Funding For Safe Home In Spence Bay

MR. ANGOTTITAUURUQ: Thank you, Mr. Speaker. My question will be directed to the Minister of Health regarding consulting with the Spence Bay community. The social services and the hamlet are trying to start a safe home. They have an old teachers residence, and they report that it is in good shape but it needs a little renovation for a safe home. They are proposing to have it used by three communities: Pelly Bay, Spence Bay and Gjoa Haven. They mentioned possibly Cambridge Bay, too. The reason they want to build one in Spence Bay is because the people who go to safe homes usually go to Yellowknife, which is not their environment. If they built one in Spence, it would be their environment and more relaxing for those people. Therefore, I ask if the Minister could find any funding for that Spence Bay building so that it can proceed as a safe home.

MR. SPEAKER: Mr. Minister.

Return To Question 0154-87(1): Funding For Safe Home In Spence Bay

HON. BRUCE McLAUGHLIN: Thank you, Mr. Chairman. It is the intention of the department to establish some safe homes in several communities in the NWT. But the Member should be aware that there is a difference between safe homes and the spousal assault transition centres which we have established in Yellowknife and Iqaluit. At the facilities in Yellowknife and Iqaluit there will be professional consultation available and more comprehensive care taken of the victim. Often the victims require medical attention, as well. So basically, in extreme cases where there has been physical abuse, and where the victim and the children of the victim might be suffering from some mental disturbances due to the incidents, we would still intend to send people to the major centres on the initial incident. But we do want to have safe homes where people are able to go when an initial incident occurs and also where people possibly can go after they have been to Yellowknife. They could then return for a period of time into the safe home before they go back into the communities. So I will take this idea to my department and report back to the Member as soon as possible -- I imagine that will be when the House is no longer sitting -- as to what my department can do to accommodate this request.

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

Question 0155-87(1): Educational Background Of Interpreters

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. My question is directed to the new Minister of Culture and Communications, Hon. Ludy Pudluk. The government has a policy in the NWT and my question is about the interpreters. In some of the communities in the NWT, I think they are important people. They are all different, in the Keewatin and Baffin. My question is: According to their practice, do you think of them differently according to their educational background?

MR. SPEAKER: Mr. Minister.

Return To Question 0155-87(1): Educational Background Of Interpreters

HON. LUDY PUDLUK: (Translation) Thank you, Mr. Speaker. I will be dealing with this in the near future regarding the different dialects. I think we are going to have to deal with them slowly. The training of the interpreters will have to be done individually. If we are going to use a policy, I think we are going to have to deal with the policy first and then look at the different dialects of the interpreters. Maybe the Member that asked the question can give me a written question and explain himself more clearly or write a letter to me. Thank you.

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

Question 0156-87(1): Job Security For Staff Of Receiving Home, Yellowknife

MR. RICHARD: Mr. Speaker, I have a question for the Minister of Social Services regarding the children's receiving home in Yellowknife. It is my understanding, Mr. Speaker, that there is a plan to move the facility to another location in the city and the new operation, I understand, will not require as many child care workers. Can the Minister give some assurance to the current employees of that facility regarding the security of their employment with the government, in the event that the full complement of staff is not required in the new operation? Thank you.

MR. SPEAKER: Mr. Minister.

Return To Question 0156-87(1): Job Security For Staff Of Receiving Home, Yellowknife

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. The requirement for having facilities for young children as wards of this government has been declining and that is the reason for the move being considered right now. This decline is due to several factors, such as native custom adoptions, which keep young children in their extended family, and as well, some younger offenders of the law who previously would have become wards are now under the young offenders program. The youth that are being dealt with by the department are older now or have more difficult problems, like fetal alcohol syndrome, for example, so that the types of children requiring care are basically older or more difficult to handle. So some of the workers in the facility may not be qualified to deal with the more difficult problems, but I would like to thank the Member, as well as Mr. MacQuarrie, for bringing it to my attention earlier. My officials have advised me that we have a reasonable enough vacancy rate in family and children's services that, hopefully, these people can be accommodated within that vacancy rate. Possibly we could put on some training programs for anybody who is interested to help them to become qualified to work in other programs, such as a program in the Territories to deal with the extremely disturbed youth, so that we would no longer be putting them in institutions in Edmonton and Calgary. So the Member is correct, some of the employees may have to look to career changes and will not be able to be accommodated in a smaller facility, but we are hopeful that turnover and training will allow most of these people to be accommodated. Thank you, Mr. Speaker.

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

Item 6, written questions. Do we have any written questions for today? Item 7, returns to written questions. Mr. Clerk.

ITEM 7: RETURNS TO WRITTEN QUESTIONS

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, the following returns have been filed: Return to written Question W7-87(1), asked by Mr. Richard of the Minister of Finance; return to written Question W15-87(1), asked by Mr. Gargan of the Minister of Education; return to written Question W32-87(1), asked by Mr. Gargan of the Minister of Education; return to written Question W33-87(1), asked by Mr. Paniloo of the Minister of Education.

Return To Question W7-87(1): Task Force On Program Review

Hon. Tom Butters' return to Question W7-87(1), asked by Mr. Richard on February 20, 1987, regarding the ministerial task force on program review.

- 1) The ministerial task force on program review was established in December, 1985.
- 2) Terms of reference for the task force are attached.
- 3) The membership of the task force consists of: Hon. Red Pedersen, Hon. Tom Butters, Hon. Michael Ballantyne and, from September, 1986, Mr. Richard Nerysoo. Support to the task force has come from seven working groups, comprising 20 senior public servants selected from a number of departments and agencies of the Government of the Northwest Territories. Additional support has come from four private sector advisers.
- 4) The task force has held 10 meetings to give direction to the working groups and task force advisers. Other informal meetings were held by task force Members. Numerous meetings with each department and agency were held by the working groups. Additional meetings were held between the working groups and the advisers to the task force.
- 5) A number of recommendations have been made by the task force. In keeping with the principle objective of the task force to conduct a comprehensive review of programs and services, which would enable the Government of the Northwest Territories to bring about a general increase in efficiency and effectiveness, a number of recommendations have been made that provide an agenda for positive action. All recommendations are contained in the report of the ministerial task force on program review, which is currently under preparation.
- 6) There have been no interim reports of the ministerial task force on program review. The report currently being prepared will be provided to the Executive Council. It may then be tabled in the Legislative Assembly.
- 7) No decision has yet been made on the date by which the task force will conclude its work.

Appendix 3, Ministerial Task Force, Terms Of Reference

Members: Hon. Tom Butters, chairman of the ministerial task force; Hon. Red Pedersen, Minister of Personnel and Renewable Resources; Hon. Michael Ballantyne, Minister of Justice; membership open to any other member of the Financial Management Board.

Advisers: Deputy minister of the Executive, chairman of the working group; deputy secretary to the Financial Management Board; secretary to the Priorities and Planning Secretariat; membership open to any deputy minister and director.

Purpose: To conduct a fundamental review of all territorial programs with a view to: a) simplifying, consolidating, ending duplication and improving service to the public; b) funding any new department and government initiatives from low priority items and savings; c) recommend an ongoing review process and restraint program.

Action required: 1) Technical support should come from a balance of existing senior staff and outside expertise. In addition to providing a good mix of knowledge the latter will provide a level of objectivity and independence. 2) Initial focus will be on the identification of the lowest five per cent priority items of departments, capital and operations, and the current restraint program.

Return To Question W15-87(1) And Question W32-87(1): Education Of Status Indians In The NWT

Hon. Dennis Patterson's return to Questions W15-87(1) and W32-87(1), asked by Mr. Gargan on February 25th and March 18th, regarding education of status Indians in the NWT.

The Hon. Michael Ballantyne has replied to part one of the question asked on February 25, 1987. His reply states that An Act to Authorize the Commissioner of the Northwest Territories to Enter into an Agreement with the Government of Canada Respecting the Education of Indian Children is still in effect.

Part two of the question concerns the existence of a transfer agreement in 1969. Education, social development, local government, and most aspects of economic development were transferred to territorial administration in 1969 in the Mackenzie District, and in 1970 in the Arctic District -- Keewatin, Baffin and Central Arctic. However, there was no formal, signed agreement governing that transfer. Transfer plans were developed and agreed to by the federal government, Indian Affairs and Northern Development, and the territorial government. These plans detailed the objectives and extent of the programs, the number of staff, the physical assets and the funding being transferred, as well as the timing of the transfer.

Even at that time, there was no identification of the education services being provided specifically to status Indians. The transfer plans state that the program was established to provide integrated "education services for all children in the Mackenzie District of the Northwest Territories". The "transfer" was, in fact, the assignment of the responsibility for education to another senior federal officer, the Commissioner. With few exceptions the same teachers, superintendents and administrators continued to provide education services after the transfer, as before.

In 1969, there were 4165 pupils enrolled in elementary schools; 1360 pupils in secondary/vocational schools and a total of 366 positions in 32 schools. The funding for the education program for the Mackenzie District, which was agreed to during the transfer, was over seven million dollars.

The third part of the question requested information on the financial contributions provided by the federal government to the GNWT for the education of NWT status Indians. The federal government currently provides the territorial government, through the deficit grant, with nearly 80 per cent of its total funding requirements. Since 1969, the federal government has not identified funds specifically for Indian education in the financial negotiations with the territorial government. Further it would be very difficult to determine the education budget for status Indians in the NWT. For example, although it would be possible to divide the schools budget by the number of Dene, Metis, Inuit and non-native children enrolled, the Department of Education does not have information on how many of the Dene children enrolled are status Indians.

This reply addresses the question asked by Mr. Gargan on February 25th and responds to all but one of the issues Mr. Gargan raised in his supplementary question on March 18th. The one issue remaining concerns his request for clarification of why I had called his first question a "major constitutional question". I regard the transfer of responsibility of programs from one government to another a major constitutional issue.

Return To Question W33-87(1): Funding For Bus Services, Pangnirtung

Hon. Dennis Patterson's return to Question W33-87(1), asked by Mr. Paniloo on March 18th, regarding funding for bus services in Pangnirtung.

Last year the local education authority in Pangnirtung and the Baffin Divisional Board urgently requested the support of the Department of Education to assist in the transportation of students in Pangnirtung to school. The Department of Education purchased a bus for the community of Pangnirtung with the understanding that the hamlet council would be responsible for all the operation and maintenance costs of providing this service. Recognizing that because of the location of the airstrip, there is an urgent requirement in Pangnirtung for students to continue to be bussed to school, the Department of Education will provide funding for the salary of the bus driver to the end of the 1986-87 school year. It is expected that the hamlet council will be able to provide funding for the operational costs.

The department is currently developing a bussing policy which will govern the provision of assistance for student transportation in all NWT communities. The assistance provided for Pangnirtung for bussing during the next school year will be determined by that policy.

MR. SPEAKER: Thank you, Mr. Clerk. Are there any further returns to written questions?

Item 8, replies to Opening Address.

Item 9, petitions.

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

ITEM 11: TABLING OF DOCUMENTS

HON. MICHAEL BALLANTYNE: Mr. Speaker, I would like to table the following documents: Tabled Document 54-87(1), Fourth Annual Report of the Northwest Territories Law Foundation; and Tabled Document 55-87(1), the NWT Housing Corporation Annual Report, 1984-85. Thank you.

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

HON. NICK SIBBESTON: Mr. Speaker, I have three documents to table. The first is Tabled Document 56-87(1), Northwest Territories Economic Review and Outlook, 1987. The second is Tabled Document 57-87(1), GNWT Response and Action Plan, dealing with the NWT Business Council's Nordic Tour Recommendations. The third is Tabled Document 58-87(1), Proceedings of the Northwest Territories Regional Economic Development Conferences, 1986-87.

MR. SPEAKER: Thank you, Mr. Minister. Tabling of documents. That appears to conclude this item for today.

Item 12, notices of motion.

Item 13, notices of motion for first reading of bills.

Item 14, motions. Motion 23-87(1), Egg Quota for the NWT. Mr. Gargan.

MR. GARGAN: Mr. Speaker, I wish to withdraw my motion. Thank you.

MR. SPEAKER: Mr. Gargan, you need the permission of your seconder to withdraw your motion. I will accept, however, this morning that you do not wish to proceed with it and when Mr. Wah-Shee is present, then we will have to go through his acceptance of withdrawing it. If not, it will automatically drop off the order paper anyway in one more day. So it will move along one way or another, but at the moment I cannot accept your withdrawal.

Item 15, first reading of bills.

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

HON. TOM BUTTERS: Mr. Speaker, I would like to give second reading to that bill now and, as this could be the last day, if it could be moved into the House as the last order of business in committee of the whole.

MR. SPEAKER: Mr. Butters, we have looked at this matter and have decided that that bill cannot be proceeded with until Bill 1-87(1) has been completed. It is still on the order paper and it will remain there.

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; BILL 14-87(1), LOAN AUTHORIZATION ACT, 1987-88; BILL 29-87(1), WRITE-OFF OF ASSETS AND DEBTS ACT, 1986-87; BILL 24-87(1), STUDENT FINANCIAL ASSISTANCE ACT; BILL 30-87(1), PLEBISCITE ACT; BILL 25-87(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 4, 1986-87

CHAIRMAN (Mr. Gargan): The committee will now come to order. We are on the Department of Finance, administration, with Mr. Butters. Before we proceed I would like to recognize in the gallery a Soviet delegation, Valery Tishkov, head of American Ethnic Studies, Institute of Ethnography, USSR Academy of Science; Ilyia Gurvich, head of the Northern and Siberian Peoples Department, Institute of Ethnography, USSR Academy of Science; and Valeentin Paritsky, interpreter/junior scientific worker of the Institute of Ethnography, USSR Academy of Science.

---Applause

Department Of Finance

HON. TOM BUTTERS: May I have permission to invite witnesses, the comptroller general, Mr. Nelson, and also Mr. Nielsen, who is responsible for the fiscal policy section of this department, to the witness table with me?

CHAIRMAN (Mr. Gargan): Does the committee agree that the Minister bring in his witnesses?

SOME HON. MEMBERS: Agreed.

---Agreed

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

Consolidation Of Financial Statements

MR. RICHARD: Mr. Chairman, I wanted to address a few of the objectives of the department listed in the main estimates documents. The document indicates that the department is going to implement consolidated financial statement reporting for the public accounts and the other one is the reference to the infamous fiscal framework of the department. But firstly, with respect to consolidated financial statements, Mr. Chairman, I am wondering if the Minister could confirm that when we get the next territorial accounts publication for March 31, 1987, we will see a set of consolidated financial statements.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, to the extent practicable. Possibly I should ask Mr. Nelson, our professional here, to indicate just what "practicable" would mean under the circumstances that carry on our administrative function.

CHAIRMAN (Mr. Gargan): Mr. Nelson.

MR. NELSON: Thank you, Mr. Chairman. We are undertaking a complete review of the government's reporting entities including its corporations and other agencies and we hope to have, for the completion of the 1987-88 fiscal year, a listing of those entities that we feel should be included under the consolidated financial statements of the Territories.

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

MR. RICHARD: Mr. Chairman, I note that in Tabled Document 3-87(1), Annual Report of the Territorial Accounts for March 31, 1986, there is a reference to consolidating the financial information of our government with the separate financial information regarding the Housing Corporation, on page 25 of that document. I think that, as I believe the Auditor General told the public accounts committee in the past, it would enable the government and Members of the Assembly and members of the public to see at a glance the entire financial picture of the territorial government. As one example, and without stealing the thunder of my colleague for Slave River, I

note on that page that when you look at the consolidated figures you see that we do not have a surplus of money in the bank to the tune of \$60 million as we have been led to believe, but rather we are already in a deficit position a year ago, March 31, 1986, to the tune of \$27 million.

Mr. Chairman, when I combine that with the anticipated operating deficit of the year which we are in now, which is finishing next week, of some \$15 million we were told, and the projected operating deficit for the budget year that we are now considering of some \$55 million, it would appear to me that the consolidated financial picture would be that, one year from now, if we approve this budget intact, our government will be in a deficit position to the tune of \$100 million. Whereas earlier last month, I had indicated that my reading of the government's approved or unapproved fiscal framework is that, two years from now, we will be in the hole to the tune of \$100 million, in fact we are much closer to that right now.

So, Mr. Chairman, I make this point. I believe we will get to the fiscal framework and the overall deficit when we deal later in this department, and with the Financial Management Secretariat and I am sure my colleague from Slave River will raise it. I make the point at this time just to provide my support for the suggestion of the Auditor General and the remarks that Mr. Nelson just made that we should have in the annual financial statements, not only the separate accounts of the Housing Corporation and of the government proper, but also a set of consolidated financial statements so that one can see at a glance the entire financial picture.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, it is the intention of the government and the department to consolidate the financial statements, probably by the end of this fiscal year. Now, relative to the question raised by Mr. Richard and also by Mr. McCallum, concerning the impact of the consolidation of the NWT Housing Corporation's financial statements and those of this government, I would respond that the government is not producing the consolidated statements at this time, obviously, but our expectation is that when the NWT Housing Corporation's financial position is consolidated with the government's, we are assuming that both assets and liabilities or liabilities and assets would be reflected in the consolidated statements. Consolidation in this manner would result in an increase in the equity or surplus section of the consolidated financial statements.

Management Of NWT Housing Corporation Debt

It should be noted that, consolidation aside, the NWT Housing Corporation does carry almost a million dollars in long-term debt it incurred to finance housing construction over the years. The full servicing of this debt is built into the base and will not require increased resources. The NWT Housing Corporation has not incurred new debt for a number of years, as the government made a decision to finance the housing construction through a different section of the National Housing Act. Use of this section results in split ownership of housing units with Canada Mortgage and Housing Corporation, but much more favourable cost-sharing of annual operating costs of the housing units. It should also be mentioned that CMHC cost shares the annual amortization costs associated with the NWT Housing Corporation's long-term debt. Thank you.

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

Proposed Fiscal Framework

MR. RICHARD: Mr. Chairman, if I could turn to the other objective that I wanted to comment on and that is on page 5.04 of the main estimates document, under fiscal policy. It is stated that one objective of this department is to continue to provide input into the short-term multi-year fiscal framework -- think about that for a minute -- and to formulate a long-term fiscal framework for the NWT. I and others have made references to this fiscal framework that was provided to the standing committee on finance in the month of January. The Minister, it seemed to me, later wished to disown this fiscal framework that was provided by him and his officials.

I have continued to have serious difficulty with this projection, particularly because it calls for zero growth in the operations and maintenance budget of the government in the two financial years following the one under consideration. I believe it to be totally unrealistic. I did hear the Minister say the words that this is not an approved fiscal framework, that these are simply targets and goals, but my recollection of the explanation of this framework during the committee's consideration in January was that the Department of Finance officials had been directed by the

Executive Council or the FMB under either of their lives, to insert zero growth in those projections. Now if that projection indeed came from the FMB or the Executive Council, what is unapproved about it? Those are the minds that constitute the board of directors of this government and in all seriousness, Mr. Chairman, is the government going to continue to take the position officially in this Assembly that it does not have an approved fiscal framework? What is the meaning of this objective if we are not to come away from the achievement of this objective with a fiscal framework, whether it is short-term multi-year or long-term multi-year?

I think that the public would be disappointed if they were told that those who run the government do not look beyond the end of their nose, beyond the end of the current budget year. I think the public would like to hear that the financial planners in government are looking long-term, past the end of the current budget year or next budget year. So, Mr. Chairman, I raise this again because I am getting the opportunity to, when we are considering this department. I would ask the Minister in seriousness to comment on what I see as a shortcoming. If the document that I tabled, which contains information that I got from the Minister and his officials, is not the approved fiscal framework of the government, then we should have one. If it is indeed the only approved fiscal framework that our government has, then I am critical of it and I am entitled to voice my criticism. I am not sure on which field I want to do battle with the Minister -- the shortcoming of not having an approved fiscal framework or the shortcomings of the approved fiscal framework. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Thank you, Mr. Chairman. If battle is what the Member is seeking, I suggest that the arena should be the Financial Management Secretariat's estimates still to come up. This item -- and I will read the objective: "Continue to provide input into the short-term multi-year fiscal framework and formulate a long-term fiscal framework for the NWT" -- is related to fiscal policy. The fiscal policy section does major work in revenue and taxation and the impacts of such regimes on the people of the Northwest Territories. It is involved in the formula negotiations and things like that. I believe that if the Member would be patient, we could look at the fiscal framework that he was referring to when we get to the secretariat and when Mr. Voytilla is with me.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. General comments. Are there any further general comments? Does the committee agree that we go into the details of the Department of Finance?

SOME HON. MEMBERS: Agreed.

---Agreed

Administration, Total O And M

CHAIRMAN (Mr. Gargan): Thank you. Page 5.10, administration. Total O and M, \$2,347,000. Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. I am not sure if this is the area, but one of the problems I have is with the report of the territorial accounts and I am not sure whether it comes under the administration, or who is responsible for putting these out -- is this the area or should I be looking at, or waiting for FMB as well? Perhaps I could get it straightened out by the Minister first. If I ask a question on the timeliness of reporting of territorial accounts, is this the proper place to do it or do I wait for FMB, or FMS, whatever it is?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, the Member should ask it here.

CHAIRMAN (Mr. Gargan): Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. One of the things that has been a concern is the timeliness of these accounts. For example, the annual report of territorial accounts for the year 1985-86 contains the auditor's report on it and I note that the date on it was August 22nd; when the Legislative Assembly received the accounts from the Auditor General it was dated, on page 11, from Ottawa on August 22nd. Now, that is about four months after the end of the fiscal year but we, when we come in here, Mr. Chairman, we do not get those until we sit in the budget session.

Now, we started here on February 11th, if you can believe it -- today is the 20th of March. We came in on February 11th. These accounts were not then tabled until the next day, February 12th. Now, it is bad enough that we get the accounts of the territorial government four months, or some 140 days later from the Auditor General, but we do not get them in our hands as MLAs until February 12th. That has got to be close to 10 months after the end of the accounting period.

My question to the Minister is, how do we shorten that? I think it is great to get the information and Mr. Richard alluded to one part of it because now we are into consolidated accounting practices, consolidated financial statements that really show the true picture of where the government is in relation to the kind of money that this government has. I have a concern, and express it to the Minister, that this financial information is useful but obviously it is going to get less useful or its usefulness lessens the longer we have to wait for it. It seems to me that we would be better off if we were going to have this information -- and I recognize that it will be the standing committee on public accounts that will be dealing with it -- but I think once that information is tabled here in the House, then we can use that information because there is pertinent information in it in questioning the government and its fiscal framework and everything else that it does. I have a concern that we are not getting this information quickly enough and I wonder if I could get some comment from the Minister as to how we can lessen the time until we get this information. I wonder if the Minister would comment on that.

CHAIRMAN (Mr. Gargan): Mr. Minister.

Time Lapse Before Assembly Receives Accounts

HON. TOM BUTTERS: Yes, Mr. Chairman. The auditor's report, which the Member indicated was dated August 22nd, the final date of the audit review, was not in the hands of the government before January next. As the Member mentioned, I think I tabled it on February 12th. I recollect that as a result of representations made by the honourable Member to the Auditor General some two years ago, he did get agreement from the Auditor General to send the document both to the Legislative Assembly, as I note it is addressed to the Assembly, and to the government at the same time, and I would see no reason why the Legislative Assembly could not make that document available on receipt.

I think the real problem is, or the major problem is, the time lapse between the date when the final audit review is concluded, such as August 22nd, and the date of receipt, which is some four or five months later. But I would agree with the honourable Member, for the public accounts committee and the work of that committee to be effective and helpful, the statements of account and of expenditure and revenues should be in its hands as quickly as possible. I agree with the Member and he has my assurance that if there is anything that I can do or the comptroller general of this government can do, we will act to accomplish that end. We are setting as the next target date for the accounts, October 31st, 1987. Maybe I could just ask the comptroller general to speak to it very briefly. He is aware of the need and I think that he is taking steps to fulfil that requirement.

CHAIRMAN (Mr. Gargan): Mr. Nelson.

MR. NELSON: Thank you, Mr. Chairman. We have just concluded some audit meetings with officials from the Auditor General's office and we both recognize the concerns of the public accounts committee and we have come to an agreement to set a target date for the completion of the audit and the finalization of the territorial accounts in printed form for October 31st, 1987. That is the target we are working for this year.

CHAIRMAN (Mr. Erkloo): Thank you. Administration, total O and M. Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. Just one question on the administration. It deals with the task of insurance, the risk management and insurance budgets. I note that in our standing committee it indicated that the budget accounts for certain premium related costs are to be transferred from other departments beginning this year. Could the Minister indicate to me how or when or what is involved here?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the item referred to by the Member is in the treasury section of this budget and not under administration.

Administration, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): We are under administration right now. General comments. Administration, total O and M, \$2,347,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Treasury, Total O And M

CHAIRMAN (Mr. Erkloo): Treasury. Mr. Minister.

HON. TOM BUTTERS: Yes, the responsibility was transferred in the fall, if that was the Member's question.

CHAIRMAN (Mr. Erkloo): Mr. McCallum.

MR. McCALLUM: These budgets, the risk management and insurance budget accounts for certain premium related costs, are to be transferred from other departments. Where were they and where are they going now? Are they all being consolidated in one area? Where could we have found them before?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: I am advised that the two departments which heretofore carried these responsibilities are the Departments of Public Works and Culture and Communications. You are right. It is being consolidated under one roof.

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

Fail-Safe Factor In Formula Financing

MR. McCALLUM: Thank you. Again, under treasury under the taxation task. When we were in the standing committee on finance, we were somewhat surprised to find that there would be a revenue decrease in personal taxes, but there would be a revenue increase in corporate income tax. Given the downturn and everything else, that did not seem to ring right, but in the explanation I think the Minister said that there was a fail-safe agreement. Or under the agreement with the federal government, if these taxes were to drop down -- and I expect it would also include personal -- that in the formula financing agreement there was a fail-safe mechanism involved in it. I wonder if the Minister could explain that a little bit more and really indicate to us just what this fail-safe factor is in the formula financing.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, the estimates of anticipated revenue in both the area of corporate income tax and of personal income tax are provided to this government by Revenue Canada. We do not have the research or the availability of data to develop those revenues ourselves. So Revenue Canada provides us with these figures. Under the formula, a fail-safe arrangement has been developed and it operates in this manner: Should we put into our estimates the projections given us by Revenue Canada and we do not receive those revenues in the actual experience, then under the formula the Government of Canada makes up the shortfall, because we are operating on the projections that have been provided us by Revenue Canada.

However, it has an obverse side as well, in that, should we receive more than is being projected, then our grant is diminished by that amount. So it catches you one way and it provides you with the shortfall in another way.

CHAIRMAN (Mr. Erkloo): Thank you. Treasury, total O and M, \$2,261,000. Agreed? Mr. McCallum.

Loss Of Investment Revenue

MR. McCALLUM: Thank you, Mr. Chairman. Again, I go back to our standing committee on finance in the area of investment. While the government worked on an accumulated surplus over the past few years, we were able to realize some revenues from the investment part, whether these were done in

short-term investments or in other areas. As Mr. Richard has pointed out, and others have pointed out, the ability of the government to invest moneys now is going to be a little bit curtailed, or somewhat curtailed, because that accumulated surplus just went out the window. Now, I recognize that there will be times when the government does have certain amounts of money on hand that it will be able to invest, maybe even on a shorter-term basis. But I note that in this particular area, the revenue expected will be less in investments, obviously, than it has been in the past. The government is anticipating that it is going to be down by over a million and a half dollars. I wonder if the Minister could comment on how they anticipate even looking forward to getting seven or more million dollars in investment revenue, given the financial picture as we know it now.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, as with the projections on corporate and personal income tax, this item is also fail-safed under the formula.

CHAIRMAN (Mr. Erkloo): Mr. McCallum.

MR. MCCALLUM: Thank you, Mr. Chairman. I am not sure how that works or how it would work under a fail-safe arrangement. I can understand the taxation. You are getting figures from the federal government; therefore, if you do not reach that figure or even if you pass it, you are going to be caught one way or another. How does the fail-safe arrangement work out on investments? Is there a limit that you have? When do you reach the point where they will start putting money into it? Does it work in the same way as the income tax deal? If you reach a certain amount, if you go over that, do you have to pay it back to the federal government? How does it work?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, it works exactly the same way as the income tax deal, as the Member indicated. However, in view of the fact that I have at my left hand the gentleman who did a lot of the work in negotiating the formula, maybe I could just ask him to respond briefly.

CHAIRMAN (Mr. Erkloo): Mr. Nielsen.

Fail-Safe Arrangement Relative To Investment Income

MR. NIELSEN: Mr. Chairman, the purpose of the fail-safe arrangement is to protect both the territorial government and the federal government from windfall gains and windfall losses. As Mr. Butters has pointed out, in the case of interest revenue, interest revenue was deemed by the Government of Canada to be an area that was subject to some extent to the influence of our government and therefore was deemed to have to fall within the area of being fully fail-safed. So that simply means that no matter what level of interest we receive, if it is different from the projections originally used in calculating the grant, the difference will be either made up by the federal government or returned by us to the federal government. In conclusion, that simply means that if our reserves or our amount of money available for investment fluctuates dramatically from year to year and therefore our interest fluctuates, that the difference will again be made up, either by ourselves or the federal government. So there is no impact at all on our revenues.

CHAIRMAN (Mr. Erkloo): Mr. Richard.

MR. RICHARD: Mr. Chairman, on the same topic, it appears to me that we have been receiving interest revenue, I had thought of a magnitude of six and seven million dollars, in recent years. And I have the same concern as Mr. McCallum, that with this government's decision to spend all the money in the bank and go into a deficit position now and in the future, there are six or seven million dollars that we are not going to be getting in revenue. Now we are told by Mr. Nielsen that that is fail-safe. What I would like to know now is, then what was the projection back when we signed this agreement? Were we planning on having \$40 million or \$50 million in the bank at all times through the course of the agreement? Or, as I suspect, we were going to break even every year. We have accumulated that surplus, we have earned the revenue, but I hear Mr. Nielsen say that six or seven million dollars is, in effect, going to have to be turned over to the federal government, the interest revenue.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: In developing the formula, I think that the key factor under consideration was the principal and not the amount, as the Member indicates. We make projections on the expectation of the amount available for investment and that is the amount in which the fail-safe applies.

MR. RICHARD: What is the amount?

HON. TOM BUTTERS: I would have to return with the projected amount. I do not know what it is for the coming year.

CHAIRMAN (Mr. Erkloo): Mr. McCallum.

Interest Income Above Estimate Given Back To Federal Government

MR. McCALLUM: Thank you, Mr. Chairman. I note that last year, in the main estimates, it was estimated that the government would have interest income in the amount of \$7.7 million, but in actual fact in revised estimates it came out to \$10.7 million. So it must have been a good year, if you estimate that you are going to get \$7.7 million and, because of good management, in a revised forecast you expect \$10.7 million. We will have to wait to find out next year what it actually comes out to. But this year you are anticipating, in total interest income by the government, \$9.2 million, but in the figures that we had in SCOF it was \$7.7 million. If you put an amount of \$7.7 million in the estimate of the figure that you are going to make in interest income -- if you put that in the estimates, is that the figure that the feds are going to use? And if you realize \$10.7 million, did you have to give them back \$3.1 million?

HON. TOM BUTTERS: Yes, Mr. Chairman.

MR. McCALLUM: That would be a revision then, made to the main estimates. In an accounting, I note that the figure of about \$3.5 million was used for last year. I do not know where I have seen the figure, but I have seen it somewhere, that there was a revision to the main estimates of \$3.5 million. Would that be part of it as well? That would be taken away from it?

HON. TOM BUTTERS: I believe it is reflected in the territorial accounts, Mr. Chairman.

MR. McCALLUM: Territorial accounts, that is where I saw it. Mr. Chairman.

CHAIRMAN (Mr. Erkloo): Yes, Mr. McCallum.

MR. McCALLUM: So, is it safe to say then that the \$7.7 million is the figure that you are going to pay over? I mean, is that the cut-off figure? Is the \$7.7 million for interest income? Is that all the interest income that you are allowed to make on your investments with the government? If you had to pay the \$3.1 million back to the government last year, the year before, the actuals for 1985-86 were \$9.3 million -- did you have to give back two million dollars then? I do not think you have to go back and look for the figure. Obviously the figure is going to \$7.7 million.

HON. TOM BUTTERS: That is the principal.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

Interest Rates Dropping

HON. TOM BUTTERS: Yes, Mr. Chairman. I was just checking where we are in the year to date and currently we are under our projections for this year, 1986-87, and the projection therefore will be fail-safed, obviously. I am not sure what that will be but with interest rates dropping, we are not accruing as much as we had projected.

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

MR. McCALLUM: Thank you, Mr. Chairman. Well, you are estimating this time that your interest income for the government -- and I am just reading from page (vi) in the main estimate book, interest income under general revenues -- your interest income, you are projecting, will be \$9.282 million. Now, that is total interest income. It may not all come from investment -- I do not know where else you will get it, overdue bills, I guess -- the total amount that you expect as a government to get in income. Given what you have said before, Mr. Minister, does that mean that

you are going to pay back to the government, federal government, this year \$1.6 million, or thereabouts? What is the involvement of the federal government in this fail-safe factor that you have? If the amount that you have available for investment is reduced to zilch, nil, nothing, are they going to give you, then, seven some million dollars? That does not sound very realistic.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, obviously the projection for succeeding years is going to diminish as the opportunities for us to realize the return diminish but the figure that we have in the book was made last fall. It was made at a time when interest rates were much higher and our expectations of achieving that figure were much greater. But in terms of the concept of "fail-safe" as it relates to the formula, maybe I could just ask Mr. Nielsen for a couple of brief words of explanation on how it fits into the concept.

CHAIRMAN (Mr. Erkloo): Mr. Nielsen.

How Fail-Safe Formula Works

MR. NIELSEN: Mr. Chairman, perhaps it would be useful to explain how the formula works and this can fit into that. First of all, we start with an expenditure base and we escalate that base. We do not escalate the revenues. We take the total framework or budget of the government, which is the total expenditure framework, and then apply a percentage escalator to that and that determines the total amount of money that we will derive. Where we derive that from is determined, based on subsequent events. But first of all, we would deduct from that global framework the anticipated revenues that we think we will collect. The difference is then identified as a grant from the Government of Canada.

In the case of the interest, as an example, when we first negotiated our financial agreement for 1987-88, we would have used the approximate amount that is in the 1987-88 budget, which is \$9.2 million. That would be the figure that we would negotiate, based on our best estimates at that time of what we anticipated our average principal amount to be over the course of the year and our best estimate of what we anticipated the interest rates to be. The Government of Canada would review that and determine whether or not they felt that was reasonable. And that is why that amount is in there. That amount should not change, because if we changed that, based on the revised expenditure, we would also have to change the grant amount because the two, in effect, will derive the same amount of revenue as an end result.

So in this case, at this point in time, it may very well be that we will achieve less than \$9.2 million in investment revenue. But having said that, the grant from Canada would then be increased by the identical amount -- the \$520 million shown on the same page would increase by the same amount. So the bottom line is exactly the same. It does not change.

CHAIRMAN (Mr. Erkloo): Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. I can appreciate that. I find it just a little incredible to think that -- you know, we talk about the figures that you gave us last fall, when you were estimating that we are going \$55 million in the hole and we are going to make nine million dollars in interest revenue -- what must we have been making when we had \$55 million in the bank?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: No. The interest revenues are derived from our cash flows.

CHAIRMAN (Mr. Erkloo): Mr. Richard.

Property Tax And School Levy Increases

MR. RICHARD: Mr. Chairman, with this explanation that has been given, I want to ask a question about the Minister's announcement on February 27th about property tax increases and school levy increases. Those two initiatives, the Minister indicated that day, would generate an additional \$380,000 in revenue in 1987. Now with Mr. Nielsen's explanation, do I understand that the federal government are fail-safed on these things so that, although our property tax revenue and school levy revenue are going to increase by \$380,000, approximately, the cheque from the Government of Canada is going to decrease by that amount?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: No, Mr. Chairman. The formula was developed to encourage our jurisdiction to develop its own taxation regimes and patterns and where we have a rate increase in our taxation regime, such as the one mentioned by the Member, we benefit, this jurisdiction benefits from that rate increase. Under the formula, it does not apply to increased revenues derived from rate increases nor from new revenue initiatives and that is why we pushed the payroll tax or attempted to push the payroll tax last year.

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

Cash Flow Management Should Have Been Excluded From Fail-Safe Provisions

MR. RICHARD: Well, Mr. Chairman, I am pleased to hear that. I guess that just begs the question and I appreciate that the agreement is already signed, but I would see the management of cash flow and the efficiency in -- am I going to say these words? -- the efficiency in spending money, whatever has caused us to build up that \$40 million in the bank. We have been told many, many times that it is through efficient management, and all of these nice words. Whatever it is, I say that that is an initiative, if you will, or a decision of our government like the decision to increase property taxes and that it should have been -- I have not thought this completely through, Mr. Chairman -- but with this explanation, it occurs to me that that should have been excluded from the federal fail-safe provision. In other words, I agree with Mr. Butters that we should get the benefit of the decision to increase property taxes but similarly if, through an efficient management of our financial resources and cash flow decisions, we increase our investment income or interest income, we should get the benefit of that and not the federal government.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the Member has made a comment but I think it is a very important comment and it relates to one of the problem areas that was experienced in negotiating the formula, which took some three or four years. As Mr. Nielsen was the senior negotiator on the formula, maybe I could ask him to respond. My understanding is that we made the same case as the honourable Member just made but the federal government refused to countenance it.

CHAIRMAN (Mr. Erkloo): Mr. Nielsen.

Government Of Canada Refused To View Investment Income As Other Than Fail-Safed

MR. NIELSEN: Mr. Chairman, as Mr. Butters has indicated, when we went through the formula financing negotiations, we essentially looked at every source of revenue and our government made proposals on what the circumstances should be for that and in the case of investment income, we made very strong efforts to have investment income considered as a revenue initiative on the basis that if our government did not exercise responsible financial management, we could put the money in a bank in a non-interest-bearing account and it would not harm our government whatsoever. The Government of Canada would still ultimately be responsible for paying the difference. By the same token, we felt that it was important to recognize that we, as a government, wanted to exercise responsible management and to try to derive as much investment income as we could, which would mean that even if we shared the benefits, this would ultimately reduce the amount of funding coming from the Government of Canada.

The Government of Canada was unyielding on this particular point. They were not prepared whatsoever to consider this amount to be other than a fail-safed amount. Their viewpoint, I believe, was partially based on the fact that our government had been building up surpluses over a period of time and that we had amounts of money in the bank and to some extent there was, I guess, some incentive expected on the part of our government to use those funds for government programs rather than appeal to the government through Treasury Board submissions.

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

MR. McCALLUM: Thank you, Mr. Chairman. Just on the business of taxation again, since it has been raised and specifically on the increase of the school levy in the seven municipalities other than Yellowknife -- it is going to be raised by 10 per cent. Could I get some indication from the Minister, what would the territorial government's grant in lieu of taxes amount to in there? Is the territorial government paying the school levy or just the property levy?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, it is information we would have to obtain from the Department of Municipal and Community Affairs. I could try to obtain it over the lunch hour and provide it to the Member on my return.

Treasury, Total O And M, Agreed

CHAIRMAN (Mr. Erkloo): Thank you. Treasury, total O and M, \$2,261,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Comptrollership, Total O And M

CHAIRMAN (Mr. Erkloo): Thank you. Comptrollership, total O and M, \$4,327,000. Mr. Richard.

MR. RICHARD: Mr. Chairman, I am not a financial person, so I do not understand all these terms and I am not sure if I am on the right page to make this comment, but I wanted to address again the matter of the school levies. This page does say that this group is responsible for the reporting of all expenditures and revenues, so it makes me think I am on the right page.

It occurs to me, Mr. Chairman, with the discussions we have had about the school levies, that that should be reported in the Department of Education rather than in the Department of Municipal and Community Affairs, with property taxes. This was commented on by this Watson report that the government now has, and I urged the Minister of Education, when we discussed his budget earlier, that his department should be moving to a situation where the local community can see the effect of their raising of those school levy revenues on the programs that their children in that community are receiving. I am wondering if the Minister would consider, or his officials as well would consider, initially at least, just reporting it there so you could see, perhaps in a percentage way totally for the Department of Education and perhaps broken down by community, the relationship, if any, of the amount of money being raised in that community for school purposes and the amount being expended for school purposes. Would the Minister consider, as a first step, reporting in the government's financial documents the school levies in the Department of Education?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, we would consider it, but having said that, I would like to indicate what the Member already knows and that is that this government, with one exception, does not earmark our revenues. I believe there is the supplementary old age assistance allowance -- but we do not earmark revenues and put it in this pot or that pot. It goes into the consolidated revenue fund. So, at the present time, especially in the smaller communities, there is no relation between what is collected as a school tax and what is expended in that particular school system.

CHAIRMAN (Mr. Erkloo): Mr. Richard.

People Want To See End Result Of Taxes Paid

MR. RICHARD: Well, Mr. Chairman, that is precisely the point. It is addressed at length in this Watson report that the government has had for a year, and I was trying to discuss it with the Minister of Education when we were considering his budget, that especially if the government is going to start increasing the school levy -- the person in those communities who sees his tax bill going up and is told that there is an increased amount being raised for school purposes is going to start saying to the government, "Well, just a minute, you have not increased the programs, the services in the school where my children attend" and, as the authors of the Watson report point out, normally when people pay taxes, it is tough for people to pay taxes and they have to see a result from their digging deeper into their pockets.

I am simply suggesting, and I do not know how Mr. Patterson in the future is going to rationalize the traditional school board concept because, for the foreseeable future, a lot of the communities are not going to be able to raise sufficient revenues to pay for the school programs. But I can see a day, Mr. Chairman, when the Education department will fund 100 per cent of the approved

expenditures of every school in every community in the Territories but the community could enhance the school programs at their discretion with their own money and it is for that reason that I say the first step in that is to start reporting the school taxes that are raised for school purposes -- start reporting them under the Department of Education. Otherwise, it is a misnomer and you might as well call it all property tax because it is just going into the government's consolidated revenue fund, as the Minister indicates.

So, Mr. Chairman, I am not going to make a motion in this regard because there are not enough people here but I am going to ask the Minister if he would consider that as a first step and perhaps work in conjunction with the Minister of Education and the Minister of Municipal and Community Affairs. Thank you.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Thank you, Mr. Chairman. Yes, very much so. I think that is an excellent suggestion and I agree very much with the Member that taxpayers like to see where their dollars are going and if they are getting value for money. If they are a part of the system then they are a lot more satisfied than seeing the money go to some central fund. Certainly we will consider that suggestion and maybe the hamlets should be raising their own taxes and spending their own school taxes in this regard. I would like to correct the Member. He said that the government has had the Watson report for a year. The standing committee on finance has been much more blessed than I have because the Watson report has not been in the hands of the government, it has been in the hands of the Department of Municipal and Community Affairs and that Minister provided Members of the standing committee on finance with the document that has not yet been widely circulated within the government.

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

Cheques To Contractors Withheld

MR. NERYSOO: Thank you. Yes, the Minister is correct, we are lucky, but just with regard to a concern that generally is expressed throughout the Northwest Territories and it applies to contractors, in particular where cheques have been withheld for a period of approximately 21 to 30 days. Is that particular policy going to be amended in the upcoming year so that we can allow for cheques to be issued earlier than the dates indicated, in particular in those areas where approvals have been given by the contracting department?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: Thank you, Mr. Chairman. I believe the Member can remember, as I can, and this is no excuse, but when the payment times were 30, 40, 60 days. As a result of that situation, the government did move to develop and enforce a policy in which invoices received from northern contractors would be paid within 20 days after receipt and, for a southern contractor, 30 days after receipt. The Member probably also is aware that there is no other jurisdiction in Canada that pays with the speed with which our government does and on a number of occasions we have acted individually to assist a contractor who is having cash flow problems and especially, I have been especially quick to react in the Beaufort area and in the Member's constituency area where cash flow problems are being experienced. Our intention at the present is not to reduce the current time limit which seems to be a leading policy in Canada today.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. We will now recess and reconvene at 1:30 p.m. Thank you.

---SHORT RECESS

CHAIRMAN (Mr. Gargan): The committee will now come back to order. We are on page 5.12, comptrollership. Mr. Richard.

MR. RICHARD: Mr. Chairman, just to follow up on the Minister's correction of what I said about this Watson report. I am not sure if the Minister was lashing out or taking a shot at me or the Department of Municipal and Community Affairs. But this report that I received a copy of just in January states in the introduction that the initial report -- although the Department of Local Government was the client of this outfit Watson -- the initial report was provided to government

officials in January and then it states, "Meetings were held in late March in order to obtain comments on the draft from officials in Local Government, Finance and Justice". The three documents were finalized early in April of 1986. So there was input from the department. I actually do not know, maybe it was not a shot at me, maybe it was at Municipal and Community Affairs.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: No, I was not taking a shot at anybody. I was correcting what I thought was the situation. The Member indicated that had been in the hands of government. I guess I was expecting that it would be examined at an Executive level. Well, it certainly has not been examined by the Executive nor any amendments or changes or recommendations from it examined at that level.

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

Issuance Of Cheques

MR. NERYSOO: Thank you, Mr. Chairman. In my question with regard to the holding period for cheques, I did not want to get into a debate about the historical events or the decisions that had been made, but rather to inform the contractors of my particular constituency that things had been worked out by the Minister of Finance and the cheques are being made available to those contractors who had completed and had their contracts approved. If I raised any concern on the part of the Minister, I certainly would like to have the Minister explain the reason he was a bit disturbed by the questioning. I was trying to allow at least some information to be disseminated to the contractors in our particular region.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, no, I was not concerned about the question. I guess I was concerned in that I felt the Member's expectation was that the government would be amending the current policy and arrangements so that there would be even a faster payments of accounts. I just wanted to indicate to him that we are a foremost jurisdiction in paying our accounts at the present time, of any other in Canada. I am aware that the Member is concerned about the situation of contractors in his constituency and as such I have delegated to the regional office the responsibility to examine the need of contractors in the Beaufort area and, to assist those contractors who have cash flow pressures, to have cheques issued earlier than is required under our policy.

Comptrollership, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Comptrollership, total O and M, \$4,327,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Fiscal Policy, Total O And M

CHAIRMAN (Mr. Gargan): Fiscal policy, total O and M, \$370,000. Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. Maybe I could ask the honourable Minister whether or not this particular area is monitoring the ongoing trade talks that are taking place between the federal government and the government of the United States, whether or not we have input into those discussions and whether or not the government has a process, at this particular time, to consider concerns of the Government of the Northwest Territories and the people of the Northwest Territories.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, no, this particular group does not monitor such exchanges, although the government is interested. I believe the responsibility has fallen on the Minister of Economic Development and Tourism, so that responsibility has now become the Government Leader's.

Mr. Chairman, might I respond to a question of the honourable Member from Slave River regarding grants in lieu of taxes, which I was able to obtain over the lunch break. In tax-based municipalities, except Yellowknife, the GNWT does not pay school taxes nor grants in lieu of taxes. In Yellowknife, the GNWT pays school taxes to the local school boards since they collect their own taxes; in taxation areas the GNWT does not pay grants in lieu of the school levy.

CHAIRMAN (Mr. Gargan): Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. Just in line with that, I would have expected that to be the answer, that the government would not be paying themselves, as it were, in the non-taxed municipalities outside of Yellowknife. Obviously, you do in Yellowknife, so it raised a couple of questions and it may be even more reason why the government should be looking at such a proposal as Mr. Richard said, that the government does allow the small municipalities to keep their tax money for whatever purpose they may have. Does the Minister know how much is given to each of the boards as a grant in lieu of taxes? How is the split made? For example, how much would be provided to School District No. 1, by the government in a grant in lieu of taxes? How much to School District No. 2, because it would be the amount of money that you would normally pay as taxes on government buildings that we are talking about?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I regret I cannot respond. I will pass the question on to my colleague, the honourable Minister for Municipal and Community Affairs but I will try and see that the Member gets an answer as soon as possible.

CHAIRMAN (Mr. Gargan): Mr. Nerysoo.

GNWT Involvement With Federal Tax Reform

MR. NERYSOO: Mr. Chairman, has the government participated in discussions with regard to federal tax reform and what has been the result of those discussions to date? I note that there have been a number of motions introduced and passed by Members in this House that have a bearing on any new reforms that might take place and certainly that is an indication of the concern Members have with regard to any reforms that might in some way negatively affect the present taxes or tax exemptions that exist in the Northwest Territories.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, the Member has touched on a very important initiative of the federal government, an initiative that I expect will be implemented in the very near future. It is of extreme importance to this government as well, because it affects the taxation arrangements we have with the federal government and possibly revenues that we might receive. How many meetings have we had? I think that the first time I heard it raised was at Victoria, some 14 or 15 months ago and it has been the major item of discussion in the four Ministers of Finance meetings that have occurred or the three meetings that have occurred since that time. I did not attend the one on March 12th because, obviously, I was required to be here, but Mr. Nielsen attended. At that meeting, the federal government for the first time provided quite a good deal of information relevant to the proposals that the federal government has in mind and the objective and initiatives that Mr. Wilson intends to pursue.

From my role as an auditor at those meetings, it is quite obviously a federal initiative and the provinces will come on side or they will not. This jurisdiction, the Northwest Territories and the Yukon, are in an extremely difficult position because we do not have seats at the table, as the Member well knows. We sit in the gallery and just as recently as lunchtime today, I signed a letter to Mr. Wilson, indicating to him that in this very, very important matter of tax reform, both the Yukon and the NWT should sit at the table with the other Ministers and that our officials should be very deeply involved at the senior officials level.

I still have not briefed my colleagues on the tax reform situation. We just have not had time in the last five weeks. But I would like to get, and Mr. Nielsen advises me that there is quite a bit of public information available now, I would like to circulate that to Members as soon as I can. The problem is, and we have advised the federal Minister of our concern, that the business transfer tax taxes every level of economic activity, either in a product or in a service and basically we

will see the sales tax removed and this new taxation on each level of activity. Obviously, unless there is some change made to the existing tax regime for the taxes applied to travel, aircraft fuel, and other things which make the NWT costs of living so high, we will be doubly taxed as a result of this new program. So it is imperative that this jurisdiction and the Yukon sit as equals in the discussions that will probably increase in number over the next 10 or 12 months. So the Member has put his finger on an extremely difficult and important task that fiscal policy people and Mr. Nielsen will have to carry out in the days ahead.

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

MR. NERYSOO: Thank you, Mr. Chairman. I had hoped, after those particular comments, to introduce a motion of support for the initiative of the Minister, but I do not have the motion written out at this particular time. I would ask the committee Members to allow me to introduce it under the Financial Management Secretariat during general comments.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Nerysoo. Fiscal policy, \$370,000. Mr. Richard.

MR. RICHARD: Mr. Chairman, I had raised under general comments my concern about the fiscal framework. And looking at this page 5.13 and sneaking ahead to the FMS pages, it occurs to me that there is confirmation in here that the development and maintenance of the multi-year fiscal framework is now the responsibility of this fiscal policy group. I just do not want to be foreclosed from discussing this. If I say "Agreed" on this page -- you will not trick me.

MR. MacQUARRIE: No, no!

Fiscal Policy, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. Fiscal policy, total 0 and M, \$370,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Detail of work performed on behalf of third parties. Any questions? Mr. Richard.

MR. RICHARD: Mr. Chairman, I note the caution here that there is no automatic renewal. Do we know now? I know these books were printed some time ago. Do we know now whether those programs have been renewed?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: No, Mr. Chairman. Mr. Chairman, the comptroller general advises me that confirmation from the federal government for continuation of these subsidies was not received by this government until into this fiscal year.

CHAIRMAN (Mr. Gargan): Thank you. Detail of work performed on behalf of third parties. Are there any further questions? Page 5.15, revenues, recoveries and transfer payments. Any questions? None.

Total 0 And M, Agreed

Okay, we will turn back to page 5.09, Department of Finance, total 0 and M, \$9,305,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

Financial Management Secretariat

CHAIRMAN (Mr. Gargan): Thank you. We turn now to the Financial Management Secretariat, page 4.07. Mr. Minister, are you having the same witness for this one?

HON. TOM BUTTERS: No, Mr. Chairman, if you would give me a few minutes to get organized here I would like to excuse the comptroller general, Mr. Nelson, and I would be grateful if the committee would permit Mr. Voytilla, the deputy secretary of the Financial Management Board, to take his seat.

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

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Gargan): I would like to thank the witness, Mr. Nelson, for appearing. The Minister may go ahead with his opening remarks.

HON. TOM BUTTERS: Mr. Chairman, if I may just make a brief opening statement on behalf of the secretariat and, as I expected, a number of the global issues of the nature that Mr. Richard was mentioning earlier would come up during this particular budget item. I also would like to make a few other comments as well on matters that have been raised and discussed and debated over the last five weeks. This brief opening statement just deals with the secretariat which I do not think is going to take up much time. It is the other questions that will require the time.

Minister's Opening Remarks

Mr. Chairman, the Financial Management Secretariat is a central support group serving the Financial Management Board. It provides financial advice on department submissions, co-ordinates the budget process under FMB direction, provides administrative support services to the board and provides financial input into numerous government undertakings. In 1986-87 the Financial Management Board assigned new work to the secretariat in a number of specific areas. All of the projects have taken considerable time and effort to develop and will require ongoing work by the Financial Secretariat in 1987-88.

In conjunction with the Department of Education, the Financial Management Secretariat will be implementing a modular training and orientation program outlining GNWT financial structures, procedures and processes. The training package will help employees at various levels to better understand the financial systems in place in the GNWT. The management for results system, formerly called the program performance measurement system, is well under way. I am pleased to inform you that a significant number of departments will have a functioning system by March 31, 1987. Some departments will require additional time to develop systems and the secretariat will be working with these departments in 1987-88 to complete implementation. The employee suggestion award program has been fully developed and was implemented in January of 1987. The Financial Management Secretariat will continue to administer this program which is designed to foster recognition of employee innovation and creative problem solving. In 1986-87 the secretariat was involved in the forestry and NCPC program transfers to provide financial input into the negotiations. The involvement of the Financial Management Secretariat will continue until these transfers are concluded.

In addition to the undertakings I have already mentioned, I wish to advise Members that for the third consecutive year, the Financial Management Secretariat has been instrumental in this government's achievement of the award for "Distinguished Budget Presentation", conferred by the Government Finance Officers Association of North America.

Mr. Chairman, there are no requests for staff growth in the 1987-88 budget of the Financial Management Secretariat. To cope with workload increases, emphasis will be placed on further automation of the budget and administrative process and development of computer assisted analysis techniques.

Mr. Chairman, as I mentioned, I would like to make some other statements relative to matters that have been raised over the last five weeks.

CHAIRMAN (Mr. Gargan): Mr. Butters, you can go ahead.

Explanation Of Apparent Document Errors

HON. TOM BUTTERS: Thank you, Mr. Chairman. I would like to speak to the matter of document errors. On a few occasions, Members have identified apparent errors or changes in the information contained in the main estimates documents. In almost all cases, these instances have arisen because of recent departmental changes, such as the Municipal and Community Affairs decision to not fill a number of positions after the main estimates document was printed, and the late change to the federal government's plans for highway construction in 1987-88. Or project description errors -- most notably in the kilometre range for work on the Fort Smith highway, and the description of the Fort Resolution arena. A lack of understanding of document format may have contributed to some Members' uncertainty over the actual person year growth and the contents of the revised forecast contained in the NWT Housing Corporation's information item on the housing associations' budget.

The nature of the problems encountered does not reflect on the accuracy of the main estimates document tabled. One might expect an organization that considers or uses as many numbers as we do to invariably make mistakes. In fact there were no instances of numerical errors in the documents and this is largely attributable to the advances made in automation of the documents' preparation. The Executive has undertaken to provide any known changes to the documents prior to the start of each department's review and in the future will ensure that Members of the committee do have the most up-to-date documents available. Possibly, if there are any questions on that, I could accept those, and then move on to the next general statement.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Does the committee agree that we deal with the Financial Management Secretariat before we go on to the two items? Mr. Minister.

Management For Results System

HON. TOM BUTTERS: I would like to thank you, Mr. Chairman. I would like to examine briefly the management for results issue that arose on a number of occasions during the budget consideration. I was disturbed at a comment made by the honourable Member for Yellowknife South, when he said other Ministers in recent years have spewed out in response to the same kind of question, "the same kind of gobbledygook". I would like to indicate to the Member that there is a very real intention of this government to implement the performance measurement project. I know that that response came after a discussion with Mr. Tagak Curley, and while Mr. Curley has made it known on occasions in the past that he personally might not see the advantages to be gained from such a system, the Department of Economic Development has moved along considerably to implement that particular program. At the present time, there is a casual and a programmer working on the management for results system with some changes to goals and objectives of tourism activity and data collection methods to do yet. Trends for 1986-87 are to be identified before the target setting is feasible. So taking Mr. Curley's comment with a grain of salt, the department that he managed has moved a long way to implement that system.

Members and Ministers have voiced opinions and questions concerning the status of program performance measurement, or managing for results, implementation. Although some of the comments made would indicate a lack of progress and understanding of managing for results, I can assure Members that implementation of these systems is progressing well. In the spring of 1983, the Financial Management Board decided to examine the feasibility of implementing program performance measurement systems in all departments. To this end, it established a steering committee and project team to study types of systems in use in other jurisdictions and to develop design options for the Government of the Northwest Territories. The objective of implementing program performance measurement, or value for money systems, is to increase the available information on the achievement of objectives. This information is then available for use in financial planning and resource allocation decisions and facilitates an increase in the accountability for the expenditure of tax dollars. In June of 1984, the Financial Management Board approved implementation of a performance measurement pilot project in the Department of Social Services. This project was a joint venture between Social Services and the Financial Management Secretariat and was intended to design and test a functioning performance measurement system. This project lasted from June of 1984 to the summer of 1985 and was successful enough that the Financial Management Board approved government-wide implementation of the program performance measurement system on November 19, 1985.

Departments were instructed to implement a management system which met the board's approved criteria for performance measurement systems and submit to the board by March 31, 1987, a report outlining the system put in place. The Financial Management Secretariat was instructed to provide a co-ordinator/technical support person to assist departments when requested. I may mention that of all the elements of this government that would be implementing that system only one has not advised the secretariat of its report outlining the system to be put in place and that is the Legislative Assembly office. The board also directed that the name, "program performance measurement", be changed to "management for results system" to better reflect the objectives of the system.

Requirements Of Management For Results System

The management for results systems are conceptually straightforward. The system requires only that:

- 1) clear and quantifiable program goals, objectives and performance targets be established and maintained;
- 2) indicators are identified and selected that directly or indirectly measure the accomplishment of the goals, objectives and targets;
- 3) regular monitoring and reporting takes place; and
- 4) ongoing comparisons of money and resources expended and results achieved be performed.

The systems are intended to provide regular feedback on program effectiveness and facilitate assessment of the economy and efficiency of program delivery. It is important to realize that management for results systems only measure results, that they do not in themselves provide conclusions. Drawing conclusions is a function of program evaluation. The feedback from these systems will not be immediate but will flow from the regular monitoring of indicator changes over a time. It could take several years to accumulate meaningful comparative data on program performance indicators.

I apologize for the length of time I have spent on that answer but I did wish to remove any doubt that the management for results system is being taken seriously by the government as a whole. We are shooting for early implementation.

CHAIRMAN (Mr. Gargan): Mr. Richard, do you have comments?

MR. RICHARD: Mr. Chairman, with respect to the last part of the Minister's opening remarks on this secretariat, I want to follow up on an issue that Mr. McCallum raised earlier in the session. That was the inclusion of these measurements in the annual public accounts of the government. I understood from some information that we got in the last year or so, that the Government of Canada, at the behest of the Auditor General of Canada, has moved to include, I believe it is in the annual public accounts, a section -- and it has a part number or a volume number -- which reproduces the measurements that have been done in the past year. Now maybe it is in the main estimates document, I am not sure, but it is in one of the annual documents that the Government of Canada puts out. Is this government in its serious treatment of this, as the Minister says, in the terminology that is used in the book here, intending as part of that serious treatment to publish as it were the results of measurements in the annual financial documents?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: The brief answer is, yes. I would like to have Mr. Voytilla indicate when we would probably accomplish that objective.

CHAIRMAN (Mr. Gargan): Mr. Voytilla.

MR. VOYTILLA: Yes, Mr. Chairman, the management for results systems, once they are in place, will start to accumulate the performance data that managers would use to evaluate the success of their programs. The systems in themselves do not go back historically and evaluate the program performance. Once the systems are off and operating -- and they are supposed to be in place by April 1st of this year -- then it would take one to two years to accumulate performance data. Now, once that data is pulled together, then the government could consider the means by which it is going to utilize and report on it.

CHAIRMAN (Mr. Gargan): General comments. Financial Management Secretariat. Mr. Nerysoo.

MR. NERYSOO: Earlier I had indicated that I would introduce a motion at this particular time supporting the initiative of the Minister of Finance but I feel that it is important enough to require the Assembly support so I will be introducing the appropriate motion during the formal session of the Assembly as opposed to a session of this particular committee.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, during the discussion of Government Services budget, I believe the honourable Member for Slave River asked some question with regard to our electronic data processing systems. Would he wish some remarks on that or would he wish to address that?

Then I will give this brief, I think it is brief, statement. Maybe the Member could ask his question and I will see if I can be briefer than the statement.

CHAIRMAN (Mr. Gargan): Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. I am not sure I can requote myself but the concern that I think I have with all the EDP programs would be the whole business of how it is controlled and the control that you have there, because it seems to me that it is simply that once a department puts material on or starts a system, they go ahead through it. Is there some way that there is a control through the total government? That is basically my concern on it.

CHAIRMAN (Mr. Gargan): Mr. Minister.

Electronic Data Processing

HON. TOM BUTTERS: I will try to edit the statement. There are three basic functions involved in electronic data processing systems. They are: developing the EDP programs, entering data into the systems, and operating the electronic equipment that runs the EDP programs. A definition of the EDP is, EDP systems comprise the means by which the government captures, processes and records financial and non-financial transactions utilizing computers. For all major EDP systems in the government, the Department of Government Services performs the function of development of EDP programs and the operating of EDP equipment on a charge-back basis to the users of the service. Departments enter the data into the systems and pay the charge-back costs for the other functions.

With regard to controls on EDP, in 1985 the Financial Management Board studied the planning process and controls on EDP systems costs in the government. Based on this review, the FMB firstly, established a budget approval process for EDP activities; secondly, put a cap on total EDP expenditures of one per cent of the total budget of government; and thirdly, issued a directive establishing controls on EDP activities. The government's 1987-88 EDP budget is within the one per cent limit and controls on EDP activities have proven effective without stifling new and innovative applications of EDP in government where such systems are cost-effective. EDP costs in the Government of the Northwest Territories have not grown tremendously over the past few years. In fact, the growth between 1985-86 actuals and 1987-88 budget is approximately 14 per cent, which is only four or five per cent over the rate of inflation for the same two year period.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. General comments. Financial Management Secretariat. Are there any further general comments? Mr. Richard.

Fiscal Framework

MR. RICHARD: Mr. Chairman, fiscal framework. The Minister indicated, after letting me go on at length this morning in the wrong department, that he was going to respond under FMS this afternoon.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, I did hear the question and do have a response. The government has financial plans. In developing the 1987-88 budget, it examined alternative expenditure plans under a number of different scenarios and, I think, I advised the standing committee on finance that during the period, the latter period of 1986, we had looked at five or six different financial plans. The document tabled by the honourable Member for Yellowknife South is not the government's

approved fiscal framework, although it does include financial information which reflects specific targets set by the Executive. This document contains information which was presented to the standing committee on finance for information purposes only and the Member will recall that the data was presented by the way of charts tacked to the wall and not circulated in printed form. I had indicated when I was requested to provide it that I would permit Members to copy it but could not present the material since it was a soft projection.

The Executive Council has directed that the government operate and plan within a multi-year framework that results in no more than a \$55 million deficit in 1987-88 and a balanced budget thereafter. This will require zero growth in operation and maintenance or fully offsetting revenue initiatives for 1988-89 and 1989-90. I was also directed to issue operational planning initiatives on the basis of zero growth and to develop options for reallocations.

Mr. Chairman, the government intends to proceed with this planning framework but it cannot commit the incoming Executive to new revenue initiatives nor to expenditure reallocations. It continues to be the government's opinion that the 1987-88 budget is manageable and that a zero growth or fully offsetting revenue initiatives are attainable objectives for 1988-89 and 1989-90. Now, I will just point out, since a number of questions were raised relative to zero growth, that obviously there is forced growth in certain areas. The zero growth looks at the total global framework for the operation and maintenance budget and that is what is being examined for the zero growth.

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

Multi-Year Financial Planning

MR. RICHARD: Mr. Chairman, I would like to go into some of these assumptions that are made in the fiscal framework. But I am still concerned with the larger issue of the multi-year financial planning. What is the government's policy on financial planning? Is it your policy to always have at least a three or four year projection? And do you accept that and say, "All right, we have a meeting this month of the FMB, that is our accepted plan and unless we have another meeting and make a decision to change our minds, we are going to progress as if this is cast in cement and we are going to follow this plan"? Exactly what is the position of the government in developing and adopting a financial plan? It is an important matter, Mr. Chairman. I know the government is addressing it because they have just switched this function from one department to another. But I just have difficulty when I hear terms like "soft projection". I mean, we either have a fiscal framework or we do not. Am I unreasonable in suggesting that?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, this morning I indicated, when we were looking at the fiscal policy area under the Department of Finance, that the planning responsibility there was directly related to revenues, taxation initiatives and impacts of such initiatives, the business transfer tax and all such particular elements. The planning and projections of expenditure patterns is done under the secretariat and produced by the secretariat from data that we have in the past and the best data that we have to plan into the future. We can project for three years, but for approved plans the Executive approval comes a very, very short time before the budget is put together, is nailed down. Changes can occur very quickly, which will require the Financial Management Board to go back and look at the projections in the light of this new information. As I indicated, with the economic situation occurring in the Northwest Territories in the summer of 1986 and into the fall, we looked at, it seems to me, four or five different frameworks in a period of about three months.

CHAIRMAN (Mr. Gargan): Mr. Richard.

MR. RICHARD: Well, Mr. Chairman, I do not suggest for a moment that there is anything wrong with changing the framework or amending it to suit changing circumstances. But, Mr. Chairman, I still get back to the point about an approved framework or not. I was disappointed and surprised last month at the resistance to talking about the fiscal framework.

Resistance To Discussing Fiscal Framework

Maybe I can address that point. I ask the Minister or his colleagues on the Executive Council, is there something wrong about a Member of the Assembly, say in every six months, asking for and receiving a copy of the government's fiscal framework -- let us say it had changed since the last

time you provided it six months ago -- and asking why you have changed the figures? Obviously they would have done it for a good reason, but what is so secretive about the fiscal framework? Now if this fiscal framework showed that a year from now personal income taxes were going to be doubled or sales tax was going to be implemented, I could see some reason for confidentiality. But none of those things have been mentioned in the context of this resistance to talk about the fiscal framework. So could the Minister explain for me? Because I quite frankly do not understand the resistance to discussing this topic or to disclosing this information. Let us ignore the fact that there is an election this fall. Let us say we are looking at four years of this Executive Council and I indicated that I have a particular interest in fiscal frameworks -- which I do not, but we are talking hypotheticals -- and I said I would like to receive a copy once every six months of the government's fiscal framework and could I get a copy please? Is there something wrong with the asking for and receiving that kind of information?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the approved fiscal framework which Members should and can discuss is the budget document before you. That is the approved fiscal framework of the Executive Committee. The Member mentioned that the government -- I think he said the government was loath to discuss the fiscal framework. I believe I indicated that the material that I provided at the standing committee on finance was provided by me, as my best guess of what might happen. The Executive subsequently did not approve that framework or those figures and those plans. I indicated to the standing committee what areas had been approved. I guess it is very difficult to talk about shadows on the wall and that is what these projections are. They are shadows on the wall of things that may or may not happen.

Errors In Copying

If I could just refer to the Member's tabled document for one moment. I went back to check, because as the Member points out, he copied it from material I had placed on the wall. I went back to check with that material and there were three errors in the way it was copied off the wall. Because I went back and looked at the actual documents that we placed on the wall. So this is part of the problem -- that errors creep in and soft numbers and we begin to talk about unreality.

CHAIRMAN (Mr. Gargan): Mr. Richard.

MR. RICHARD: Mr. Chairman, the honourable Mr. Butters and I are getting closer and closer to the point here. If I had made errors in copying down the information, it is because these things were shadowy on the wall. And he pointed out earlier this afternoon the difference between that and typing something up and making a dozen copies and circulating them to Members of the financial committee. That is one instance.

The other instance is these red and blue and yellow magic markers on a piece of paper with coloured tacks put on a wall in a committee room. Why in the hell is that information presented in that fashion? Why is it not typed up on a piece of paper and circulated to Members of the finance committee, so that I will not make any mistakes about that information? Why is it that that kind of information cannot be provided to a Member of the Assembly and a Member of the finance committee, rather than putting it on a wall with these coloured inks and then taking it down and taking it back to the Laing Building? What is so sacrosanct about these projections? If the responsibility of the secretariat was to develop these fiscal frameworks, and now the fiscal policy division or platoon of the Department of Finance have that role, why cannot we have these documents?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I do not think the honourable Member and I are getting closer together. I do not know that the Member heard what I said. I said that the data that I provided him was provided by me to be of help and it was not approved by the government. The government has approved two items, and I have communicated those to the Members, which is zero growth in a global sense for next year and \$110 million capital budget. Those are firm and hard directions that have been provided me and I communicate those to the Members of the committee.

CHAIRMAN (Mr. Gargan): Mr. Richard.

Member Says Government Has No Approved Fiscal Framework

MR. RICHARD: Mr. Chairman, I meant that the Minister and I were getting closer to the real issue. I do not think we are going to convince each other. I say, loud and clear, this government has no approved fiscal framework. I may have not heard correctly his comment of 10 minutes ago, that what he showed us in the committee room was later not approved by the Executive Council. I will accept that, but if it was not approved then I would like to see the approved fiscal framework. But I am becoming convinced this afternoon that this government does not have an approved fiscal framework. If this document, the main estimates document, as he says, is the approved fiscal framework, then they do not look beyond the end of their noses, any further than 12 months from now and I say that is a condemnation of any government...

MR. MacQUARRIE: Hear, hear!

MR. RICHARD: But, Mr. Chairman, let us talk about the little mini-items that he says have got the approval of this Executive. Ze., growth is one issue. I would like to ask and I have asked before, how you are going to accomplish zero growth when you have been experiencing growth of \$30 and \$40 and \$50 million a year? Tell me how, all of a sudden, 12 months from now, you are going to reduce that, not by 10 per cent or by 20 per cent but down to zero. The answer I have heard so far and I have heard it on the local radio, is well, that is for the new Executive coming in. They will figure that one out.

MR. MacQUARRIE: In the last two years 30 per cent growth.

Supplementary Appropriation Of Six Million Dollars A Year

MR. RICHARD: Now, Mr. Chairman, that is one issue. I do not think I am going to get any better response than that today or tomorrow. But let us turn to another one in this shadowy, unapproved, soft fiscal framework. It was stated, and I hope this is not the area where I have made mistakes in copying it down before it was whisked away, that in this next budget year that we are considering, the one starting 10 days from now, and in the two years ensuing, there will be supplementary appropriations of six million dollars a year only -- and I underline the "only".

In the last few years, Mr. Chairman, we have been experiencing, in this government, supplementary appropriations totalling a magnitude of \$20 or \$30 million or more. Now, I would like to ask, how is this government going to suddenly change from that experience to six million dollars a year only?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: If I might address the last question first. The Member has criticized the budget, saying that the supplementary estimate reserve of six million dollars for 1987-88 is unrealistic in the light of historical supplementary funding requirements. It is important that Members be aware of the circumstances over the past few years that have generated high supplementary requirements. There is no question that with the entry into formula financing in 1985-86, initial funding adjustments were received in recognition that the GNWT had been historically underfunded for capital infrastructure requirements. This funding infusion required significant adjustment by the government to gear up its delivery capability to manage effectively a higher project and program level. As a result, many of the new projects and programs were introduced through supplementary estimates and that is a critical element of the situation.

In addition, a number of large program transfers have occurred during the year and have been implemented through supplementary appropriation. I mentioned earlier that when the formula was negotiated, we left on the table a matter of a number of areas where we felt fiscal equity had not been achieved in the Northwest Territories. Since the introduction of the formula and our own spending, we have spent in O and M and capital, in these areas which we felt had to be included, an additional \$19.3 million in O and M, which is made up of \$10.8 million from Education and \$8.5 million in housing. In the capital area, we have spent an additional \$17.4 million, all of which fall within the responsibility of housing. So a lot of the supplementary expenditures in the last two years have been to utilize formula funding moneys to pick up fiscal equity needs.

Zero Volume Growth

I would like to also take the time, because it is worth taking the time, to look at the matter of managing zero volume growth. Before I begin, I would indicate that the two figures that I gave the Member, the zero growth target and the \$110 million capital target, are key elements of the budget for the coming year. As I have indicated, the government does, however, intend to target for little or no operation expenditure growth in excess of inflation for 1988-89. This does not mean that all individual departments will have a zero volume growth, but it means that as a total government, we will achieve little or no volume growth. There is no question that some increases will be necessary to fund such things as increased operational costs due to new capital infrastructure. However, internal reallocations, either within a department or between departments, will be made to cope with the forced growth of this nature.

Recently Members singled out O and M growth related to new public housing as being a factor making zero growth in the NWT Housing Corporation impractical. I would like to reinforce the Minister's response that such growth would be minimal, by pointing out that 75 per cent of the additional O and M costs for new public housing is paid by the Canada Mortgage and Housing Corporation. In addition, there will be offsetting O and M savings due to the write-off and replacement of older northern rental units for which the GNWT has to pay 100 per cent of the annual operating costs.

Forced growth will be funded from either internal reallocations or general restraint measures. This is both realistic and manageable and Members must consider that for the new government, it will be a year of consolidation and planning. The options for revenue initiatives are untapped and this Executive Council intends to undertake zero base review in 1987-88 and to develop recommendations and implement reallocations and cost savings as are necessary. My Executive colleagues have encouraged me in this endeavour. I have had assurances from them that they will assist in examining the results of the zero base review and reducing programs as and where required.

As I mentioned, the government has stated that it intends to have zero growth in 1988-89 and 1989-90. Given the high growth rate of the past and the knowledge that the government is going to face forced growth in the future, how will we obtain that zero growth? Well, we have been growing dramatically over the past three years. I think I heard Mr. MacQuarrie indicate that; 17 per cent, 11 per cent, 16 per cent and this is including the effect of program transfers from the federal government. Much has been due to increased resources under formula financing and the GNWT has greatly expanded the capital infrastructure and services provided.

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

Zero Growth Not Going To Happen

MR. RICHARD: Mr. Chairman, I am going to leave the issue and not flog it any further. I think I have made my point. The Minister talks about a specific response from the Housing Minister on how he is going to perform his miracle and this Minister is saying that it is only a small miracle that is going to be required there and not a large one. The difficulty was that that particular Minister did give a response and give an acknowledgement that zero growth is not, in fact, going to happen. There is going to be a growth because you cannot fuel and power 4100 houses for the same money that you can 4000 houses.

The difficulty with the other departments is that I asked the question of virtually every Minister in the finance meetings in January: What is going to be the result on your O and M budget two years from now with all this fast-tracking and capital structures you are doing? And they were not able to answer with, I suppose, the exception of Municipal Affairs. They did have a figure on the increase in the O and M money that is given to communities to operate their recreational facilities. There was another Minister who said, "It is not going to be zero growth; it is going to be some growth." But this Minister says, "Overall though, we are going to meet the zero figure."

I am going to leave it on this basis, Mr. Chairman. I guess, for myself, I will call it the list of miracles and maybe in June, when next we meet, I will ask this Minister and his officials how we are coming on the list of miracles, because by June we will be six or eight months away from that magic date of April 1, 1988, when we are going into zero growth. By then, I think, by June we should have some plans on how we are going to accomplish this. It is not going to be the same

Executive, mind you, but they are going to turn over these tremendous plans, these miracle performers, to the new group of eight Executive Ministers who are going to somehow manage what no one else has done in this country for years: They are going to have zero growth on April 1st, 1988.

So I will leave it, Mr. Chairman, but I will give my friend, the Minister of Finance, notice that in June I will be asking for a status report on how the list of miracles is coming. Thank you.

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

HON. TOM BUTTERS: Well, I thank the honourable Member for his vote of confidence. I would just like to again reiterate that this Member is talking about apples and this Minister is talking about oranges. I point out that the zero growth control and manageability relates to the global budget and not a particular budget of a Housing Corporation or a Department of Social Services.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Financial Management Secretariat. Mr. MacQuarrie.

Aim Of Zero Growth Is Unrealistic

MR. MACQUARRIE: Thank you, Mr. Chairman. When the budget was first introduced and the debate first introduced, as one Member of this House -- and not as a Member of the government, nor as a Member of the standing committee on finance, which had already drawn some conclusions -- I was prepared to hear arguments on both sides to try to determine whether I should support the budget or whether I should not. I must say, Mr. Minister, in attempting to make a fair judgment about that, my conviction is that the standing committee on finance has the better arguments. The aim of zero growth next year is probably not at all a realistic aim. I know you said once and reiterated that we have to look at the total expenditure, not at particular departments, but it seems to me abundantly true, and you have conceded, that there will be forced growth in some areas. The word "minimal" was often used but a lot of minimal add up to maximal and you have conceded that there will be forced growth in some areas. Therefore, if you are going to have zero growth as an aim in the total budget expenditure, that necessarily means cuts in other areas, which this government in this year is telling us again and again -- when recommendations are made to consider cuts in certain areas, we are told by the government again and again why you could not possibly cut in that area because it is justified in this and this and this way. And yet, if you are going to attain your zero growth next year -- or not you, but rather, the unfortunate Executive Council that will be faced with this problem next year -- the truth is the cuts will have to be made to departments and various program areas in those departments and that is not a very easy thing to do. As I said, you pointed out this year very well why it is not an easy thing to do when it comes to specific programs. And yet, it will have to be done. My estimation is that it probably will not be done and that therefore the aim of zero growth is absolutely unrealistic for next year.

Interpretation Of Offsetting Revenue Initiatives

You do acknowledge that if you attain the aim of zero growth, then you keep talking about managing -- you know, if you have to increase programs somewhere or not cut programs, rather maintain programs -- and you introduced the phrase, "We would have offsetting revenue initiatives." Well, that is a nice, a very nice phrase. I am struggling to understand all this as a layman. To a layman I guess what that means is increased taxes, largely. Yet I recognize that in this territory, with a total population of 51,000, with minimal increases in population for next year -- that is, people coming into the work force who might be taxable -- with a population that a couple of the Ministers have already forcefully pointed out, this year, is not a population which in large part you can rely on for taxation purposes, we will not have fully "offsetting revenue initiatives" next year, partly because, too, politicians are often loath to introduce them. That is why, I guess, we have not seen any of them in this fiscal year. What that means to me then, is that there really is not a great opportunity to have fully offsetting revenue initiatives take place next year. Again, what that means to me is, either some programs will have to be cut and we do not like doing that because people have gotten used to the programs that are established, or it means a deficit next year. Again, a real debt situation. That disturbs me. I do not see a way of avoiding it.

That disturbs me very much because once you are into that quagmire, you can never remove yourself. Each year following that, you are working without the full value of revenue dollars, because for every revenue dollar that you bring in, you can only spend 98 cents on programs, then 92 cents on

programs, then 85 cents on programs and the remaining cents out of each dollar have to go for the foolish spending that occurred in previous years. That is why you can never get out of that quagmire. This is just a layman's struggling attempts to understand all of this and I hope the Minister will correct me if I am wrong in some of these conclusions. At any rate, that is the way I see it. That is, in my opinion as one Member in this House, a situation that we ought to be avoiding.

I would not subscribe to whatever the conservative economist these days, who is in vogue -- I have forgotten his name -- or to these people who press for laws in the United States to insist that a government have a balanced budget, because I can recognize that in certain years there may be legitimate reasons to run a deficit. But I feel that you ought only to do it if you see very clearly in a succeeding year or succeeding years that there really is the opportunity for offsetting revenue initiatives and I do not see them here.

Request For Financial Plan For Future Years

I also have the same concern as my colleague from Yellowknife South about a fiscal framework for the government. I do not know -- that is another fancy term, I am not even sure that I know what it means. But to put it in layman's terms, I think what he is saying, and certainly I raised that question in my own mind, that what I would be asking for is an indication of this government's financial planning for future years, if I can put it in that way. If that is not fiscal framework, well then, throw out the phrase "fiscal framework". What I am asking for is this government's financial planning for future years. I would hope that there is some and I would think, like my colleague from Yellowknife South, that it is not unreasonable for Members of this House to ask the government, "What is the financial plan for future years, beyond the end of the budget year that we are talking about here?" Figures like that should be available. We should be able to say, in the short and long term, what you as a government want to happen financially.

That is quite apart from what the Minister has been talking about when he says, "Well, the actual approved fiscal framework is this book that we are talking about here." Well, I agree with my colleague from Yellowknife South that if that is all it is, we are in trouble. As a result of that document, the kinds of figures that you are talking about are shadows, in my estimation as a non-expert. You are saying, "Okay, what we have got in this approved fiscal framework here are perhaps some projected results for next year, but this could change and that could change. So we should not really put too much store in them." Well, I can agree with you, with respect to that. But that is not answering the concern that we have. Never mind about projections that just result from this one book.

My question, as an ordinary Member and, I hope, a question that is asked on behalf of ordinary people in the NWT is, "Look beyond that; what does this government want to happen in the way of expenditures and revenues over the next three or four or five years?" And then the more critical question, once you say what you want to happen is, how do you propose to make it happen? That is what I would think is a fiscal framework and that is what I would like to see. If the government has not got it, and it appears it has not got it, then I say, we are in trouble.

Enormous Expenditure Increases Over Past Two Years

Because of all of these things that I have just commented on now, I would like to make one more point. We have seen, over the past couple of years, enormous expenditure increases. I think it was 14 per cent in the year before and 16 per cent in the past year in this budget. That is 30 per cent increase in government expenditures in two fiscal years. I think at one point I figured out that if you increased at that rate, within six or seven years you would be spending twice as many dollars as you are spending right now. Those are enormous increases.

By spending as much as this government intends this year, by implementing this enormous increase, what we are seeing is a government that is saying, "Spend a great deal this year and next year spend nothing more than what you have spent in this year." Well, I have to ask, why? Is that good financial planning? Blow your bank account, go into debt, implement a huge expenditure increase in this year and then next year, boy, we are really going to tighten down the screws.

You would really have to justify that. All I have ever heard is sort of a vague statement that we have had a bad economic year up here. Well, maybe we have, but I have not seen anybody introducing very much that shows that it is going to be a very different and better economic year next year in the NWT. And if it is not, then we really have troubles. The government is putting all its eggs in one basket, and if there is no recovery, we have no bank account to draw on next year and it

will be a tough year. If, as I fear, because we are running at the margin, we run into a real debt situation this year, then in addition it will be an even tougher year because we will have to start this process of setting aside some dollars every year to pay off prodigal expenditures in previous years.

As I say, having listened to the arguments, I feel that I support the position that has been taken by the standing committee on finance and I will support a motion to reduce this budget when it is brought to the House.

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

HON. TOM BUTTERS: Thank you, Mr. Chairman. I am sure the honourable Member has been in his seat for the last hour and I think if he would have listened to some of my comments, he would have had answers to his questions but obviously he is not interested in listening to my explanations. I am quite sure that my budget address covered the reason for our expending an extra amount of money this year.

There has been an economic downturn in the Northwest Territories. I know it has not occurred in Yellowknife. I know when you walk out on the street in this town you would think that development never had a stop, but in other communities in the Northwest Territories there is unemployment and there are people that are on unemployment insurance that is going to run out in 11 or 12 weeks. Ask my colleague from the Mackenzie Delta. The economy of the Northwest Territories is not good. I thought I explained this in our budget.

The Member asked about government planning for future years. I think that is a very good way of phrasing it. I indicated what it was that we would be doing for the ensuing year, that we would be setting a no-growth situation in O and M and that our capital expenditures would be reduced from \$166 million this year to \$110 million. We are not looking at a deficit for next year. In fact, the deficit I projected for last year of some \$15 million does not appear to be occurring. It looks as if we might not have a deficit for this year by the time the year is concluded and completed.

Objective Of Zero Base Budget Review

The Member does not seem to understand the effectiveness of a zero base budget review, if it is done properly; 85 per cent of this government's current expenditures were justified to past committees and past Assemblies, and that is what the zero base budget review will examine. It will examine that 85 per cent of this government's expenditures and it will find areas in which programs may be redundant, where expenditures can be reduced. Sure, there will be cuts but that is the objective of a zero base budgetary review. If you cannot find two per cent or so in a budget of this size, I would be very, very surprised. Maybe the Members would not be but I would be. He is absolutely right, the Member is absolutely right, Mr. Chairman, that there are offsetting revenue initiatives. It is extremely difficult, I admit, to bring forward taxation initiatives in a consensus government, especially in an election year, and especially when you have a federal tax reform initiative on the horizon and especially when you have a new regime of taxation put in place on northern allowances. I wonder how much of a taxation initiative I could get through the House at this time. But the next government will be able, with its four year mandate in place, to look at the revenues that they will be able to generate from taxation initiatives. In fact, it is extremely interesting when you compare the situation in the Northwest Territories to Ontario in terms of the revenue possibilities that we do have through generating increased taxes. If the Ontario tax rates were levied in the NWT, approximately \$44 million of additional revenue would be raised. There are revenue opportunities out there to be tapped and they can be tapped. So the horror scenario that is being projected by Members of \$100 million deficit and in debt for the rest of our natural lives is incorrect. We are not going to put our children into hock for their future; we are trying to protect their future with expenditures at a time of need, which is demonstrably a time of need. I do not have the concerns that have been raised and I think some of them are shadow men that have been held up to be knocked down by the standing committee on finance.

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

MR. MacQUARRIE: Yes, just a couple of things in response with respect to the cheap shot about Yellowknife's economy.

MR. RICHARD: Red herring.

MR. MacQUARRIE: Red herring, that is what it is. The fact is, Mr. Minister, that I acknowledge there is an economic downturn. I acknowledge that. What I am asking is, is it wise in the face of that to put all of your eggs into one economic basket? What I have heard some of the Members here on the standing committee on finance say is that you could make a very significant increase to this year's budget, or to last year's budget, in order to address the economic downturn. A 10 per cent increase, 11 per cent increase, 12 or 13 per cent increase. An increase to a maximum that would not run the risk of incurring real debt. That is what I have been hearing them say, and to me that makes sense. So, if there is a cutback I say again that it is not cutting expenditures that are being made now. It is limiting the increase that is proposed for next year.

Most Members of this House, in recognition of the economic downturn, are supportive of a 10 or 11 or 12 per cent increase over last year's budget, but they are not supportive of a 16 per cent increase, of spending \$790 million which does blow our bank account and run us into real debt. If the Minister recognizes so readily that if Ontario's tax level were implemented in the Northwest Territories, we could raise more revenue, then I say that I am very disappointed that he and the other Members of the Executive Council did not this year show that they are responsible and attempt, in some way at least, to meet the increased expenditures by raising increased revenues. Because keep in mind that if the tax is implemented fairly, it is people who are working, people who have jobs, who would be paying that extra amount. And if the extra amount is really necessary and is to be justified on behalf of people who do not have jobs and so on, I am sure there are many people in the Territories who would have understood if the government could justify those additional expenditures.

This Government Cannot Bind Next Government

My final point is that despite all the good words, it is just very clear that this government cannot bind the next government. I would say that if they had a clear financial plan for the next three or four or five years, that they would have some reasonable success of morally and politically binding a future government.

AN HON. MEMBER: Hear, hear!

MR. MacQUARRIE: But in the absence of any such plan, no chance at all.

MR. RICHARD: Hear, hear!

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

HON. TOM BUTTERS: Mr. Chairman, I would like to comment with regard to why taxes were not increased this year. I have made these comments before in this House. I believe the reasons were included in the budget address, but I will, just for the Member's benefit, go over them again. He might be interested.

Obviously, it is inappropriate to raise taxes when the economy needs to be stimulated. I believed and I still believe that the uncertainty created by the impending federal tax reform made it undesirable to introduce major tax initiatives at this time. I do not know whether the Member is familiar with what the tax reform package is going to mean to Canada and to this government. Obviously the Member for Mackenzie Delta has some idea, but there are going to be major changes in the tax regime of Canada and of this government and to introduce another regime at this time, I think, would be irresponsible.

I have indicated that the past prudent fiscal management has allowed the NWT to begin this fiscal year with an accumulated surplus of \$56 million and this amount was being kept for such a need as we have experienced in the past year with the economic downturn. The grant from Canada has been growing at a rate sufficient to allow the NWT to meet a significant proportion of the expenditure growth resulting from its responsibilities. And not only that, but as I have indicated to you, it has enabled this jurisdiction to put into place items which we were not able to negotiate into or under the formula, in a fiscal equity sense, in education and in housing. I think we have done very well on that score.

Running Score Kept Of Members' Comments

I would just also like to point out that I have asked to have a running score kept of the comments made in this House by Members over the last five weeks with regard to the budget and what additional moneys and programs Members would like to see spent. We have the situation where Members will say, "Cut this government's budget by \$20 million but do not cut Justice. Cut this government's budget by \$20 million but do not cut Education. Cut this government's budget by \$20 million but do not cut Social Services." The Members will be interested to know that the requests of this government over the last five weeks have been \$15 million of increased spending. That is what I have interpreted from the requests made by Members of this House. Not by Members of the Executive Council.

SOME HON. MEMBERS: (Inaudible comments)

HON. TOM BUTTERS: If you want me to identify them I will tell you what they are. But as I have said, Mr. Chairman, I have heard Members of this House indicate to the government \$15 million more programs they would like to see added to our current budget. And in identifying areas where reductions may be made, Members, I think, have indicated up to some half a million. So that is just a comment.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Financial Management Secretariat. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. Earlier I should have responded, when the honourable Minister said that I was not listening to what he had said, that I was listening to what he had said; I just do not believe it. That is right. I do not share the judgment. My judgment says something different about those facts from what his does. In respect to his response about avoiding any tax increase, even a token tax increase to show that they were serious about the need for the additional expenditures and trying to do something in the Territories to match them, I would remind the honourable Minister that it is the federal government that is intending a major tax reform. True. But that did not prevent them at this moment from making some adjustments to the tax program, including increases in the mini-budget that was introduced recently. Well, they did a bit more than we have done in this respect.

And then again, I have said it before and I will say it again, that we will attempt, in debate in this House, to stress the importance of certain programs and even to suggest at times that new ones ought to be introduced. That is our job and we will do it. But we also acknowledge that once you have a general direction from this House, it is your job to try to implement it. So if this House were to say, "Overall, we see the need for this, we see the need for that, we see your problems, but overall we say it is important to cut back expenditures by \$19 million", then I say it is up to the government to try to do that in a fair way. And if it is done in a fair way, then I think Members who would be affected would accept that, because we recognize that you cannot do all things all the time, that you would be working under constraints. Our only concern would be to make sure that the trimming was not done arbitrarily but that there were priorities. I believe that we could accept that.

Member Disagrees With Amount Of Increase

But again, and this is my final comment on this -- I see that I have fallen into the pattern of using the word "cuts" again, and I could hit myself over the head with a jug every time I do it because we are not talking about cuts -- this government intends to significantly increase its spending in the next fiscal year and every Member in this House is agreeing that it should significantly increase its spending. The difference is -- how much? And I do not agree with the government when it comes to that.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Well, Mr. Chairman, I believe the honourable Member and welcome his support for increased taxes. The reason I believe him is that when I raised the taxes in municipalities, which have not been raised since 1967, he did not criticize the government for doing that although there was quite a bit of criticism for taking that step.

MR. RICHARD: You did not increase it for Yellowknife; that is why he did not...

---Laughter

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Financial Management Secretariat, \$1,465,000. Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. I do not want to prolong things any more. I simply want to reiterate, when I hear the Minister indicating that he has not heard Members of this House talk about reducing expenditures, cuts, that we attempted to cut two or three little things and we raised such a furore, as he well knows -- a lousy \$100,000; another one for \$300,000, and of course that was the wrong thing to do. I said it last year, in the standing committee on finance. I said it last year in this House and this year in both areas. I said it at the second reading on the principle of this bill, that I do not agree with the expenditure and the proposal that is put through. We have gone through five weeks of talking on this particular budget and if the Minister and other people have not heard any more than to reduce this budget by \$500,000, you have not been listening.

MR. RICHARD: Hear, hear!

Fat Administration

MR. McCALLUM: We have been talking about cutting out the fat administration and I have heard Minister after Minister come and sit there and say, "Indicate to us; this is how we were able to look after the cost of this particular position or PY. We got it from a surplus." That is a fat administration. Now, you want the PYs now. You have not been listening to it. Five PYs would take only half a million dollars. There is no sense saying again that what is going on. We have said it before, we have been saying it for the last two years.

I agreed with the Minister last year when he talked about not getting into this terrible rut, this dangerous way of debt, the deficit budgeting. I agreed with him. We are into it now and we are going to have a difficult time getting out. Somebody is going to have a difficult time getting out. Whether he or I are here with the next government or not, we are not going to be out of the country. At least I am not leaving, and I do not imagine he is and so I will be involved with it too, by taxation, having to pay for it.

I think that when the time comes again when we look at this total budget, Mr. Chairman, something has to be attempted again. Whether it is successful or not, it does not matter. But there is no sense in our sitting around here and attempting to do something to stop the extravagance of this government in spending what they are now spending -- not only spending what their increase is and their revenue but getting rid of the total of it. We have a budget, and until it is settled between this government and the federal government what is owed by the housing, the government now stands at about \$100 million in the hole. It is a long-term one. I know it has been there for some time, the housing, but we still have to pay a certain amount. We are paying three point some million dollars every year on it. It is only half this year, or maybe six million -- it is that \$13 million that we pay every year on it; that is the only part of that -- 50 per cent of the total.

But for the Minister to say, or his people to say, that he has only heard us tell him to reduce by a half a million dollars -- I cannot believe that. I cannot believe that that is all they have heard. My God, there are enough of them around here every day! Last Monday, the place was packed. It must have been 75 per cent of the Department of Economic Development and Tourism here. And I do not have any difficulty with Ministers having their departmental people here. I think it is great that they hear what is being said in this House.

MR. RICHARD: Especially the FMS people who are here now.

Budget Discussed For Five Weeks

MR. McCALLUM: Especially the FMS people that are here. I see nothing wrong with that. But I just hope that those are the people that are giving you the word that you have only heard cuts of half a million dollars. I know most of them were at the standing committee on finance meetings. We went through this, if the Minister remembers, and on Friday, January 23rd, we talked about this whole budget process. He heard exactly what we are saying now. The Ministers came in with their officials at the same time on different days over a period of two weeks. We have spent another five weeks now -- over five weeks, saying the same thing over and over, and I cannot believe that all we have told you is to cut half a million dollars out of a budget of \$789 million, soon to be

increased by a supplementary appropriation tomorrow of about six or eight million dollars, as I recall. And you cannot make me believe that the only thing that your people have heard is, "Cut by half a million." That is all, just cut a half a million. It has been said, it has been said loud and clear to you what you should be doing.

If you want to put in your revenue and expenditure summaries in here, you are going to show us that you are going to estimate, because you estimated last year, the revised forecast last year, that you were going to lapse over \$15.5 million. If you are going to put those figures in front of us and you are going to say now to us, "We estimate we are going to lapse over \$19 million this year" -- granted it has not been done and it was not done in the past and it is good that we are getting the information -- but if you are going to tell us those figures there, what do you expect us to say? Sure, you are not going to spend \$19 million, but here, give it to us anyway? Forget it. I cannot believe that is what you are asking. The same way as I cannot believe that that is what your people or other Ministers are hearing.

So as I say, we have gone through this for eight weeks. I do not know what else can be said, other than "Agreed to this and good bye, adios, and see you in a couple of months." Because I am convinced after all the talk that we have gone over in this budget for this particular period of time, each and every Minister believes that the guys have to play their games, you know. Somebody called it the playhouse -- the kids' house in the Yellowknife Inn. Let them go through it, talk about it; in the end nothing will be done and all we will have heard are these great and wonderful people, spouting and shooting their mouths off.

Member Serious About Budget

I do not come in to sit and just talk about the budget. I am serious about what is going on in it. I cannot believe that people will simply say, "Okay, sit back and when it comes to a motion to cut out \$100,000, we will all jump and vote against it." And then it will all go on anyway; you will spend the next year -- if we tell them, "All right, we are going to spend it all this year" and then we say we are not going to spend any next year, they will go along with that. I guess so. The golf courses are green, but there is not too much green golf up here. But it sure is not green under those glasses of mine, I will tell you. I am from Missouri. I do not believe it. The thing is that what we are trying to say to you, Mr. Minister, that there are areas where you have increased spending beyond that which you require.

I go back to the same thing. It is the administration. You tell me you just got, for the third year in a row, an award. I think that is great. I wish you could get some of the others to get some of the awards; maybe they would be a little bit better to look at. You have done it with the people you had last year. You are not asking for any more PYs -- about the only area that I know that has not asked for increased PYs. In fact, you are taking some of the work and moving it over into the Finance department, which is fine.

To go on and to have to sit here for this long a period of time and not know what direction we are trying to make you go, what we are trying to say to you -- I said it before, we have got to do it by rote; you have got to keep going over it and over it and over it again. You know, the same way that you and I learned our multiplication tables. You sang the things out and eventually it sank in there some way and somebody asked you to multiply something and you could do it, and you did not need a calculator. But how long do we keep going around and telling you the same thing, because it does not seem to be getting through? This is not the first year. This is the last of the fourth one now. I am sure if you go back and read four years on standing committee on finance meetings and four years of committee meetings in here, the same thing keeps coming out.

Motions To Remove Expenditures

Of course, there are going to be people looking for things there. We have said spend it on your job creation with your capital. Where you as a government said we are fat in capital, we moved two motions and you still did not want to give it up. You still did not want to give up a lousy three or four hundred thousand dollars. The Minister sat and said that we do not need that money there for the purpose for which he asked for it in the first place and we tried to remove it and no, no, you cannot do it; it is wrong; we are going to need it some place else. We are going to give it to some guy who has a garage station down on the Fort Liard highway and we are going to put in something there, not what it was originally required for in the first place.

The government still did not give anything up and if that was \$300,000 of the \$500,000 you heard and the \$100,000 for the fish plant, you are up close to the half-million dollars there; that is just in two projects alone. Given that there was no movement from those two, can you imagine the hue and cry that would have gone up if we had tried a motion to remove the three million in the same department? I am saying to you, Mr. Minister, I said to the Ministers, each and every one of them, you are fat in administration. You have to increase the expenditure in the municipality of Yellowknife because you keep putting people in here. You are not moving out, there is no movement of people around. I do not know how much further you go on with it, Mr. Chairman, I do not know what else we can say. In the final analysis I do not even believe it is going to make much difference.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I would just like to thank the honourable Member for his kind words with regard to the secretariat. I think that we are blessed with an excellent group of people working in this particular section, hardworking and very effective professionally. They are here today on a civic holiday, as you well know. I noticed that when I thanked the Member for recognizing their diligence and their attentiveness to this process.

MR. McCALLUM: You should give them time and a half...

HON. TOM BUTTERS: Is that what you recommend, Mr. McCallum? I would just like to say one other thing, Mr. Chairman. I know the honourable Member and his colleague from Yellowknife Centre do not believe me but I just wish to reiterate that the Government of the Northwest Territories is not in debt now and I do not expect that we will be in debt at the end of the coming fiscal year.

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Financial Management Secretariat, total O and M, \$1,465,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Financial Management Secretariat, page 4.07, same thing, total O and M, \$1,465,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Does the committee agree that the Financial Management Secretariat is concluded? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Now we will move to Bill 1-87(1). I would like to thank Mr. Nielsen and Mr. Voytilla. We will take a 15 minute coffee break.

---SHORT RECESS

CHAIRMAN (Mr. Erkloo): The committee will come back to order. Does the committee agree that we go to Bill 1-87(1), clause by clause?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 3, appropriation for 1987-88. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Schedule, operations and maintenance. Mr. Nerysoo.

Motion To Amend Schedule To Bill 1-87(1)

MR. NERYSOO: Thank you, Mr. Chairman. I move that Bill 1-87(1) be amended by deleting the schedule to the bill and substituting the following schedule with regard to the amounts appropriated for the fiscal year ending the 31st day of March, 1988. Mr. Chairman, I have copies of the amendment.

CHAIRMAN (Mr. Erkloo): Thank you. Mr. Nerysoo, could you read your motion to amend Bill 1-87(1)?

MR. NERYSOO: Thank you, Mr. Chairman. I move that Bill 1-87(1) be amended by deleting the schedule to the bill and substituting the following schedule:

Amounts appropriated for the fiscal year ending the 31st day of March, 1988.

Vote 1: Operations and Maintenance

<u>Item No.</u>	<u>Purpose</u>	<u>Amount</u>
1	Legislative Assembly	\$ 4,699,000
2	Executive	13,292,000
3	NWT Housing Corporation	45,449,000
4	Financial Management Secretariat	1,421,000
5	Finance	9,026,000
6	Culture and Communications	7,547,000
7	Equal Employment Directorate	1,083,000

8	Personnel	18,335,000
9	Justice	32,217,000
10	Government Services	14,045,000
11	Public Works and Highways	118,084,000
12	Renewable Resources	15,936,000
13	Municipal and Community Affairs	47,713,000
14	Health	83,021,000
15	Social Services	51,197,000
16	Economic Development and Tourism	27,964,000
17	Education	114,733,000
Total operations and maintenance		\$605,762,000
Vote 2: Capital		
18	Legislative Assembly	547,000
19	Executive	0
20	NWT Housing Corporation	20,991,000
21	Culture and Communications	328,000
22	Personnel	5,619,000
23	Justice	266,000
24	Government Services	9,093,000
25	Public Works and Highways	16,534,000
26	Renewable Resources	365,000
27	Municipal and Community Affairs	47,306,000
28	Health	15,158,000
29	Social Services	6,266,000
30	Economic Development and Tourism	5,422,000
31	Education	37,865,000
Total capital		\$165,760,000
Total appropriated		\$771,522,000

CHAIRMAN (Mr. Erkloo): The motion is in order. To the motion. Mr. Wray. I think some of the Members did not get a copy of the motion. We will recess for about five minutes.

---SHORT RECESS

The committee will come to order. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. I would like to ask for a legal opinion as to whether the committee could make a single, bottom line cut in the budget rather than...

MR. RICHARD: Reduction.

MR. MacQUARRIE: ...or reduction -- yes, hit me, Arnold -- a reduction rather than reducing department by department because that is the way I would prefer to have it. Some Members appear to have been told that that is impossible because then the departmental lines do not add up to the total amount at the bottom, so since I would prefer one single total budget reduction and leave the flexibility to the government with respect to the various departments, I would ask for a legal opinion on that, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): I am advised that the motion on the floor is in order and a point of order is separate; therefore, we have a motion on the floor. To the motion. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. I am sorry I am not clear on what you are saying. Are you telling me that there should not be a legal opinion given as to whether that can be done or not?

CHAIRMAN (Mr. Erkloo): Yes, that is correct, Mr. MacQuarrie. To the motion. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, Mr. Chairman, I am not quite sure I understand either. At other times, when we ask for a legal opinion about certain things...

HON. TOM BUTTERS: (Inaudible comment)

MR. MacQUARRIE: No, we sometimes have had the Law Clerk come in and express an opinion as to whether something different can be done. So I am just not quite clear why it cannot be done in this case and I am asking for an explanation.

CHAIRMAN (Mr. Erkloo): A motion is on the floor and you asked for a legal opinion and apparently these two are separate. You cannot ask for an opinion when we are dealing with a motion which I ruled in order. To the motion. Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. During my opening statement I indicated that the committee had given direction to seek reductions in the budget so that it becomes a balanced budget. Further, Mr. Chairman, from the comments that were made by the Minister of Finance, indicating that if there is any direction that should be given, then it should be given in terms of reducing rather than asking for additional dollars and allowing the government to decide and determine the priorities. That is exactly the intent of the motion itself. We will not speak too much longer on this particular motion. We are prepared to call question immediately.

Motion To Amend Schedule To Bill 1-87(1), Defeated

CHAIRMAN (Mr. Erkloo): Thank you. To the motion. A recorded vote has been asked for. All those in favour of the motion, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Gargan, Mr. Nerysoo, Mrs. Lawrence, Mr. Wah-Shee, Mr. McCallum, Mr. MacQuarrie, Mr. Richard.

CHAIRMAN (Mr. Erkloo): All those opposed, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Ms Cournoyea, Mr. Paniloo, Mr. Wray, Mr. Ballantyne, Mr. Patterson, Mr. Pudluk, Mr. Sibbeston, Mr. Butters, Mr. McLaughlin, Mr. Pedersen, Mr. Angottitauruq.

CHAIRMAN (Mr. Erkloo): Abstentions, if any, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. T'Seleie.

CHAIRMAN (Mr. Erkloo): The motion is defeated.

---Defeated

We are now back to operations and maintenance. Schedule, vote 1, operations and maintenance, total operations and maintenance, \$624,002,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Vote 2, capital. Total capital, \$165,760,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total appropriated, \$789,762,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Short title, agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

AN HON. MEMBER: Nay.

---Agreed

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

MR. WAH-SHEE: Mr. Chairman, in regard to the record, the Hansard record, I know that the "Agreed" will be recorded but I also want to ensure that the Hansard records the "Nay" as well.

CHAIRMAN (Mr. Erkloo): Does the committee agree that Bill 1-87(1) is ready for third reading?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Bill 7-87(1), Education Act. Mr. Butters.

HON. TOM BUTTERS: I wonder, sir, if we might give you a different list of priorities here. We might start with the Plebiscite Act. I think this is extremely important to get through and then go up the list: the Plebiscite Act, the Elections Act, the Student Financial Assistance Act, the Write-off of Assets and Debts Act, the Loan Authorization Act, 1987-88. Sir, I have been in discussion with the chairman of the standing committee on finance and he has suggested to me that the order I have just given the committee would be acceptable to him and his committee. The Plebiscite Act first and then...

CHAIRMAN (Mr. Erkloo): Mr. Speaker put the bills in order, so I will call them by number. If the government does not want to deal with the numbers then the government can advise me. Bill 7-87(1), Education Act.

HON. TOM BUTTERS: Leave it for the time being. I would like, if you are going to go down the list, to start with Bill 14-87(1).

CHAIRMAN (Mr. Erkloo): The government wants to deal with Bill 14-87(1). Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 14-87(1), Loan Authorization Act, 1987-88

CHAIRMAN (Mr. Erkloo): Bill 14-87(1), Loan Authorization Act, 1987-88. Mr. Butters.

Minister's Opening Remarks

HON. TOM BUTTERS: Mr. Chairman, the Loan Authorization Act, 1987-88, authorizes the Commissioner, or the Minister acting on his behalf, to make loans to municipalities for municipal purposes during the fiscal year ending the 31st day of March, 1988, in accordance with the Financial Administration Act. These loans may be disbursed from the consolidated revenue fund. Total principal amount of all loans issued during the 1987-88 fiscal year must not exceed six million dollars. That concludes my opening statement, Mr. Chairman. A bill of this nature has been on the order paper of each year at this time and possibly the chairman of the standing committee on finance may wish to add his comments.

CHAIRMAN (Mr. Erkloo): Mr. Nerysoo, do you wish to make comments at this time?

MR. NERYSOO: Thank you, Mr. Chairman. With regard to the Loan Authorization Act, the standing committee on finance has reviewed this legislation. The committee recognizes the need for the government to make loans to municipalities and also the need to increase the limit from five million dollars to six million dollars. The standing committee on finance recommends that this bill be given third reading.

CHAIRMAN (Mr. Erkloo): General comments. Is the committee ready to go clause by clause? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 3, application. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 4, authority to make loans. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 5, monetary limit. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 6, authority to disburse from consolidated revenue fund. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 7, lapse of authority. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 8, agreements. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 9, security of loans. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 10, power to fulfil obligations and enforce rights. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 11, delegation to Minister. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Short title. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Does the committee agree Bill 14-87(1) is now ready for third reading?
Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Mr. Butters.

HON. TOM BUTTERS: Thank you, Mr. Chairman. In view of the fact that the chairman of the standing committee on finance has asked me to leave over the Supplementary Appropriation Act, No. 4, until tomorrow if we are required to sit, I would move to Bill 29-87(1), Write-off of Assets and Debts Act.

CHAIRMAN (Mr. Erkloo): The government wants to move to Bill 29-87(1). Does the committee agree?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 29-87(1), Write-Off Of Assets And Debts Act, 1986-87

CHAIRMAN (Mr. Erkloo): Bill 29-87(1), Write-off of Assets and Debts Act, 1986-87. Mr. Butters.

Minister's Opening Remarks

HON. TOM BUTTERS: Thank you, Mr. Chairman. I thought I was proceeding on the basis of discussions that I had had with the standing committee chairman, but if I am not, I will just continue to do the best I can. This is the Write-off of Assets and Debts Act. This represents an amendment to

the Write-off of Assets and Debts Act, 1986-87, which was previously approved during the last session of this Assembly in October of 1986. This amendment contains one additional write-off in the amount of \$97,665.33, for the forgiveness of penalty interest from Cadillac Explorations Limited.

Just by way of background, Cadillac Explorations Limited declared bankruptcy on April 15, 1983, at that time owing the Government of the Northwest Territories some \$319,946.50 in property taxes. Since the company has not been operating, it has not been possible to collect any of this outstanding debt. Since 1983, penalty interest of \$97,665.33 has accumulated, bringing the total debt due to the government to \$417,611.83. Now the Department of Finance has negotiated a settlement with the trustee of Cadillac Explorations Limited, whereby the GNWT will receive all of the outstanding property taxes -- that is, the \$319,946.50 -- in return for forgiving the penalty interest of \$97,665.33. On receipt of that offer, the government decided that it would put before this House the release of the trustee of that particular amount identified, some \$97,665.33. I would expect that if that amount is not written off and forgiven, the sale would not proceed and the outstanding property taxes of over \$300,000 would not be recovered. Mr. Nerysoo will probably have some comments.

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

Comments From Standing Committee On Finance

MR. NERYSOO: With regard to this particular act, the standing committee on finance has reviewed this legislation. It was noted that this request for write-off was initiated through a request of a prospective purchaser of the Prairie Creek Mine. This write-off is only related to penalty interest and if approved, it is the understanding of the committee that all property tax arrears will be paid by this prospective purchaser. While the committee is prepared to recommend passage of this bill, Members should note that this write-off should not be considered forgiveness. The Minister of Finance has been asked to report back to the committee on the outcome of purchase negotiations and specifically whether the property taxes were paid as promised.

CHAIRMAN (Mr. Erkloo): Any general comments? Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, a note of clarification. Normally, through the finance committee and through individual debate, when requesting a write-off of assets and debts, it still stays on the books. But this appears to be a deal and what appears in this bill is that the government has made a deal with the receiver of Cadillac Explorations that the interest and the total will be forgiven if they pay a stated amount. Is this different from the normal procedure? Would you really be able to assure the finance committee that it is to stay on the books? Or is this a deal that would have to be wiped off because it is a deal, rather than just a forgiveness of a bad debt?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: As the Member indicates, this is a special arrangement. The requirement to collect the money encouraged the government to make such an arrangement so that the outstanding property taxes could be and would be paid. I understand that the deal has almost been concluded because with the sale of the company -- our expectation would be with that sale the interest amount owing now is forgotten -- the advantage is that the benefit from seeing this mine reopened and people employed would be much greater than attempting to hold the deal up. Probably it would not occur if the write-off was not made available. Our expectation is that if this forgiveness is not permitted or granted, then the sale would be halted.

CHAIRMAN (Mr. Erkloo): Ms Cournoyea.

MS COURNOYEA: Then, are you saying that because this is a deal, not just a write-off of debt, this will no longer be on the books?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. TOM BUTTERS: That is correct, Mr. Chairman. We will not be coming after the new owner to collect this particular amount of money.

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Does the committee agree that Bill 29-87(1) is ready for third reading?

SOME HON. MEMBERS: Agreed.

---Agreed

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

HON. TOM BUTTERS: Mr. Chairman, again, proceeding to the next bill, which is the Student Financial Assistance Act. Mr. Patterson would proceed with that bill.

CHAIRMAN (Mr. Erkloo): Does the committee agree we go to Bill 24-87(1)?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 24-87(1), Student Financial Assistance Act

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

Minister's Opening Remarks

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. This bill is simply necessary in order to enable the department to continue to provide student financial assistance after April 1st, 1987. The current schedule on the bill runs out at the end of this month and therefore I am seeking approval to continue authorizing loans to a maximum level of \$7,150,000. Thank you.

CHAIRMAN (Mr. Erkloo): Mr. Nerysoo.

MR. NERYSOO: Thank you, Mr. Chairman. The standing committee on finance has reviewed this legislation. It was noted that no increase in limit has been requested. The act simply asks that the current limit be authorized for 1987-88 and subsequent years. The committee therefore recommends that this bill proceed to third reading.

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Does the committee agree Bill 24-87(1) is ready for third reading?

SOME HON. MEMBERS: Agreed.

---Agreed

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

HON. TOM BUTTERS: Mr. Chairman, I just discussed the order with the chairman of the finance committee and we will move to the Plebiscite Act, Bill 30-87(1), next and then we will go to the Supplementary Appropriation Act, No. 4, and then back to the Elections Act.

CHAIRMAN (Mr. Erkloo): Does the committee agree we go to Bill 30-87(1)?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 30-87(1), Plebiscite Act

CHAIRMAN (Mr. Erkloo): Mr. Sibbeston.

Minister's Opening Remarks

HON. NICK SIBBESTON: Mr. Chairman, with respect to an amendment to the Plebiscite Act, the statement, the purpose is to amend the Plebiscite Act to allow the rules respecting elections in the Elections Act of 1978 to apply, notwithstanding that we had repealed it by the new Elections Act; to set out the question to be asked for a proposed boundary for division of the Northwest Territories; to reduce the period of time, in advance of the day a plebiscite is held, that returning officers must be appointed, from 60 days to 49 days and to make a consequential change to Schedule B.

CHAIRMAN (Mr. Erkloo): Mr. MacQuarrie.

Comments From Standing Committee On Legislation

MR. MACQUARRIE: Thank you, Mr. Chairman. Just a few comments on the general provisions of the bill. It should be noted that with the passage of this amendment, the rules respecting elections in the Elections Act, 1978, apply. Of course we have, in the meantime, passed an Elections Act, 1986, I guess. The reason we are not having the 1986 act apply is that there are a great many forms that are associated with that act that simply have not yet been prepared and could not possibly be prepared by the time of the plebiscite. They will be ready by the time of the fall territorial election. So in view of that, this plebiscite will be operated under the Elections Act, 1978.

In studying this bill in the committee, the Clerk explained that the principle under the territorial Elections Act, the period of residency required in order to vote, is one year, and under the provisions of this act the period of residency required is three years. But notwithstanding the actual difference in residency length, the principles determining who is a resident apply in this case, just as they would in other territorial elections. For example, if somebody has been away for a year studying in the South but they are ordinarily resident in the Northwest Territories, they would be entitled to vote in the plebiscite.

Also, it should be pointed out to people generally, that proxy voting will be allowed in the plebiscite. The forms will be available from the returning officer almost immediately the plebiscite is proclaimed so that people who might want to vote by proxy should be aware that they can get these forms from the returning officers and perhaps in the South the forms may be available at the government offices, liaison offices in Edmonton and in Ottawa, which office is still in place, I gather. They will be able to get those forms there and they would have to be signed and submitted to the returning officers, I believe it is about 10 days prior to the vote.

The Clerk indicated, as well, that there will be two advance polls prior to May 20th. I believe one of the advance polls is one week prior and the other is 10 days prior to May 20th. That is just general information.

The only other point that I will raise is that Members may note in clause two, section 4(1), that the Commissioner may direct that a plebiscite be held with respect to a boundary for division. I suppose the ordinary word would have been "shall" but in this case it is well-known that whether or not the plebiscite goes ahead depends on the ratification of a land claims boundary and the approval of the Iqaluit agreement by various native associations. Only upon receipt of formal evidence that that is the case will the Commissioner proclaim a plebiscite, so that he ought not to be bound to hold one if those conditions do not prevail. That is why the word "may" is there. With that information, the standing committee on legislation recommended this bill as it is to the committee of the whole.

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 1, savings provision respecting Elections Act, 1978. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 2, plebiscite on a proposed boundary for division of the Territories. Mr. Sibbeston.

Motion To Amend Clause 2, Bill 30-87(1), Carried

HON. NICK SIBBESTON: Mr. Chairman, I would move that clause 2 be amended by deleting the words "and description" from subsection 4(3) as it is worded here.

CHAIRMAN (Mr. Erkloo): The motion is in order. To the motion. Mr. Nerysoo.

MR. NERYSOO: Mr. Chairman, if I could ask the honourable Member if he could explain the reason why the changes are being recommended.

CHAIRMAN (Mr. Erkloo): Mr. Sibbeston.

HON. NICK SIBBESTON: Mr. Chairman, it is to deal with the plebiscite direction. The amendment suggests that only the map upon which the question is based must be set out. We do not propose to put both the map and the description.

CHAIRMAN (Mr. Erkloo): Mr. MacQuarrie.

MR. MacQUARRIE: If I may indicate for the benefit of the committee, a few days ago there was a meeting attended by the Clerk, the Commissioner, a government legal representative, the House's law clerk; a representative of the East, Mr. Patterson, was there, myself and Mr. Pedersen. We did agree that there would be a few desirable changes that ought to be made to the plebiscite amendment the way it was first drafted. This is one of them. The explanation is simply that it became clear, when you start talking about a description of the boundary, that you could not possibly talk about a legal description, because a legal description implies a survey with detailed longitudinal and latitudinal positions and that is not possible. Then the question arose as to how do you describe it in other terms? It was obvious that that would be only someone's artistic impression, I guess, of what the boundary was and that in fact a map which shows it clearly is adequate. So all parties at that meeting agreed that the words "and description" should be dropped from the bill.

CHAIRMAN (Mr. Erkloo): To the motion. All those in favour of the motion? Opposed, if any? The motion is carried.

---Carried

Clause 2, as amended. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 3, effect of plebiscite. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 4. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 5, Schedule A. Mr. Sibbeston.

Motion To Amend Clause 5, Bill 30-87(1), Carried

HON. NICK SIBBESTON: Mr. Chairman, I move that Schedule A of the bill be amended by deleting the sentence, "The boundary agreed upon is described below", from lines 18 and 19, and substituting the following: "A map of the boundary agreed upon is set out below."

CHAIRMAN (Mr. Erkloo): The motion is in order. Mr. Richard.

MR. RICHARD: Mr. Chairman, I was just going to suggest that there is no Schedule A to this bill and I believe what he wants to amend is clause 5. So should the motion not read "Schedule A of clause 5 of the bill"?

CHAIRMAN (Mr. Erkloo): Yes. To the motion. Question is being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Mr. Sibbeston.

Motion To Further Amend Clause 5, Bill 30-87(1), Carried

HON. NICK SIBBESTON: Mr. Chairman, one further change in clause 5 that deals with Schedule A. I move that Schedule A be amended by inserting the following after the second paragraph: "Map to be set out in the plebiscite direction and on the ballot" and deleting the words "Map and description to be set out in the plebiscite direction", following the third paragraph.

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

---Carried

Clause 5, as amended. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 6. Mr. Richard.

Motion To Amend Clause 6, Bill 30-87(1)

MR. RICHARD: Mr. Chairman, I wish to move an amendment to clause 6, which would have the effect of changing the residency period from three years to one year. Mr. Chairman, I move that Schedule B of clause 6 of Bill 30-87(1) be amended by deleting the words "three years" from line 36 and substituting the following words: "one year".

CHAIRMAN (Mr. Erkloo): Could I have a copy of your motion please? The motion is in order. To the motion. Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. I am aware that a lot of Members are not in agreement with my proposed change but that does not deter me from seeking the change and stating my position. I believe sincerely that the three year residency period in this Plebiscite Act is discriminatory and should be removed. It is discriminatory simply because it would disenfranchise a group of people, Canadian citizens who are of age, in terms of whatever the age requirement is in this act, but who, prior to this month or next month when the Commissioner gives the direction that the plebiscite be held, have not been living here for three years. I believe that is discrimination because it discriminates against that group of people and I believe that discrimination is unnecessary. I have not heard any reason why there is something magic about three years. Admittedly, there is nothing magic about one year, either, except the difference is, Mr. Chairman, that one year has been recognized virtually universally, or certainly universally within this country of Canada, as the maximum period of time that one citizen has to live in a jurisdiction, be it a municipal, or a provincial or a territorial or a federal riding district, prior to being able to exercise his democratic right to vote. There is no evidence of how many people would be affected by leaving the three year rule in there, let alone how many people would be affected by a change in the three year rule to a one year rule.

The concern I have, Mr. Chairman, is simply the mobility right, if you like, of a Canadian citizen. It is not just the person who moves from southern Canada into the Northwest Territories this month or last month or a year ago or two and a half years ago, but it could also affect a native northerner, a northern-born person, who has for one reason or another travelled south to seek employment. Whether it is someone who is from the Fort Smith area working in Fort Chip, or someone from this area or from Inuvik living and working in Edmonton, or perhaps an Inuk from Iqaluit working in Montreal or Ottawa, who has his ordinary residence there, who moves back to the Northwest Territories and has been living back here for some two and a half years -- that person is also disenfranchised. That may well be an aboriginal person or another person born in the Northwest Territories. Those people are being discriminated against, as well.

Charter Of Rights Now In Effect

Members are aware that at the time of the 1982 plebiscite, there was a court challenge and in the end result, the court upheld the three year rule in 1982. The difference is, as we all know, that the Charter of Rights will now be in play when this plebiscite is held and there possibly could be a different result from a court challenge. I think that putting the three years in there endangers the holding of the plebiscite and it is an important plebiscite. It should be held and it is already a very tight time frame.

The concern I have, Mr. Chairman, is if it was the reverse situation. If one of us in this room decided, for whatever reason, to move to the province of Ontario or the province of Nova Scotia, we would be discriminated against if that province had a similar three year residency requirement before we could vote on important issues such as this. We would feel disenfranchised or left out of exercising our democratic rights, if the reverse were true.

There is an argument that I have heard that only three year people have a commitment to the North and, therefore, should be entitled to voice their opinion. All this Plebiscite Act is involved with is people expressing their opinion on a certain topic, but there is this argument that only three year people have a commitment to the North and therefore, only they should be entitled to exercise or voice their opinion. I say that is not true. Some people can move into the Northwest Territories and within a week or within a month can make a commitment, a true, sincere commitment to the Northwest Territories. Other people could live here 20 or 25 years and never make a commitment, a true, sincere commitment to the North.

So, for those, Mr. Chairman, and for many other reasons which have been expressed by myself and certainly by many others in the past, I am opposed to a three year rule -- anything, in fact, beyond one year. One year is the period of time that we require people to live in a community before voting in a municipal election and I see no reason why it should be any more than one year in this instance. Thank you.

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

HON. NICK SIBBESTON: I, for one, oppose the motion because I do sincerely feel that having only a one year residency requirement is too short. The Member was not here a number of years ago when we dealt with this as a major issue in the Assembly. At the time three years was very much of a comedown, quite a compromise for many people who feel 10 years should be the period of residency. The last plebiscite was successful based on a three year residency.

Legal Opinion On Viewpoint Of The Court

I remind Members of the Assembly again that the plebiscite will be simply an opinion poll asking northerners about their views on a matter very important to them and the results are binding. I do not believe the court will see this as similar to an election, where there are much more definite and binding results, than simply getting the opinions of people. I know too, as the Member does, that the last plebiscite was challenged unsuccessfully, although some of the provisions affecting constitutional rights have come into effect. The legal opinion that we have is that the courts will not likely strike down the Plebiscite Act as we have it, providing for a three year residency.

The basic reason for having at least a three year term is that it does take people living in the North a number of years to get a good feeling for the issues facing northerners and it takes a number of years before they can vote knowledgeably, with feeling and understanding, on a subject such as this. So for all these reasons I urge Members not to support the amendment.

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

MR. ANGOTTITAUURUQ: Thank you, Mr. Chairman. I guess as Members we are of different minds. I, too, have some concern toward the three year period, especially when you are dealing with something that a person has set out. What the plebiscite is talking about -- we are going to put our X on what we want -- is different from voting for a Member, because it is only shown on a piece of paper. For anyone who has a commitment to think about what they are going to vote for, if it is one year, they surely can read what is in the document. If this was for the Elections Act, I would not support the motion, but it is for a plebiscite. So for that reason I will support it. If I came from Alberta, it is the same procedure that we could see and it is not new. If I want to find out about what to do, whether I would support it or not, I could read the document and I could also see the map. I think that is a quick decision. If I am going to live in the NWT for a long period, for that reason I will support the motion because it is set out by someone. It is a different thing from voting for a person you have to know. At least for a person that you are voting for, you have to know them, by living in the Northwest Territories for four years, wherever they may be. If you want to be interested in a person who is running, you can follow their procedures. This is a document we are talking about and I would support for that reason because I really do not think you need a three year period for a document which you could take home to read and see the map, specifically on the plebiscite. That is all. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman. With regard to this particular motion, I believe it was three years ago that the question of division was given to the public. It should be the same people that are going to be deciding on this plebiscite. I am just wondering, with regard to

people that really did not have anything to do with it in the first place, why they should be voting on this particular plebiscite. I just wanted to put on record that I have difficulty with the motion as it is.

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

Opinions On Fundamental Constitutional Matter Are Sought

MR. MacQUARRIE: I will be able this time, as I did in 1982, to support a three year residency requirement in the plebiscite.

---Laughter

I say that for two reasons. Here we are seeking opinions and secondly, we are seeking opinions on a fundamental constitutional question. What this Assembly is saying is that it feels that the opinions of those who have lived here for three years are the opinions that this Assembly would like to have expressed on a fundamental, constitutional matter. Personally, when we are dealing with the development of constitutions in eastern and western territories and talking about residency for voting for candidates, I will not support the three year residency at all. I would insist on one year in those matters. Mr. Angottitauruq pointed out that all of us are different and therefore of different judgments, and I find it interesting that in this, mine is quite the opposite to his. He...

---Laughter

...made a very interesting observation that when you are voting for a man -- or woman, I am sure he meant as well -- he thought that perhaps it should be a little longer, because it takes time to get to know what these people are all about. Whereas, he says here, anybody could come, read the question, see the map and make a decision. But I say what such a person would not see, perhaps, are the implications behind the decision that is made, the implications that arise from this fundamental constitutional question. Such a person will not have had the experience of the agony that has gone into bringing the question to the public in the first place and therefore, may not fully appreciate the kind of decision that he is making.

Discrimination May Involve Judgment

If I may give an illustration, I know that Mr. Richard pointed out that if this type of discrimination is allowed -- and incidentally I would remind people that there is, and it is forgotten so often, but there is a good meaning to the word, discrimination. If, when I was a young lad, I were called a discriminating person, I would have taken that as a compliment, because what it meant is that you sort things out before you make a judgment. Of course, the discrimination that is involved is not prejudice and bias, it is reflection and judgment.

Mr. Richard said that if we applied discrimination here, there would be discrimination at the other end, or not that there would be, but would it not be fair, he suggested. Now, I am saying that it would be, if it were the matter simply of voting, but I think if it were a fundamental constitutional matter for another provincial jurisdiction, I could probably understand if they thought about discriminating. And I think perhaps an example of Newfoundland might apply. Let us suppose someone there said it is time to rethink the question of associating with Canada in Confederation. In 1949, we said, "Yes, we want to join." What if in 1987 we want to say, "Opt out." And in the meantime, if I had just moved to Newfoundland, I am not sure that I would feel honestly discriminated against if the Assembly in Newfoundland said, "We would prefer the opinions of people who have lived here at least three years and demonstrated some commitment." In the matter of voting for representatives, those representatives come and go regardless of the decision -- four years, we all know that as politicians.

AN HON. MEMBER: (Inaudible comment)

MR. MacQUARRIE: Yes, you might come three or four or five times, but someday you are going to go. But this type of matter is something that, when a decision is made, can have implications for years and years and years. And so I feel that if I went to another jurisdiction and they were faced with that kind of question, I honestly would not feel discriminated against if they thought they wanted the opinions of longer-term residents. So I am going to support the three years and vote against the motion. But I do serve notice that when it comes to shaping the constitution in a western

territory, once the fundamental questions are asked and answered, then is the matter of implementing it. You have safeguards for aboriginal people in other ways. Then you do not need to arbitrarily say, you have to be here for three years before you can vote. Then one year would be adequate, I would say. Anyway, thank you, Mr. Chairman.

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

MR. McCALLUM: Thank you. I will be in support of the amendment to the motion. I think that just because one is up here long is not to say that if one is up here longer, one gets smarter. I think the only thing you do is you get older. If you get older then some of you fellows better leave it to some of us older people. I agree that it is an opinion poll. I do not believe that it is necessary to have any more than a one year residency.

Certain Advisers Would Be Unable To Vote

There are going to be people who are not going to be able to vote on it or to cast their opinion, people that government, for example, hires at a considerable expense to give them some kind of advice. If those people are wise enough and credible enough to come into the employ of individual Ministers or the government themselves, surely they would be wise enough to cast a vote. I do not have to indicate any names but I am sure some of them would not mind my saying, you know -- I think Mr. Handley is a very discriminating person. He obviously does a job in Education. Unfortunately, he is not going to be able to vote and cast an opinion. Mr. Whittington, I am sure, is another person who has a great deal of expertise. I do not think that those people should be cast aside. I think they should be able to cast a vote. I would prefer to have people who really know the issue, who have been here for some time. If you want to talk dates, let us make it 20 years. Mind you, we would lose some very bright people on the other side.

HON. MICHAEL BALLANTYNE: Thank you.

MR. McCALLUM: Four Ministers or so. I do not mean to be funny about it at all. I am serious about it. I really believe that there is no reason on an opinion poll to exclude people. You are asked to make an opinion on whether it should be there. The government in its wisdom decides that people who are coming into the employ of the government, after two years they seek their own accommodation. Two years. I do not believe that three years has anything magic about it. I will be in agreement with the amendment.

CHAIRMAN (Mr. Erkloo): Mr. McLaughlin.

HON. BRUCE McLAUGHLIN: Thank you, Mr. Chairman. I am going to vote in favour of the amendment because I think that, since the new Constitution with the Charter of Rights is now in place, a successful court challenge could be launched against anything over one year and therefore, in order to make sure that the results of the plebiscite are not questioned afterwards or the plebiscite itself is not actually put into jeopardy, the very holding of it, by a stay order of court, I am going to vote in favour of the amendment for one year. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): To the motion.

SOME HON. MEMBERS: Question.

AN HON. MEMBER: A recorded vote.

Motion To Amend Clause 6, Bill 30-87(1), Defeated

CHAIRMAN (Mr. Erkloo): A recorded vote is requested. All those in favour, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Nerysoo, Mr. McCallum, Mr. Richard, Mr. McLaughlin, Mr. Angottitauruq.

CHAIRMAN (Mr. Erkloo): Opposed, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Ms Curnoyea, Mr. Paniloo, Mr. Gargan, Mr. T'Seleie, Mrs. Lawrence, Mr. MacQuarrie, Mr. Wray, Mr. Ballantyne, Mr. Patterson, Mr. Pudluk, Mr. Sibbeston, Mr. Butters, Mr. Pedersen.

CHAIRMAN (Mr. Erkloo): Abstentions, if any. The motion is defeated.

---Defeated

Clause 6. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Does the committee agree that Bill 30-87(1), as amended, is ready for third reading?

SOME HON. MEMBERS: Agreed.

---Agreed

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

HON. TOM BUTTERS: Mr. Chairman, may we proceed to Bill 25-87(1), Supplementary Appropriation Act, No. 4, 1986-87?

CHAIRMAN (Mr. Erkloo): Does the committee agree we go to Bill 25-87(1)?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 25-87(1), Supplementary Appropriation Act, No. 4, 1986-87

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

Minister's Opening Remarks

HON. TOM BUTTERS: Mr. Chairman, Supplementary Appropriation Act, No. 4, for the 1986-87 fiscal year, requests Legislative Assembly approval for \$4,023,700 of additional appropriation authority to defray the expenses of the government for 1986-87. When combined with the three previous supplementary appropriations for 1986-87, the total supplementary appropriation authority required for this fiscal year is approximately \$35 million. However, approximately \$10 million of revenue will directly offset these expenditures. Supplementary Appropriation, No. 4, is required for increases to the Government of the Northwest Territories share of the Police Services Agreement, to improve the northern highways system, to fund the community recreational leaders program and provide a base adjustment for the arbitrated teachers' salaries settlement, as well as other important initiatives. That concludes my opening remarks. I would defer to the chairman of the standing committee on finance.

CHAIRMAN (Mr. Erkloo): Mr. Nerysoo.

Comments From Standing Committee On Finance

MR. NERYSOO: Thank you, Mr. Chairman. With regard to Supplementary Appropriation Act, No. 4, 1986-87, it was noted by the standing committee on finance that this fourth supplementary appropriation for 1986-87 brings the total supplementary appropriations to nearly \$35 million. Of particular concern were the special warrants approved since our last session. I shall have comments as each departmental Minister is called to present his rationale for these supplementary changes. I wish also to indicate that the committee did not question any other Ministers because of the constraints of time. Members may have several questions that can be asked during committee of the whole. I am prepared to proceed to review the supplementary appropriation in detail.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Nerysoo. General comments. Does the committee agree to go to details?

SOME HON. MEMBERS: Agreed.

---Agreed

Legislative Assembly, Clerk Of The Legislative Assembly, Total Capital, Agreed

CHAIRMAN (Mr. Erkloo): Legislative Assembly, capital, Clerk of the Legislative Assembly, \$50,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Total department, \$50,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

CHAIRMAN (Mr. Erkloo): Executive, O and M. Mr. Nersyoo.

Comments From Standing Committee On Finance

MR. NERYSOO: Thank you, Mr. Chairman. With regard to the requirement for the \$300,000, the Minister of Finance answered questions relating to the Energy, Mines and Resources Secretariat. He informed the committee that he would be making a statement when he spoke in committee of the whole, about the NCPC transfer and the results of the appraisal which was conducted with these special warrant funds. We have heard, within the last two days, comments from the Minister regarding the review of the appraisal that is presently being done by Northland Utilities. Members of the committee are encouraged to raise any other concerns at this particular time.

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

Special Warrant For Appraisal Of NCPC Indicates Poor Planning

MR. RICHARD: Mr. Chairman, I did take the opportunity yesterday to ask the Minister responsible for the NCPC issue about this expenditure, but I want to take this opportunity to comment on the fact that this was done by special warrant. I think mainly as a result of some of the work of the standing committee on finance and the public accounts committee of the last two years, the government is getting a better report card from the Auditor General and from those two committees on its use of special warrants. But I see just in this one document a return to previous bad habits. This is my opinion. Of the four million and some dollars that we are being asked -- we are not even being asked -- that is included in this document, for three and one-half million dollars of it, we do not have to give our approval because it has already been authorized by special warrant.

My comment is with respect to this one, which is a \$300,000 special warrant, and the ones that follow on the other pages. I see it as poor planning. The NCPC issue has been on the front burner of this government for two years. The need for an appraisal of the assets that we hope to take over from the federal government is not something that should have occurred only between the October session of this Assembly and February 11th of this year. I just want to make that comment because I think that it is indicative of what I see as poor planning. Thank you.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

Use Of Special Warrant Process Necessary

HON. TOM BUTTERS: Just to indicate that I share the repugnance of Members across the floor with regard to the placing before this House of special warrants. I must admit that I agonized when this requirement was put to me. I believed, when the special warrant was raised, that we had some

Request Is An Affront To The Legislative Assembly

MR. RICHARD: Mr. Chairman, with that response I take this request to be an affront to this Assembly and I would ask for an adjournment. I want to prepare a motion to delete this item.

CHAIRMAN (Mr. Gargan): Mr. Richard, are you asking for a short recess or an adjournment?

MR. RICHARD: No, not right now, sir.

Social Services, Correction Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. We will go to the next department then. Social Services, capital, correction services, \$1,800,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Social Services, Aged And Handicapped Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Aged and handicapped services, \$250,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$2,050,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Economic Development And Tourism, Expo '86, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Economic Development and Tourism, O and M, Expo '86, \$1,475,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$1,475,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Department Of Education

Directorate And Administration, Total O And M

CHAIRMAN (Mr. Gargan): Education, O and M, directorate and administration, \$29,000. Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. Could I get some idea from the Minister of the number of people involved with salary arbitration awards? Why is it only within Education that we have \$452,000 that he is wanting us to approve; \$452,000 for salary funding as a result of arbitration awards to people? Some of them are in schools, some are in the directorate and administration, and in advanced education, school program development, Arctic College, and residences. In all of them, there is no great amount but it totals up to just under half a million dollars. Who are the people that are in Education, and why only in Education did people have to go to salary arbitration? Now, this particular budget last year was over \$100,000. This year it is up close to \$150 million in total, O and M and capital. I do not understand why Education had personnel that had to go to

arbitration for salary. Surely the negotiations are done with Public Service in total. There is obviously a good answer, but I do not understand why it is only Education. Why do we not see this in other departments as well?

CHAIRMAN (Mr. Gargan): Mr. Patterson.

Increases For Members Of NWTTA

HON. DENNIS PATTERSON: Mr. Chairman, these salary funding increases apply to members of the Northwest Territories Teachers' Association only. They do work in advanced education, as adult educators in some cases. They do work in headquarters in curriculum development and program development and they do work in the Arctic College. For example, the TEP instructors are members of the teachers' association. Mr. Chairman, we had a very long series of protracted negotiations with the teachers' association. They are on a different bargaining schedule than the Public Service Association, and we had to put a holding figure in on our budget. Basically, we put in a holding figure of three per cent for the Northwest Territories Teachers' Association but the award for the NWTTA effective September 1st was 5.2 per cent. We did attempt to cover most of the salary shortfall through vacancies, but this represents the amount that we were not able to fund internally. Thank you, Mr. Chairman.

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

MR. McCALLUM: Thank you, Mr. Chairman. How many of the members of the NWTTA did this \$452,000 -- how many members of the NWTTA were involved here? You said not all of them, because you were able to handle it through salary moneys that you had within the department that you did not use because you had a vacancy rate. Again, that points out to me that you have more salary dollars than you required in the first place. Again, this points out to me, and I hope to other people, talking about a fat administration -- and if somebody is listening in Mr. Butters' group, they can understand now what we are saying about PYs. Now, it obviously did not deal every teacher the award. That is not enough money to increase their arbitration award 2.2 per cent on the salaries of teachers. What was the total cost of this arbitration award to the government? What was the total? You want \$452,000 more. What was the total award?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Explanation Of Funding For Increase

HON. DENNIS PATTERSON: Mr. Chairman, I should have noted that there are some Public Service Association employees covered in this supp. In the case of the PSA employees, we had allowed 3.5 per cent for a price increase and the arbitration award was four per cent, effective April 1st, so that was, relatively, a smaller amount. This supp covers 1493 person years. The salaries and wages cost, as a result of the arbitration, was approximately \$850,000. So, we were able to fund approximately half of it, or less than half of it, through internal reallocations and vacancies. Thank you.

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

MR. McCALLUM: Well, Mr. Chairman, the total amount of money that was required by the government and the Department of Education for the increase of 2.2 per cent in the salary arbitration award for the roughly 1500 teachers, NWTTA people, under that particular union, was \$850,000. The department has a budget of -- last year -- \$106 to \$107 million and can only find half of it within this. As far as the PSA, I know they are on a different schedule. You had to find money within your department to pay for PSA when they come on in April. I can understand teachers. They come on at a later time, in September. I would have certainly thought previous year's salary awards to either the PSA and/or the NWTTA should have indicated to the department that you were going to have to put some dollars into this area.

I take it that the department was \$400,000 fat in salary moneys for that particular period of time, or else you would not have got it. You certainly did not cut it out from any other activity but the department had just under a half of a million dollars more than it should have had. It goes back to this whole exercise that we have been going through. You have too many people or you have too many dollars for the people that you have. You do not need it. If you can find it, you do not need it. You have too many people involved, not just with this department but throughout. We keep saying that to you people and you say you do not know where you should be cutting or reducing.

Inability To Plan For Arbitration Awards

Again, I find it ridiculous that we should be asked to give you money for last year and this year you come along and ask for even a greater amount of money for that same particular activity, when you are already fat by \$400,000. I could have told you where you could have spent the \$400,000 in Education. It just is very difficult, at least for me, to accept the fact that you cannot plan for salary expectations of salary arbitration awards and that when you do get it, you had \$400,000 tucked away somewhere. I find it very difficult. There is nothing going to happen to it. You are obviously asking us to approve it. Nothing is going to happen but I just want to voice my concern about this supplementary.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. DENNIS PATTERSON: Mr. Chairman, with the greatest respect to the Member, if I could accurately foresee our arbitration awards I would be making a lot more money in another field. I think we were surprised at the size of the award, 5.2 per cent. It is out of scale with the kinds of awards given across the country. We were faced with a difficult decision, up to the very last minute, of settling or taking the risk of arbitration. We clearly took a bit of a beating on that arbitration award, Mr. Chairman. As far as the department's finding the money from within, I would like to attribute that to good management, that we were able, with the limited discretion that we have in administration, to find almost half of \$850,000 by internal economies. There is not much of a vacancy with teachers; teachers' positions cannot be left vacant, so we really had very little flexibility.

Although I recognize that \$400,000 might look like a lot of money, in a \$100 million budget it is a decimal. It is a fraction of a percentage point. If we could lapse that kind of money in a \$100 million budget, I think we should be credited with managing our budget very well. Mr. Chairman, those are my comments on the Member's remarks.

CHAIRMAN (Mr. Gargan): Mr. McCallum.

MR. MCCALLUM: Mr. Chairman, again I do not want to prolong the thing. The Minister told me that he found it within the vacancy rate. I will react to that. The agreement that is there, the teachers' agreement, is usually a two year agreement, or maybe they are yearly. The Minister has been involved for his sixth year as Minister of Education. He must have had some back history of negotiations and awards. Very well, they have been given a greater award than throughout the country. I wonder, without getting into an argument, whether it had been much of a difference over the awards back over the number of years that he has been involved with it. Certainly his people within the department had been in the employ for a while longer than that. I am not going to pursue the thing any further; there is not much I am going to be able to do. But I just do not think that it is right to come in and ask us for this when they obviously had a vacancy rate. There must have been moneys available and that is where you took it from. If that is good management, administrative management, and looking at the vacancy rate, fine -- there are many other areas that are involved with management as well, however.

Directorate And Administration, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Education, operations and maintenance, directorate and administration, \$29,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Advanced Education, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Advanced education, \$46,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): School programs. Mr. Sibbeston.

Motion To Extend Sitting Hours, Ruled Out Of Order

HON. NICK SIBBESTON: Mr. Chairman, I would like to move a motion to extend the hours for the purpose of completing all business before the committee of the whole.

CHAIRMAN (Mr. Gargan): Mr. Sibbeston, your motion is out of order. You can only make a motion to deal with the item under discussion. Mr. Wray.

Motion To Extend Sitting Hours To Deal With Subject At Hand, Carried

HON. GORDON WRAY: I will make a motion to extend sitting hours to deal with the subject at hand.

CHAIRMAN (Mr. Gargan): Your motion is in order. To the motion. All those in favour? Opposed, if any? This motion is carried.

---Carried

School Program Development, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Education, school program development, \$7000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Schools, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Schools, \$327,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Arctic College, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Arctic College, \$33,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Residences, Total O and M, Agreed

CHAIRMAN (Mr. Gargan): Residences, \$10,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$452,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Municipal And Community Affairs, Sport And Recreation, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): I will go back to Municipal and Community Affairs, operations and maintenance, sport and recreation, \$197,700, page 10. Mr. Richard.

MR. RICHARD: Mr. Chairman, it is my intention to move a motion, sir, to delete this from the schedule; so I am content that we go back to the bill and proceed until we come to the schedule to the bill, at which time I will move a motion.

CHAIRMAN (Mr. Gargan): Municipal and Community Affairs, operations and maintenance, sport and recreation, \$197,700. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$197,700. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Does the committee agree that Supplementary Appropriation, No. 4, detail is concluded?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): We will now go to the bill itself, Bill 25-87(1). Does the committee agree that we go clause by clause?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Schedule. Mr. Richard.

Motion That Item 13, Schedule, Bill 25-87(1), Be Deleted

MR. RICHARD: Thank you, Mr. Chairman. I move that the schedule to Bill 25-87(1) be amended by deleting Item 13, Local Government, and by reducing "Total Operations and Maintenance" and "Total Appropriated" by \$197,700, Canadian.

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

MR. RICHARD: Thank you, Mr. Chairman. Mr. Chairman, the Minister has already initially indicated in his response to my questions about this item, when I asked how he was going to spend \$197,000 in the next 11 days, that the money has already been spent initially and then he has given different explanations after that, clarification. No matter how he cuts it up, Mr. Chairman, this money for this particular program -- and the program is probably a very worth-while one -- the principle here is whether or not the Executive Council is going to waste the time of the Members of this Assembly. This is a classic example, Mr. Chairman, which leads people like myself to the expression, we are wasting our time.

The Executive Council has already decided to authorize this expenditure of almost \$200,000 in 1986-87. It does not matter, Mr. Chairman and Members of this committee, it does not matter whether we approve this item or not, and I ask Members to support me in this motion by deleting it because it really does not matter whether we approve it or not. The money has already been authorized by this government. They have deemed to presume our approval. I have asked this government, for the last three years, to tell me ahead of time which decisions do not require my input, so that I do not waste my time. It is for this reason, Mr. Chairman, that about a year ago we convinced the government to insert into the supplementary documents, and earmark, which are special warrants, so we do not have to waste our time on them. They are already spent. They are already authorized. It does not need our approval. They have not earmarked this one but it has already been spent, already authorized. It does not matter whether we say yes or no to this \$197,000. I say, we say no, on the principle. Thank you.

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

HON. GORDON WRAY: Thank you, Mr. Chairman. Just a further explanation of what took place, because it is certainly no attempt by the department to try to pull a fast one on the Legislature. I would agree that I think in this case it should probably have been a special warrant. What happened was that we had initially had the total funding for the program included in the 1987-88 estimates. It was our intention after the year end, when we were in receipt of the financial statements from the municipalities, to reimburse them for expenditures in 1986-87 by buying them out of our 1987-88 appropriations. I was, however, advised by our own finance people that because of our accrual accounting system, I would have to show our 1986-87 liability as in 1986-87. Therefore, I had to have an appropriation of some kind for that money. So we reduced the 1987-88 estimates by that amount and showed it as a supp for 1986-87. But I would agree with the Member that in this case I think probably a special warrant should have been utilized.

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

AN HON. MEMBER: Question.

Motion That Item 13, Schedule, Bill 25-87(1), Be Deleted, Carried

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

---Carried

Total O And M, Agreed

Thank you. Schedule, O and M, total O and M will now change to \$4,786,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Capital, total capital, \$960,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Appropriated, Agreed

CHAIRMAN (Mr. Gargan): Total appropriated, \$3,826,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Short title. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Does the committee agree that Bill 25-87(1) is now ready for third reading as amended? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

MR. SPEAKER: Mr. Gargan.

ITEM 18: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 1-87(1), APPROPRIATION ACT, 1987-88; BILL 14-87(1), LOAN AUTHORIZATION ACT, 1987-88; BILL 24-87(1), STUDENT FINANCIAL ASSISTANCE ACT; 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 30-87(1), PLEBISCITE ACT

MR. GARGAN: Thank you. Mr. Speaker, your committee has been considering Bills 1-87(1), 2-87(1), 6-87(1), 7-87(1), 8-87(1), 9-87(1), 14-87(1), 17-87(1), 24-87(1), 25-87(1), 29-87(1) and 30-87(1), and, Mr. Speaker, I wish to report that Bill 1-87(1), Bill 14-87(1), Bill 29-87(1), and Bill 24-87(1) are now ready for third reading. Further that Bill 30-87(1) and Bill 25-87(1) are now ready for third reading as amended.

Motion To Accept Report Of Committee Of The Whole, Carried

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

MR. SPEAKER: There is a motion on the floor. 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. Butters.

HON. TOM BUTTERS: Mr. Speaker, I wonder if you could inquire of the House whether there might be unanimous consent to conclude the Elections Act, the Education Act and, as well, I would like to bring in Bill 26-87(1) from second reading to committee of the whole as well.

MR. SPEAKER: Is this a move to extend the sitting hours, Mr. Butters?

HON. TOM BUTTERS: Mr. Speaker, if unanimous consent would be given I expect that we could extend sitting hours this evening.

MR. SPEAKER: Yes, it would require unanimous consent because there is more than one item of business and the business of the day has been reported out. This is a rather unusual move. It should have really happened while we were still in committee of the whole. I have no personal objections, so it is the will of the House. Is there unanimous consent to add the items as indicated by Mr. Butters and to proceed sitting until I do not know when, because there is certainly no indication of the length of time that it might take, so I cannot put an hour on it? Do you have a point of order, Mr. Nerysoo?

MR. NERYSOO: Thank you. On a point of order, Mr. Speaker. I believe Bill 26-87(1) requires second reading before it is reported to committee.

MR. SPEAKER: Mr. Butters.

HON. TOM BUTTERS: Yes, sir, I realize that and if unanimous consent to sit has been given, then I would again ask unanimous consent to go back to that particular item and give second reading to that bill.

MR. SPEAKER: Thank you. Are there any nays with regard to sitting the extra hours and adding these items onto the agenda? There are no nays. Then you have unanimous consent. Mr. Clerk, have you the numbers of those? We will require unanimous consent to go back to second reading of Bill 26-87(1) first. Are there any nays? Then we will be on Item 16, second reading of bills. Bill 26-87(1), Mr. Butters.

ITEM 16: SECOND READING OF BILLS

Second Reading Of Bill 26-87(1), Supplementary Appropriation Act, No. 1, 1987-88

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Yellowknife North, that Bill 26-87(1), An Act Respecting Supplementary Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1988, be read for the second time. The purpose of the bill, Mr. Speaker, is to make supplementary appropriations for the Government of the Northwest Territories for the fiscal year ending the 31st day of March, 1988.

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

---Carried

Bill 26-87(1) has had second reading. Mr. Clerk, will you add this to the orders of the day for today? Could I have a list, Mr. Clerk, of the bills that they want put back into the committee of the whole? Item 17, consideration in committee of the whole of Bill 7-87(1), Bill 6-87(1), Bill 2-87(1), Bill 17-87(1), Bill 8-87(1), Bill 9-87(1) and Bill 26-87(1), with Mr. Wah-Shee in the chair.

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

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 7-87(1), EDUCATION ACT; BILL 8-87(1), ELECTIONS ACT; BILL 26-87(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 1, 1987-88

CHAIRMAN (Mr. Wah-Shee): The committee will come to order. Mr. Butters.

Bill 8-87(1), Elections Act

HON. TOM BUTTERS: Thank you, Mr. Chairman. If we may proceed to Bill 8-87(1), Elections Act. I defer to the chairman of the standing committee on legislation.

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

Comments From Standing Committee On Legislation

MR. MACQUARRIE: Thank you. Bill 8-87(1) is an amendment to the Elections Act, Mr. Chairman. The Elections Act that was passed in 1986 was a comprehensive revision of the earlier Elections Act. Many substantial changes were made. Upon reviewing that act, the Clerk and the Chief Electoral Officer of Canada noticed a few small technical changes in the act that were required in order for the Elections Act provisions to be in place and to be accurate and correct for the holding of the territorial election in the fall.

The changes came before the standing committee on legislation. The committee agreed that they were technical, not substantive, in nature and approved the bill and recommended it to this committee for passage.

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. Does the committee agree to go to clause by clause? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 1, property. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 2. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 3. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 4. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 5, election expenses. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 6, where an agreement exists. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 7. Mr. Butters.

Motion To Amend Clause 7, Bill 8-87(1), Carried

HON. TOM BUTTERS: Mr. Chairman, I have a minor amendment to clause 7. I move that Bill 8-87(1), An Act to Amend the Elections Act, be amended by adding to the marginal note on line one of page three, the words "payment of". If you look at page three, at the very top there you will see that it just says, "contribution", so that marginal note, if this is amended, would read, "payment of contribution".

CHAIRMAN (Mr. Wah-Shee): Your motion is in order. To the amendment.

AN HON. MEMBER: Question.

CHAIRMAN (Mr. Wah-Shee): Question has been called. All those in favour? Opposed, if any? The amendment is carried.

---Carried

Clause 7, as amended. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 8. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): The bill as a whole. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): The bill as amended. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Does the committee agree that the bill is ready for third reading as amended? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

HON. TOM BUTTERS: Mr. Chairman, may we proceed to Bill 7-87(1), Education Act?

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

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 7-87(1), Education Act

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

Minister's Opening Remarks

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I would like to propose an amendment to this act. The bill is to amend the Education Act to provide for the establishment of boards of secondary education; to set out the composition of a board of secondary education; and to establish the powers and duties of a board. I have several minor amendments to propose as a result of discussions in the committee. Perhaps at the outset, Mr. Chairman, I could also note that one of the concerns expressed -- I could perhaps note that this act has the support of the Yellowknife School District No. 1, on whose initiative it was formulated. Thank you.

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

Comments From Standing Committee On Legislation

MR. MacQUARRIE: This bill was before the standing committee on legislation, where it was noted that its major purpose was to enable the establishment of boards of secondary education generally, but also particularly to enable a transfer of the jurisdiction of Sir John Franklin Territorial High School. In reviewing the bill, the standing committee on legislation suggested a number of changes. The department took those under consideration and has previously indicated to our committee that they were agreeable to making changes that reflected the wishes of the standing committee. Therefore, the standing committee approves the bill as it will be amended by the Minister of Education.

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. Does the committee agree that we go clause by clause? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 1, board of secondary education. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 2, secondary education program. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 3. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 4. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 5, application. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 6, organization. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 7, education district. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 8, boards of secondary education. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 9, idem. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 10, Lord's Prayer. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 11, exception. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 12, local holiday. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

HON. DENNIS PATTERSON: I am sorry, Mr. Chairman, I let the committee get ahead of me. I would like to move an amendment to paragraph 53.29(1)(e) which is part of clause 8, and I am sorry I did not speak up earlier.

CHAIRMAN (Mr. Wah-Shee): Does the committee agree to go back to clause 8? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

Motion To Amend Clause 8, Bill 7-87(1), Carried

HON. DENNIS PATTERSON: Mr. Chairman, I move that clause 8, Bill 7-87(1), An Act to Amend the Education Act, be amended by repealing paragraph 53.29(1)(e) and substituting the following: "Invest surplus funds of the board in those classes of securities in which the Government of the Northwest Territories may invest pursuant to the Financial Administration Act".

CHAIRMAN (Mr. Wah-Shee): Your amendment is in order. To the amendment. Question has been called. All those in favour? Opposed, if any? The amendment is carried.

---Carried

Mr. Patterson.

Motion To Further Amend Clause 8, Bill 7-87(1), Carried

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I would also like to propose an amendment to section 53.34, which is also part of clause 8. I move that Bill 7-87(1) be amended by repealing section 53.34 and substituting the following: "The accounts of every board of secondary education must be audited annually by an auditor appointed by the board."

CHAIRMAN (Mr. Wah-Shee): Mr. MacQuarrie, your point of order.

MR. MACQUARRIE: I note that the Minister omitted reading the marginal note that would be part of that amendment.

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

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I thank the Member for observing that. The marginal note should read, "annual audit" and I would add that to the amendment.

CHAIRMAN (Mr. Wah-Shee): Your amendment is in order. To the amendment. Question has been called. All those in favour? Opposed, if any? The amendment is carried.

---Carried

Mr. Patterson.

Motion To Further Amend Clause 8, Bill 7-87(1), Carried

HON. DENNIS PATTERSON: Thank you, Mr. Chairman, and this is my last amendment. I further move that Bill 7-87(1) be amended by repealing the opening words which immediately precede paragraph 53.35(a) and substituting the following: "53.35. A board of secondary education shall, within three months after the end of the academic year, prepare and submit to the Minister a report on the preceding academic year that". The marginal note is "annual report". That is the amendment, Mr. Chairman.

CHAIRMAN (Mr. Wah-Shee): Thank you. Your amendment is in order. To the amendment. Question has been called. All those in favour? Opposed, if any? The amendment is carried.

---Carried

We are back on clause 13, consultation. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 14, altering length of school day. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 15, opening and closing times. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 16, approval. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 17, special school outside Territories. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 18, vocational courses. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 19, private schools. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 20, teachers' contracts. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 21, idem. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 22. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 23, idem. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 24, designation of principal. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 25, acting principal. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 26, assistant principal. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 27, duty of principal. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 28, consultation. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 29, local education authority. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 30. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 31. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 32, school counsellor. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 33, application. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 34, conveyance of students. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 35. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 36. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 37. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 38. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 39. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): The bill as a whole, as amended. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Does the committee agree that Bill 7-87(1) is ready for third reading, as amended? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

Bill 26-87(1), Supplementary Appropriation Act, No. 1, 1987-88

HON. TOM BUTTERS: Mr. Chairman, could we move to Bill 26-87(1)? A few introductory remarks.

Opening Remarks By Minister Of Finance

Supplementary Appropriation No. 1, for the 1987-88 fiscal year, requests Legislative Assembly approval for \$6,198,000 of additional appropriation authority to defray the expenses of government for 1987-88. This amount, which includes \$5,978,000 for O and M and \$220,000 for capital, will provide full year funding for the ongoing services, facility operations, and person years required with the implementation of the Young Offenders Act. The Government of the Northwest Territories has submitted to the Treasury Board of Canada requests for funding relative to the young offenders program.

As negotiations are still being conducted, the Financial Management Board did not consider it appropriate to include the young offenders budget in the main estimate document. It is important to recognize that the GNWT does not have to draw down on its 1987-88 supplementary appropriations reserve of six million dollars to finance this supp, as it is fully offset by new revenue. Neither the revenue nor the expenditures associated with the YOA are in the 1987-88 main estimates.

Mr. McLaughlin will speak to the item, Mr. Chairman.

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

Opening Remarks By Minister Of Social Services

HON. BRUCE McLAUGHLIN: Thank you, Mr. Chairman. This amount of money covers the funds which the Department of Social Services requires to proceed with the Young Offenders Act. Members should be aware that there is only \$220,000 for capital in here; that is for fairly minor items spread through the different regions, mostly equipment for camps and furniture for young offenders programs, which will occur outside of the two secure custody facilities which we have right now.

In addition, I should advise Members that we are in the final stages right now, with the Solicitor General of Canada, of having the Treasury Board of the federal government deal with the amount of moneys we are going to have on an ongoing relationship and put into the base of our budget. I believe the Solicitor General, jointly with the Minister of Northern Affairs, is going to be taking such a submission to the Treasury Board once they have done their final review of it. Thank you, Mr. Chairman.

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

MR. NERYSOO: Thank you, Mr. Chairman. Just to indicate to Members of the committee that the standing committee on finance did not call any witnesses to review this legislation. It was agreed that questions relating to this supplementary appropriation, which is providing funding for the young offenders program, can be asked during a review in committee of the whole.

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

MR. MCCALLUM: Thank you, Mr. Chairman. On the capital side, the Minister said there were two areas where we had secure facilities -- I think he said secure; if not, he can correct me. I understand one is River Ridge in Fort Smith. Could the Minister indicate to me where the other secure facility is and could he indicate to me whether there are plans to put more or increase the secure facilities across the Territories, and where?

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

Secure Custody Facilities

HON. BRUCE McLAUGHLIN: Mr. Chairman, there are two facilities in the Fort Smith Region. One is River Ridge, which basically has the younger young offenders in it, and one is in Hay River, which has the older young offenders in it. In addition, I referred to programs for young offenders outside of those facilities, which is true, but I should also say there is a secure custody facility at YCC for young offenders being held on remand and some of the more difficult young offenders. As far as future plans go, the department would like to establish young offenders secure custody facilities somewhere in the Eastern Arctic. We have requested funds for that, but we do not have that in the budget as we do not have final approval from the Solicitor General, the Minister of Indian Affairs and the Treasury Board to proceed with that. However, we are making plans to do something in the Eastern Arctic for young offenders. Thank you, Mr. Chairman.

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

MR. NERYSOO: Mr. Chairman, just a question directed to the Minister. Is there a program outline for facilities in each community throughout the NWT to house those individuals that are involved with breaking the law? If so, if the Minister is unable to give me that particular detail, could he provide the detailed plans for implementation of the program throughout other communities, other than the larger centres and outside the question of a secure facility?

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

HON. BRUCE McLAUGHLIN: Mr. Chairman, for the purposes of young offenders who are sentenced to open custody, all of the previously existing group homes for children, under family and children's services, are designated as open custody facilities for young offenders for that purpose. So virtually every group home that previously existed under the family and children's welfare part of the budget holds young offenders who are being held or have been sentenced to open custody. A couple of those facilities are almost entirely dedicated to young offenders held in open custody; for example, in Iqaluit that is the situation. Thank you, Mr. Chairman.

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

MR. NERYSOO: Thank you, Mr. Chairman. Could the Minister indicate, if not at this particular time, what the plans are for smaller communities where there are young offenders being held upon breach of the law, or for that matter being held in closed custody situations overnight? There seems to be some problem with that in that some of the young offenders are being held in the adult facilities, in the smaller communities.

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

Young Offenders Held Separately From Adult Offenders

HON. BRUCE McLAUGHLIN: As most Members are aware, the law requires that young offenders be held separate and apart from adult offenders. For example, in YCC we have been able to do that by keeping them in the same building but by making sure that mealtimes, exercise times, etc., are held at different times so the young offenders do not actually mix with the adult offenders. In the specific cases the Member refers to, when youth are held in small communities after being charged, the RCMP are under instructions to make sure that any young offender being held overnight is held separate and apart from adult offenders. In other words, they would not put them in the same cell. Thank you, Mr. Chairman.

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

MR. NERYSOO: Thank you, Mr. Chairman. I do not want to prolong the discussion, but when you have situations where there are only two cells that are available in the facility and one happens to be for women and the other happens to be for males, it is very difficult then to finally have a facility available for young offenders in those particular instances. I realize also that there are open custody facilities or agreements that have been negotiated with certain individuals in the community for open custody. But I am still concerned, and maybe it is a matter for review more than anything else, that the Minister might be able to conduct over the next month or so, with regard to identifying those areas that could be considered closed custody facilities or proper open custody facilities, that would address those particular young offenders that require more or closer supervision than those that are free and left in the open custody situation. It is just something that has to be reviewed.

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

HON. BRUCE McLAUGHLIN: Thank you, Mr. Chairman. I will undertake to have my deputy minister meet with the deputy minister of Justice, who is responsible for the RCMP, to find out if there are situations where there is a difficulty making sure that young offenders are not mixed with adult offenders and we will see what we can do to correct those situations if they are actually occurring. Thank you.

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

MR. McCALLUM: Thank you, Mr. Chairman. A comment was made, I think by Mr. Butters in introduction, and I think Minister McLaughlin has referred to it as well. That is the funding and the federal share of that. Can the Minister indicate to us when we should get some idea of where we stand with this whole Young Offenders Act? We are talking here of \$6,190,000. I know that in the past the departmental people have indicated they are getting certain percentages and I know the figure of 65, 70, 75 per cent has been thrown around, as getting that money back. Is there any way, or does the Minister know of any time when we would get some concrete idea as to how much money the federal government is going to contribute to this federal piece of legislation, that the Minister has to go along with, notwithstanding that over the years this government has told them that they were wrong to go into? But somewhere along the line could we get a good idea of what we are looking for, so that we have a really good idea of how much it is costing this government, net, for the young offenders?

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

HON. BRUCE McLAUGHLIN: Thank you, Mr. Chairman. Basically what we are hoping to do is establish -- I should say first that our territory already, just like any of the provinces, receives the same cost-sharing agreements on our expenditures as the provinces do, from the Solicitor General. There are different percentages, depending on what we do in capital or what we are doing in the computer information program, which is shared by different jurisdictions, etc. What we are mainly trying to get is money in our base budget to cover off that area, which the provinces have to do on their own. That is what we have been dealing with and I should tell Members that our initial negotiations only started recently when the act was put into place, because the previous Executive Council had decided not to negotiate figures, hoping that the Young Offenders Act would not be passed. We started from scratch on negotiations once it was passed. Our initial request for funding that went to the Solicitor General was basically turned down. They thought we were asking for too much money. So we went back to negotiating with them and while we were negotiating with them, the actual costs started to come in. The actual costs of the young offenders program, just for incarceration, transportation and legal services which Justice has had to involve themselves

in, came in at even more than we were originally requesting. So we have been able now to use actual figures to convince the Solicitor General and the Department of Indian and Northern Affairs as to what our costs are. We are well on our way now to having a successful conclusion to those negotiations. Thank you, Mr. Chairman.

Social Services, Family And Children's Services, Total O And M, Agreed

CHAIRMAN (Mr. Wah-Shee): Thank you. General comments. Does the committee agree that we deal with Supplementary Appropriation No. 1, 1987-88? Social Services, O and M, family and children's services, \$5,978,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Social Services, Family And Children's Services, Total Capital, Agreed

CHAIRMAN (Mr. Wah-Shee): Family and children's services, not previously authorized, \$220,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Does the committee agree that we deal with the bill at this time?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause by clause. Clause 2, application. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 3, supplementary appropriation for 1987-88. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 4, purpose of expenditures. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 5, lapse of appropriation. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 6, accounting. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Clause 7, commencement. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): We are on schedule, dealing with the total operations and maintenance, \$5,978,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Total capital, \$220,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Total appropriated, \$6,198,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Short title. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Bill as a whole. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): Does the committee agree that Bill 26-87(1) is ready for third reading? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Wah-Shee): The Chair will rise and report progress.

MR. SPEAKER: Mr. Wah-Shee.

REVERT TO ITEM 18: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 26-87(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 1, 1987-88; BILL 8-87(1), ELECTIONS ACT; BILL 7-87(1), EDUCATION ACT

MR. WAH-SHEE: I wish to report that Bill 26-87(1) is now ready for third reading, and further that Bills 8-87(1) and 7-87(1) are now ready for third reading as amended.

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: Item 19, third reading of bills. Bill 1-87(1), Appropriation Act, 1987-88. Mr. Butters.

ITEM 19: THIRD READING OF BILLS

Third Reading Of Bill 1-87(1): Appropriation Act, 1987-88

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 1-87(1), An Act Respecting Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1988, be read for the third time.

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

---Carried

Bill 1-87(1) has had third reading. Third reading of bills. Mr. Patterson.

Third Reading Of Bill 7-87(1): Education Act

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Yellowknife North, that Bill 7-87(1), An Act to Amend the Education Act, as amended, be read for the third time. Thank you.

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

---Carried

Bill 7-87(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 8-87(1): Elections Act

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Pine Point, that Bill 8-87(1), An Act to Amend the Elections Act, as amended, be read for the third time.

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

---Carried

Bill 8-87(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 14-87(1): Loan Authorization Act, 1987-88

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Pine Point, that Bill 14-87(1), An Act to Authorize the Making of Loans to Municipalities during the Fiscal Year Ending the 31st Day of March, 1988, be read for the third time.

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

---Carried

Bill 14-87(1) has had third reading. Third reading of bills. Mr. Patterson.

Third Reading Of Bill 24-87(1): Student Financial Assistance Act

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Yellowknife North, that Bill 24-87(1), An Act to Amend the Student Financial Assistance Act, be read for the third time.

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

---Carried

Bill 24-87(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 25-87(1): Supplementary Appropriation Act, No. 4, 1986-87

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Yellowknife North, that Bill 25-87(1), An Act Respecting Supplementary Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1987, as amended, be read for the third time.

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

---Carried

Bill 25-87(1) has had third reading. Third reading of bills. Mr. Butters.

Third Reading Of Bill 26-87(1): Supplementary Appropriation Act, No. 1, 1987-88

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 26-87(1), An Act Respecting Supplementary Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1988, be read for the third time.

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

---Carried

Third reading of bills. Mr. Butters. Bill 26-87(1) has had third reading.

Third Reading Of Bill 29-87(1): Write-Off Of Assets And Debts Act, 1986-87

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Kivallivik, that Bill 29-87(1), An Act to Amend the Write-off of Assets and Debts Act, 1986-87, be read for the third time.

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

---Carried

Bill 29-87(1) has had third reading. Third reading of bills. Mr. Sibbeston.

Third Reading Of Bill 30-87(1): Plebiscite Act

HON. NICK SIBBESTON: Mr. Speaker, I move, seconded by the honourable Member for Inuvik, that Bill 30-87(1), An Act to Amend the Plebiscite Act, as amended, be read for the third time.

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

---Carried

Bill 30-87(1) has had third reading. Third reading of bills. This appears to conclude this item. The following bills have had third reading: Bills 1-87(1), 7-87(1), 14-87(1), 25-87(1), 29-87(1), 24-87(1), 8-87(1), 30-87(1) and 26-87(1). Are there any further bills for third reading? Mr. Clerk, will you ascertain if the Commissioner is available for assent to the bills?

ASSENT TO BILLS

COMMISSIONER PARKER: As Commissioner of the Northwest Territories, I am delighted to assent to Bills 1-87(1), 7-87(1), 8-87(1), 14-87(1), 24-87(1), 25-87(1), 26-87(1), 29-87(1) and 30-87(1).

MR. SPEAKER: Please be seated. 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 Tuesday, May 26th.

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 6-87(1), 2-87(1), 17-87(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 Tuesday, May 26th at 1:00 p.m.

---ADJOURNMENT

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