

# LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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

## LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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# TABLE OF CONTENTS

# WEDNESDAY, JUNE 10, 1987

	PAGE
Prayer	1764
Ministers' Statements	
- 67-87(1) Employability Enhancement Agreement	1764
Members' Statements	
- Mr. Gargan on Celebration of Publication of Book, "Nahecho-Keh, Our Elders"	1765
- Hon. Dennis Patterson on Iqaluit Chamber of Commerce Position on Freeze of DRIE Moneys	1765
Returns to Oral Questions	1766
Oral Questions	1768
Written Questions	1774
Returns to Written Questions	1775
Replies to Opening Address	
- Ms Cournoyea's Reply	1777
- Mr. Erkloo's Reply	1782
Tabling of Documents	1784
Notices of Motion	1784
Motions	1784
First Reading of Bills	
- Bill 19-87(1) Residential Tenancies Act	1788
Second Reading of Bills	
- Bill 28-87(1) Motor Vehicles Act	1789
- Bill 35-87(1) Workers' Compensation Act	1789
- Bill 38-87(1) Write-off of Assets and Debts Act. 1987-88	1789

# TABLE OF CONTENTS (CONTINUED)

	PAGE
Consideration in Committee of the Whole of:	
- Bill 12-87(1) Insurance Act	1790
- Fourth Report of the Standing Committee on Public Accounts	1795
- Bill 18-87(1) Property Assessment and Taxation Act	1806
Report of Committee of the Whole of:	
- Bill 12-87(1) Insurance Act	1809
- Fourth Report of the Standing Committee on Public Accounts	1809
- Bill 18-87(1) Property Assessment and Taxation Act	1809
Orders of the Day	1810

# YELLOWKNIFE, NORTHWEST TERRITORIES

## WEDNESDAY, JUNE 10, 1987

# MEMBERS PRESENT

Mr. Appaqaq, Mr. Arlooktoo, Hon. Tom Butters, Hon. Michael Ballantyne, Ms Cournoyea, Mr. Curley, Mr. Erkloo, Mr. Gargan, Mrs. Lawrence, Mr. MacQuarrie, Mr. McCallum, Mr. Nerysoo, Mr. Paniloo, Hon. Dennis Patterson, Hon. Red Pedersen, Mr. Richard, Hon. Nick Sibbeston, Hon. Don Stewart, Mr. T'Seleie, Hon. Gordon Wray

## ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Wednesday, June 10. Item 2, Ministers' statements. Mr. Patterson.

## ITEM 2: MINISTERS' STATEMENTS

## Minister's Statement 67-87(1): Employability Enhancement Agreement

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. On June 4th, 1987, in a return to an oral question from Ms Cournoyea, the Member for Nunakput, I provided the House with a short explanation of the negotiation of the employability enhancement agreement with the federal government. I am pleased to announce that this agreement amongst the NWT Ministers of Social Services and of Education and the federal Ministers of Health and Welfare and of Employment and Immigration was signed at Iqaluit on June 8th, 1987.

Basically, the agreement allows us to divert \$750,000 from social assistance funds to provide money to train social assistance recipients and to provide experience they need to obtain long-term employment. The federal government will contribute an additional \$750,000 for these projects, bringing the value of the agreement up to \$1.5 million for 1987-88. This two-year agreement, starting in 1987, may be increased to two million dollars in the second year. The money will be decentralized to each regional headquarters and projects will be approved by a federal-territorial management committee at each location.

This agreement will be a major tool in providing funds for basic academic upgrading, which has been identified as a major problem in the NWT. As well, my officials have been negotiating with the federal Employment and Immigration Commission and up to \$300,000 can be freed up in 1987-88 to further support literacy programs. The federal job development and job entry programs will allow community groups, such as band councils and local education authorities, to act as sponsors for these projects, and to administer the funding provided by the federal government for projects which will include course work and job experience.

Finally, in regions where literacy training is critical, and in settlements where we do not have a resident adult educator, I have instructed my staff to explore the possibility of seconding adult educators from other communities to deliver literacy courses. This will only occur when adult educators have finalized courses in their home communities. The first community to benefit from this decision will be Colville Lake. I am confident that through the employability enhancement agreement and these new initiatives, we will be able to meet the needs for basic academic upgrading during the coming year. Thank you, Mr. Speaker.

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

## ITEM 3: MEMBERS' STATEMENTS

## Member's Statement On Celebration Of Publication Of Book, "Nahecho-Keh, Our Elders"

MR. GARGAN: Mr. Speaker, last Friday, June 5th, I attended a celebration for the senior citizens of Fort Providence and Kakisa held in Fort Providence. The feast and celebration marked the official publication of "Nahecho-Keh, Our Elders", a book of photographs and remembrances of the elders. I would like to congratulate the editors, Margaret Thom and Ethel Blondin-Townsend, on the publication of this important book.

As the MLA for the area, I presented the editors with plaques to mark the occasion on behalf of the senior citizens of Fort Providence. The Government Leader, Mr. Sibbeston, and the Minister of Culture and Communications, Mr. Pudluk, both attended the celebration and congratulated the committee on its achievements. A number of guests from different organizations including Tessa MacIntosh, the photographer; and representatives of CBC, Dene Nation, Native Women's Association and territorial government departments were present to receive personalized copies of this book.

The feast was very successful. The visitors were entertained by musicians, John Landry, Albert Canadien and Michael Nadli, who performed in both English and Slavey. The students from Elizabeth Ward school also sang two songs very well in their own aboriginal languages.

I would like to thank the organizations of this very successful and memorable event, the women who prepared the feast, the young girls who served it and all the members of the committee who donated food for the feast. This event was recorded by CBC northern television service for broadcast later this year and I urge all Members to watch the program about this important community and cultural event. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Gargan. At this time I would like to recognize in the gallery, councillor Agnes Johnstone, the former mayor of Erewash Borough, Derbyshire, England. Welcome to the Northwest Territories.

# ---Applause

Item 3. Members' statements. Mr. Patterson.

#### Member's Statement On Igaluit Chamber Of Commerce Position On Freeze Of DRIE Moneys

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. The Iqaluit Chamber of Commerce is very concerned about the recent decision to cut or freeze grant moneys administered through the federal Department of Regional Industrial Expansion in the NWT. The chamber of commerce points out that the North's economy is very fragile and takes a great deal of careful planning. They say that, particularly in the Nunavut area, a lot of lead time is required to co-ordinate projects properly due to the need for material supply on sealift. The chamber is concerned that, as a result of the government's apparent decision to cut funding or delay funding with no notice or consultation, a number of individuals and businesses in Nunavut with business plans already prepared, have had the rug pulled out from under them and because sealift is just around the corner, the damage done will be irreparable. The chamber states that government assistance and stimulus are a necessary part of a fragile economy in an isolated part of the country and they are concerned that the government has failed to recognize the drastic implications of this unilateral decision.

The chamber of commerce has asked elected representatives, and particularly the Nunavut MLAs, to press the federal government to recognize their unique supply situation and to exclude from this funding cut areas of the Arctic supplied annually by sealift. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Members' statements. Mr. Curley, if you have a question like the one you had yesterday, this would be a good place to make it.

# ---Laughter

Members' statements. That appears to conclude Members' statements for today. Item 4, returns to oral questions. Mr. Sibbeston.

#### ITEM 4: RETURNS TO ORAL QUESTIONS

HON. NICK SIBBESTON: Mr. Speaker, two oral responses to questions raised by Mr. Erkloo, one on June 2nd and one on June 5th.

# Return To Question 0184-87(1): Arts And Crafts Prices

The one on June 2nd deals with financial returns to arts and crafts producers. As the honourable Member indicated in his question, it is essential that arts and crafts producers receive a fair return for their efforts. I want to assure him that my department is doing everything possible to increase the earnings of these producers. It is not, of course, possible for the government to actually set higher prices for these products as the price received depends on the marketplace. However, my department is working actively with artisans to ensure that they are able to produce work that is of the highest quality and is suited to present market demands. This is done by providing workshops and advisers to the various producing groups. There is a major arts and crafts survey of products, supplies and skills being done in the Baffin Region. The information from this study, combined with a strong promotional campaign, will be of great assistance in gradually raising the earnings of producers.

# Return To Question 0209-87(1): Boat And Freezer, Igloolik

Now, with respect to the question of June 5th concerning the Igloolik char fishery. I am able to state that the purchase of a boat for the Igloolik char fishery was originally planned for this year. However, planning for this fishery was held up until mid-May because of delays by the federal Department of Fishery in announcing a quota. As a result, it was too late to arrange purchase of the boat in time for transport on this summer's sealift.

I want to tell the Member that I met last week with the Hon. Tom Siddon, Minister of Fisheries and Oceans, in Ottawa. He is now aware of the problems we have experienced with the Eastern Arctic fishery, particularly the delays in granting quotas and other aspects about the fishery, and he has expressed a great deal of interest in seeing this industry developed. I will be pursuing this issue with Mr. Siddon over the coming months. In the meantime, I want to assure the Member of my department's commitment to the development of the Igloolik fishery. The results of last year's test fishery are now being reviewed to determine the economic viability of the fishery. Assuming a positive outcome, the department will purchase the boat and have it in place for next year's season.

## Return To Question 0227-87(1): Activities Of Task Force On Northern Economy

Mr. Speaker, I also have a return to Question 0227-87(1), asked by Nellie Cournoyea on June 8th, concerning the Action Force on Arctic Initiatives.

The Action Force on Arctic Initiatives was established by the Prime Minister last year in response to the economic downturn caused by the dramatic fall in world oil prices. Our government responded by establishing a ministerial committee on economic development to work with the action force both on short-term measures to alleviate the immediate crisis and on longer term measures to strengthen the territorial economy. At the suggestion of our government, the mandate of the joint committee was expanded to look at the entire territorial economy rather than just the Beaufort.

The action force has been a disappointment to some because it did not meet all the expectations that northerners had for it. The action force activities did, however, have some real positive benefits to the North. Most important, perhaps, is the increased awareness of the federal government of northern economic concerns and problems.

The first meeting of the action force was held last September in Inuvik, primarily in response to the slowdown in oil and gas activity in that region. The main focus at the time was on the Beaufort and particularly on Gulf's pilot production project. This project will now go ahead, partly due to the activities of the action force. The Tuk gas project proposed by the Inuvialuit petroleum corporation was also supported at that time and later approved by the NEDP. Equally important was an agreement to expand the scope of the joint committee to look at the entire territorial economy.

Senior officials of both governments met several times through the fall and the Ministers met again in December. A series of initiatives were announced, of which the most important were the following: a fast-tracking of some federal capital projects; an enhanced territorial capital plan; NWT Housing Corporation commitment to separate supply and labour contracts for public housing; and lastly, an agreement in principle to develop a long-term northern economic development strategy.

As a result of the profile given the northern economy by the action force, officials of our government have had a series of meetings with federal officials to deal with specific programs. As well, there have been ongoing meetings to discuss the future activities of the action force. Last week I met with Mr. McKnight and we agreed that it was time to replace the present action force, which was originally mandated only to develop short-term measures, with a new process geared to long-term planning and co-ordination.

The recent situation with the DRIE funding freeze has highlighted the need for such a process. At the same time, it is obvious that the profile created by the action force has been helpful in dealing with the situation. Our officials are now in Ottawa and so far report cautious optimism that some of our concerns will be addressed. I spoke yesterday with Mr. McKnight, and other Ministers have talked with their counterparts in Ottawa on this matter. Plans are already under way for a series of ministerial meetings between our two governments within the next few weeks. Thank you.

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

HON. TOM BUTTERS: Thank you, Mr. Speaker, for the opportunity to speak. I do not have a return to a question but I would use the occasion to indicate that my colleague, the Hon. Ludy Pudluk, is in Spence Bay attending an elders' conference hosted by the Inuit Cultural Institute and I would accept any questions on his behalf in his absence.

MR. SPEAKER: Thank you, Mr. House Leader. Mr. Pedersen.

Return To Question 0234-87(1): Management Plan For Mackenzie Wood Bison Herd

HON. RED PEDERSEN: Thank you, Mr. Speaker. I have a return to Question 0234-87(1) asked by Mr. McCallum on June the 9th, 1987. The question had two parts, Mr. Speaker.

The honourable Member requested information concerning the method of allocation of the four resident wood bison tags proposed in the Mackenzie Wood Bison Management Plan. Mr. Speaker, these tags will be allocated by a draw system. All resident hunters will be eligible to enter the draw. No geographic restrictions were recommended on eligibility, in the same manner that there are no geographic restrictions on resident eligibility to hunt Dall's sheep in the Mackenzie Mountains, or Barren-ground caribou in the area north of Yellowknife. However, it is expected that because of the relative ease of physical access of the hunting area, more interest will be shown in the bison tags by resident hunters in the communities in the upper Mackenzie and Great Slave Lake areas.

The second part of the question, Mr. Speaker, is about the bison ecologist. I can advise the Member that Dr. Cormack Gates was hired as the bison ecologist in March of this year. He had served as our regional biologist in Fort Smith in September of 1983 after working as our regional biologist in Rankin Inlet since June of 1979. Dr. Gates completed his PhD work at the University of Alberta, working with elk -- work which is very similar to what he is now undertaking with bison. Since his transfer to Fort Smith, he has been active with a number of intergovernmental studies of bison in the North and across western Canada. Thank you, Mr. Speaker.

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

Return To Question 0238-87(1): Harvesting Of Musk-Ox And Polar Bear

HON. RED PEDERSEN: Thank you, Mr. Speaker. A return to Question 0238-87(1) asked by Mr. Gargan on June the 9th, 1987. Musk-ox and polar bear quotas are established primarily on a community basis. These tags are then allocated to individual hunters by the hunters and trappers association or its equivalent in each community. Our regulations provide the flexibility for hunters and trappers associations to assign the tags to a number of uses, including resident hunting, commercial harvest, or outfitting, as well as for domestic use by general hunting licence holders. No polar bear or musk-ox tags are specifically reserved for resident non-native hunters. In fact, to do so for polar bear could well be taken as a violation of the international treaty on the conservation of polar bears, to which Canada is a signatory. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. Returns to oral questions. That appears to conclude this item for today. Item 5, oral questions. Ms Cournoyea.

# ITEM 5: ORAL QUESTIONS

# Question 0239-87(1): Funding For Youth Programs

MS COURNOYEA: Mr. Speaker, this question would, no doubt, go to the Government Leader. In terms of youth programs, in the last couple of years the Legislative Assembly has suggested and made a motion that the youth of the Northwest Territories were very important to support. Within the budgetary restraints and with the budget that we approved, given that the government seems to have some flexibility at this time because of projects not being able to go ahead this year because of late flights, late shipping dates or other reasons, has the Executive designated or made an appropriation toward youth and many of the applications that are coming in for support to youth groups, youth participation, youth alcohol education programs? I suppose, the question really is: Has the Executive dealt with this? And if they have, have they allocated any funds? And if they have, what is the process for these youth groups coming forward to the Executive to see through some of the projects they have made representation on? Thank you.

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

HON. NICK SIBBESTON: Mr. Speaker, the matter of youth matters was given to Mr. McLaughlin. So, in his absence, I will take the question under advisement. When Mr. McLaughlin returns, I will certainly ask him to reply to the Member.

MR. SPEAKER: Thank you. The government is taking the question as notice. Oral questions. Mr. McCallum.

#### Question 0240-87(1): Extension Of Affirmative Action Policy

MR. McCALLUM: Thank you, Mr. Speaker. I have a question for the Minister responsible for Personnel, Mr. Pedersen. Media reports indicate that the Minister has extended, or will be extending, the affirmative action policy to women and the handicapped. I wonder if the Minister could confirm to the House that this policy will be tabled this week.

MR. SPEAKER: Mr. Minister.

# Return To Question 0240-87(1): Extension Of Affirmative Action Policy

HON. RED PEDERSEN: Yes, Mr. Speaker, I am pleased to confirm, as I believe I promised Mr. MacQuarrie earlier, I will be making a statement on this on Friday morning and I will table the documents as soon as they are printed. They are still with the printer. I do not know if they will be available for tabling that day but I will be making a statement on Friday morning. Thank you.

MR. SPEAKER: Thank you, Mr. Pedersen. Is it a supplementary, Mr. McCallum? Supplementary.

#### Supplementary To Question 0240-87(1): Extension Of Affirmative Action Policy

MR. McCALLUM: Thank you, Mr. Speaker. I have a supplementary to the Minister of Personnel. Could the Minister indicate to the Assembly if the policy will consider what may be irregularities in the way things are going. Let me give you the example of the native people who are born outside of the Territories to parents who are resident in the Territories or anybody who would be born outside of the Territories whose parents are resident in the Territories. Does the policy take into consideration those situations? Does it take into consideration, Mr. Minister, adopted children of parents who are resident in the Northwest Territories? Because I understand the policy as saying that people must be born in the Territories. But in this instance, if the policy takes a look at that, and in my own particular constituency they have a recognized band council that is known as the Fitz-Smith Band Council made up of people who are born in Fort Fitzgerald or Fort Smith, in the same band council, will the policy take into consideration these three particular aspects?

MR. SPEAKER: Mr. Minister.

HON. RED PEDERSEN: Thank you, Mr. Speaker. I will say, at this time, Mr. Speaker, that these aspects that the Member refers to were taken into consideration when the policy was formulated. If I may take the question as notice, I will promise a reply to it during the returns to oral questions immediately following my statement on Friday. Thank you.

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

Question 0241-87(1): Request For Transplant Of Musk-Ox, Coral Harbour

MR. CURLEY: (Translation) Thank you, Mr. Speaker. I have a question to the Minister of Renewable Resources. Last year, in 1986, the hunters and trappers association in Coral Harbour requested, with support from the MLA for Nunakput, to get some musk-ox transferred to Coral Harbour. I would like to find out what is happening on this matter. We had heard that there are too many musk-ox on Banks Island in the Nunakput area, so I would like to get a reply to this.

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

Return To Question 0241-87(1): Request For Transplant Of Musk-Ox, Coral Harbour

HON. RED PEDERSEN: Thank you, Mr. Speaker. I want to thank the honourable Member for giving me advance notice of the question. The communities of Coral Harbour and Repulse Bay have both requested the Department of Renewable Resources to consider transplanting musk-ox into their hunting area. Transplant programs such as these are very expensive and we need to proceed cautiously to maximize our chances of success with the transplant. Our principal concern in the past has been whether or not the snow conditions would allow for the survival of musk-ox over the winter. To the best of our knowledge, Southampton Island, has not in the past supported a musk-ox population and populations were fairly sparse in the area to the west of Repulse Bay.

Mr. Speaker, we are, however, currently working with the Department of Economic Development and Tourism to finalize the funding arrangements for the necessary preliminary studies and, if these studies prove acceptable, the actual transplant of some animals during this fiscal year. Budget restrictions will probably mean that we can place animals in only one location in sufficient numbers to provide a reasonable chance of success. When we do proceed with the transplant we will want to carefully monitor progress of the transplanted animals for some time before making further transplants.

Mr. Speaker, just a comment on the size of the herd in the Nunakput constituency. It is specifically on Banks Island, that the herd is very large and very healthy and I would not say there are too many. It is the objective of my department and of this government to initiate a usage of the surplus animals in that herd that is consistent with our wildlife management policies and our goal to maximize returns from our renewable resources. Thank you.

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

Question 0242-87(1): Grants And Contributions To New Businesses

MS COURNOYEA: Mr. Speaker, a question to the Minister of Economic Development. Has the Department of Economic Development, within its own department and in its working relationship with federal agencies in determining grants and contributions to business, designed a policy that would protect existing businesses from uncontrolled and unfair giving of grants and economic infusion of funds to new businesses in certain areas, in competition with existing businesses who have built upon their own funding and upon their own resources?

AN HON. MEMBER: Hear, hear!

MR. SPEAKER: Mr. Minister.

Return To Question 0242-87(1): Grants And Contributions To New Businesses

HON. NICK SIBBESTON: Mr. Speaker, the matter of grants and contributions to businesses is one that has been in the public eye to a certain extent. On my recent trips, particularly to the Inuvik Region, it was raised with me. As a result of concerns that I have heard since I have taken over the department, the department has begun a process to consider ways that the matter of grants and contributions can be given so that it does not disrupt the market place.

We are seriously considering using regional loan boards that are now in place, to consider the government's plans to provide grants and contributions to businesses. Up to now the decision has been primarily a ministerial one and I, as the Minister, have discretion in these matters. But, I am seriously considering passing this, on a regional basis, to the loan boards so that there can be input from the region and some advice as to whether it would be wise and not too disruptive to the market to provide grants and contributions. It is something that we are conscious of and working on to see if there can be a better process than simply ministerial discretion.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Thank you, Mr. Government Leader. Ms Cournoyea, supplementary.

Supplementary To Question 0242-87(1): Grants And Contributions To New Businesses

MS COURNOYEA: Mr. Speaker, I realize and I do support the grants and contributions programs. I am in full support of that. But, Mr. Speaker, to give an explanation, perhaps the Minister responsible for Economic Development is not aware that all the policies are determined at the territorial capital level and with the negotiations between the federal and territorial government, and the regional boards would only work under these guidelines set down by the main body that is dealing with the negotiations, in setting down the criteria of how you operate. The question that I asked the Minister responsible for Economic Development, not only from the Nunakput area, but from other areas is, have they developed a policy in response to the many concerns that have been raised by people who, although they support grants and contributions, feel that in many instances and on a recurring basis, these grants and contributions are not given with due respect to existing businesses and even existing businesses that have previously been funded by the Department of Economic Development?

MR. SPEAKER: Thank you. You have kind of slipped back to Item 3, Members' statements. Are there any further oral questions? Did you have an answer for the Member?

# Further Return To Question 0242-87(1): Grants And Contributions To New Businesses

HON. NICK SIBBESTON: Yes, I do, Mr. Speaker. Again, I can tell the Member that we have met with the federal agencies that handle the funding. Most of the grant and contribution funds provided to the businesses in the North are funded by the federal government under DRIE. We have met with them to make them much more conscious of the effects of grants and contributions on businesses in the North. In the past, the federal agencies had not been particularly sensitive about this and so there has been a public reaction in the North from businesses that are established. We have met with these federal agencies to provide, in their guidelines, that there be very special consideration of the possible market disruption in their granting of contributions and grants. I believe, we are dealing with the concern that the Member has raised. If the Member wishes, I can provide any documents which indicate the progress or the new consciousness that I talked about.

MR. SPEAKER: Thank you, Mr. Government Leader. Supplementary, Ms Cournoyea.

Supplementary To Question 0242-87(1): Grants And Contributions To New Businesses

MS COURNOYEA: Mr. Speaker, I do not believe that any Members here feel that the territorial government is completely exonerated from decision making even with the federal and territorial arrangements. Is the Minister of Economic Development aware that on the highway, one business which is a service station was funded by a territorial government and federal government agency some four or five years ago and another such service station and facility is 25 miles down the road and then two senior people within this government, full-time working people working in the Laing Building, received a \$95,000 grant to go in competition with these two people? Is he aware of that type of decision being made?

MR. SPEAKER: Mr. Minister.

# Further Return To Question 0242-87(1): Grants And Contributions To New Businesses

HON. NICK SIBBESTON: Yes, Mr. Speaker. I am aware of the business. I believe it is a business in the Fort Providence area. I am aware of that and in considering whether we ought to have provided these people with financial assistance, we certainly took into consideration the business opportunities and whether the market could bear another business in that particular vicinity. So, yes, we, as a government were conscious of the situation when we made the decision.

MR. SPEAKER: Thank you, Mr. Government Leader. Mr. Paniloo.

#### Question 0243-87(1): Alternative Market For Sealskins

MR. PANILOO: (Translation) Thank you, Mr. Speaker. My question is to the Minister of Renewable Resources. The skins that are sold in my area, especially, are not wanted by the Hudson's Bay Company any more. Is there any way of looking into another market for these skins? I would like to get a response. Thank you.

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

#### Return To Question 0243-87(1): Alternative Market For Sealskins

HON. RED PEDERSEN: Thank you, Mr. Speaker. I thank the Member for the question. I was not aware of this problem in his constituency. I cannot answer as to whether there is another way to sell them. I will work with the Minister of Economic Development and look into this to see if we can find an alternate source, direct auction or whatever. I will get back to the Member in writing on the question. Thank you.

MR. SPEAKER: Thank you. I understand that you will keep in touch with the Member and seek a solution to the Member's problem. Is that satisfactory, Mr. Paniloo? Mr. Paniloo.

MR. PANILOO: (Translation) Thank you, Mr. Speaker. I did not get his response.

MR. SPEAKER: Would you mind repeating your reply, Mr. Pedersen?

HON. RED PEDERSEN: Thank you, Mr. Speaker. I indicated to the Member that I had not been aware of that problem that they had not been able to sell their sealskins in his constituency through the Hudson's Bay Company. I will undertake to investigate with the Minister of Economic Development, the possibility for alternative methods of selling the skins, whether this be on public auction or by some other means. I do not have a solution for the problem right now but I undertake to look into it with my colleague and provide the Member with a written answer as soon as we have an answer for him.

MR. SPEAKER: Thank you, Mr. Minister. Is that solution satisfactory, Mr. Paniloo? Oral questions. Mr. Curley.

Question 0244-87(1): Federal Government's New Land Claims Policy

MR. CURLEY: (Translation) Thank you, Mr. Speaker. I would like to ask the Minister responsible for land claims negotiations about the federal government's new guideline on land claims. They have a new policy that has been implemented. My question is, how can we continue pursuing this land claims issue, with respect to the new policy? I would like to ask what progress the TFN has made on land claims through the federal government. What is the situation in the NWT with the Dene also?

MR. SPEAKER: Mr. Minister.

Return To Question 0244-87(1): Federal Government's New Land Claims Policy

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. Mr. Speaker, the new federal land claims policy which was approved in December, 1986, now requires the approval of a mandate or framework for land claims negotiations by the federal cabinet before a final agreement can be negotiated. This mandate, Mr. Speaker, defines the scope of negotiations including land and money quantum.

Mr. Speaker, I am pleased to inform the House that the Dene/Metis mandate and the mandate for the Council of Yukon Indians has been approved by the federal cabinet. The TFN mandate, however, Mr. Speaker, has not yet been considered by the federal cabinet. I understand the current plans are that the mandate is expected to be drafted by September for consideration by the federal cabinet sometime this fall. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Patterson. Supplementary, Mr. Curley.

Supplementary To Question 0244-87(1): Federal Government's New Land Claims Policy

MR. CURLEY: Thank you, Mr. Speaker. I would like to ask the Minister a further question. The Minister did indicate that the mandate required by the federal government must have the scope of programs and at least an agreement between the two parties with respect to the land and money quantum -- I would think that would be with regard to the revenues and financial compensation. If that is the case, maybe the Minister could confirm that. What I want to ask the Minister is, what will it take for the TFN to get this mandate from the federal government approved quickly so that resolutions of land claims in the Northwest Territories can be carried out? Thank you.

MR. SPEAKER: Mr. Minister.

Further Return To Question 0244-87(1): Federal Government's New Land Claims Policy

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. Mr. Speaker, yes, the federal cabinet wants to know broadly what it is going to be getting into, what the extent of the land claims talks will be. That covers the scope of the talks, that is, what possible range of subjects will be covered. Also, the Member is correct; the mandate is expected to at least generally indicate the size of the land selected, that is, the area of the land selected, and as well, the amount of money, the amount of cash compensation that will be part of the claim.

Now, Mr. Speaker, as I understand it, although the TFN has negotiated some 15 subagreements, they at the moment are hesitating to provide to the federal cabinet their request with respect to the remaining subagreements and they are somewhat hesitant at this stage as well about negotiating what will be the bottom line as far as land and money is concerned. The TFN, as I understand it, has been advocating that what they would like to do with the federal cabinet is get the 15 or so subagreements that have already been negotiated approved by the federal cabinet now and leave the rest of the negotiating framework open to be dealt with at a second time. However, the federal negotiators are saying, "We want to have the whole picture now." This is why, Mr. Speaker, the presentation of the TFN mandate is still in preparation. The best information I have is that it will not be prepared until September for consideration by the federal cabinet sometime this fall. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Patterson. Supplementary. Mr. Curley.

Supplementary To Question 0244-87(1): Federal Government's New Land Claims Policy

MR. CURLEY: Mr. Speaker, a final supplementary. The negotiations as the Minister knows have been going on for a number of years. I would like to ask the Minister what moneys have been expended to date by TFN and other native claims as an advance against the final land claims settlement?

MR. SPEAKER: Mr. Minister.

Further Return To Question 0244-87(1): Federal Government's New Land Claims Policy

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I would like to thank the honourable Member for notice of that question. Mr. Speaker, in asking the federal office of native claims for this information, I have been told that since these moneys are loaned as an advance against the final land claims settlement, the exact sums should not be a matter of public record without the consent of native organizations involved. Mr. Speaker, I can tell the Member, however, that loan funding for the Dene/Metis, the Council of Yukon Indians and the Tungavik Federation of Nunavut, which are all the northern claims begun 12 years ago -- currently, Mr. Speaker, the federal government has a budget of \$13.1 million for loan advances on land claims settlements, of which some 90 per cent are absorbed by the three northern claims just mentioned.

Mr. Speaker, I further understand that the Council of Yukon Indians has the largest amount of loan advance outstanding, followed by the Dene/Metis and followed then by the TFN. Mr. Speaker, as I said, I do not have a precise figure without the approval of the organizations concerned, but I can tell the Member, and I think this is a matter of public record already, that loan advances for the TFN would be in the area of \$20 million or so. Thank you, Mr. Speaker.

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

## Question 0245-87(1): Allocation Of Harvesting Quota, Mackenzie Wood Bison Park

MR. GARGAN: Thank you, Mr. Speaker. I would like to direct my question to the new Minister of Renewable Resources. In Minister's Statement 63-87(1), the Minister indicated that of the 20 bulls that are going to be harvested this fall in the Mackenzie Wood Bison Park, 16 of them would be designated for general hunting licence holders. However, in his response yesterday to Mr. McCallum, the Minister indicated that the allocation would be based on recommendations from the local hunters and trappers association in Fort Providence and the Fort Rae band. Also, in his response to me on the musk-ox allocation, the Minister said the local hunters and trappers decided on a quota and who was getting this quota. I would like to ask the Minister, then, in this case, why he has included the Fort Rae band and who gets the 16 GHL quota allocations?

MR. SPEAKER: Mr. Minister.

Return To Question 0245-87(1): Allocation Of Harvesting Quota, Mackenzie Wood Bison Park

HON. RED PEDERSEN: Thank you, Mr. Speaker. That is not a decision which I made, Mr. Speaker. I agreed to the recommendations from my department after being assured that this had been worked out and agreed to by the Fort Providence Band and the Rae-Edzo Dene band, with my department being the convener. Thank you.

MR. SPEAKER: Oral question. Mr. Gargan, is it a new question or supplementary?

Supplementary To Question 0245-87(1): Allocation Of Harvesting Quota, Mackenzie Wood Bison Park

MR. GARGAN: Thank you, Mr. Speaker. I would like to again direct my question to the Minister of Renewable Resources. In 1959 or 1960 when the herd was first introduced in the Fort Providence area, there must have been some terms and conditions on which the program was implemented in that particular area. At that time the chief was Chief Phillip Simba of Kakisa. I would like to ask the Minister then, what were the terms and conditions on which these herds were implemented in 1960?

MR. SPEAKER: Mr. Minister.

HON. RED PEDERSEN: Thank you, Mr. Speaker. If there was a list of terms and conditions laid out by agreement, I do not have those. I will check and undertake to provide them. I can, however, state that I have been informed that part of the negotiations and the agreement that was made when the herd was introduced was that local people would get preferential access to the herd once it reached a size where you could safely harvest from the herd. If there are any other conditions and agreements attached to it, I will have to research that and get back to the Member.

MR. SPEAKER: Thank you. The Minister is taking the question as notice. Mr. MacQuarrie.

Question 0246-87(1): Agreement Respecting Harvesting Of Mackenzie Wood Bison

MR. MacQUARRIE: Thank you, Mr. Speaker. As a follow-up to what Mr. Gargan just asked, could I ask the Minister: If that undertaking was given, and I would like to know about it, was it given on the understanding that the preference would be for sustenance hunting or whether there was any mention of commercial hunting at that time?

MR. SPEAKER: Mr. Minister.

HON. RED PEDERSEN: Mr. Speaker, I did not quite get the last part of Mr. MacQuarrie's question.

MR. SPEAKER: Mr. MacQuarrie.

MR. MacQUARRIE: Yes, with respect to the question that Mr. Gargan asked. I would be interested to know if such an undertaking was given as you mentioned to the Member and I would like to know more about it. But, also, I would ask whether you know whether that undertaking was given in respect of hunting for sustenance for local people or was there, even at that time, some indication that preference might be given for commercial purposes.

MR. SPEAKER: Mr. Minister.

HON. RED PEDERSEN: Mr. Speaker, I will have to take that as notice.

MR. SPEAKER: Thank you. The question is being taken as notice. Oral questions. Ms Cournoyea.

Question 0247-87(1): Government Funding For Business Competitor

MS COURNOYEA: Mr. Speaker, a question to the Minister of Economic Development. In regard to Question 0242-87(1) that I posed to him previously and the answers he gave, he indicated that in this one situation close to Fort Providence, the territorial government which is a party in the decision-making process of giving grants and loans to businesses, had taken into consideration all the parameters and the fact that another business could operate in that region.

Mr. Speaker, I would like to ask the Minister of Economic Development: As there is already one agency that has been set up and presently owes \$27,000, which was part grant, part loan which they have been paying off diligently over the years, if you have not made the decision and the decision was incorrect and this one business, which is operating successfully and giving good service, goes out of business because there is a more sophisticated, well-funded business set up in close proximity to them, is there a provision that these people, who in good faith began a business five or six years ago, have the protection of having their loan forgiven? Thank you.

MR. SPEAKER: Mr. Minister.

Return To Question 0247-87(1): Government Funding For Business Competitor

HON. NICK SIBBESTON: Mr. Speaker, I do appreciate the Member's concern for the business that was established quite a number of years ago. Maybe the owners are expressing some concerns. I do go down the trail, as it were, to travel to Fort Simpson. I generally stop at the Pine View station there and I am aware of the business that they are doing. I am aware that it is a small service station, that it started out a number of years ago. It started very small but through time, progressed to the point where it is now a very successful business. Their location, just before the turn-off to Simpson and the turn-off to Yellowknife, is a very much preferred location with respect to other gas stations further north of there.

In the decision to grant a Special ARDA contribution to the Looks who have set up a station, the department did survey the business opportunities and the level of business that was available along the highway. Letters of support were received from the Fort Providence band and the regional tourism officer was supportive, as well as the MLA for the area. A decision was made on the basis of business viability and local support. There is no provision in our government to compensate a business in the case of Pine View, in the event that their business is adversely affected. I do not know, I have not been there in the last few months but I suspect from the past business performance that the Pine View business will continue to prosper and I hope so.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. That appears to conclude this item for today. Item 6, written questions. Mr. Curley.

#### ITEM 6: WRITTEN QUESTIONS

Question W52-87(1): Legal Aid Program

MR. CURLEY: Thank you, Mr. Speaker. I have a question of the Minister of Justice. Mr. Speaker, there exists considerable lack of public awareness, particularly on the part of the native people, with respect to the legal aid program in the Northwest Territories. I would like to ask the following questions of the Minister: How does the legal aid operate in the Northwest Territories? To whom does an individual apply when one requires legal aid? Who appoints defence lawyers to defendants during court circuits? Does the defence lawyer travel with the court circuit and crown prosecutor? How much time does the defence lawyer spend preparing for defence cases in communities where no resident lawyers reside? How is the legal aid lawyer paid, and by whom? Thank you.

MR. SPEAKER: Thank you, Mr. Curley. Written questions. Mr. Nerysoo.

## Question W53-87(1): Equity Participation In Agreements On Oil And Gas Exploration

MR. NERYSOO: Thank you, Mr. Speaker. This is a question regarding a letter and a position of the government. I received a copy of a letter, Mr. Speaker, signed by the Hon. Bill McKnight that indicated that, upon consultation with the Minister of Energy, Mines and Resources and with his support, he would not support any pre-bid requirements that allowed for equity participation in agreements allowing for oil and gas exploration in the NWT.

Mr. Speaker, could the Minister indicate to this House whether or not this stated position of no pre-bid requirement for equity participation is the NWT government's policy? Would he indicate when this policy was approved? And could he table this policy in this House? Further, would the Minister further indicate reasons as to why this government will not and does not support the pre-bid requirements that will enable equity participation in any oil and gas activity in the Northwest Territories? Would the Minister indicate his, and his government's, position during discussion of equity participation in oil and gas exploration in the Fort Norman area? And further, will this expressed government's position apply to discussions for exploration activity in the Arctic Red River area?

MR. SPEAKER: Thank you, Mr. Nerysoo. Written guestions. Mr. Nerysoo.

Question W54-87(1): Employment For The Mackenzie River Ferry

MR. NERYSOO: Thank you, Mr. Speaker. This is a question directed to the Minister responsible for Public Works and Highways. Just to indicate that a concern has been expressed by residents of Arctic Red River regarding recruitment practices of the contracting agent and operator of the Mackenzie River ferry. The operator apparently has recruited residents of Whitehorse to work on the ferry and he has not approached the residents of Arctic Red River. Applications were filed in March by residents of Arctic Red River, but they were not approached or interviewed. Would the Minister review this issue and report his findings to the House? And would he further review the requirements of the contractor regarding employment of NWT residents and specifically residents of Arctic Red River?

MR. SPEAKER: Thank you, Mr. Nerysoo. Written questions. That appears to conclude this matter for today. Items 7, returns to written questions. Mr. Clerk.

#### ITEM 7: RETURNS TO WRITTEN QUESTIONS

CLERK OF THE HOUSE (Mr. Hamilton): Return to written Question W51-87(1), asked by Mr. T'Seleie of the Minister of Education.

# Return To Question W51-87(1): Advanced Education Programs

Hon. Dennis Patterson's return to Question W51-87(1), asked by Mr. T'Seleie on June 4th, 1987, regarding advanced education programs:

A list of the in-service trainees, apprentices, and training-on-the-job participants employed in the Inuvik Region is attached. The list provides the required details of training and home community requested by the Member. The decision to hire individuals for their jobs is made by the employer in all cases. For in-service trainees and in-service apprentices, the selection decision is made by the GNWT department. For training-on-the-job and private sector apprentices, the decision is made by the appropriate private sector employer.

In-Service Training Positions		GNWT	Month: June 1987	
NAME	HOME COMMUNITY	WORK LOCATION	TITLE	DEPARTMENT
H. Harry (MN) R. Firth (FMN) M. Cockney Cobb (FMN) Rose Ann Allen (FMN) A. Cutten (FMN) E. Wright (FMN) E. Bullock (FMN) W.C. Buckle (FMN) R. Hansen (MN)	Inuvik Fort McPherson Tuktoyaktuk Inuvik Inuvik Fort McPherson Inuvik Fort Smith Aklavik	Inuvik Inuvik Inuvik Inuvik Inuvik Fort McPherson Inuvik Norman Wells Inuvik	CCW PD CCI CCW Program Officer Municipal Affairs Off. Admin. Officer Adult Educator Computer Operator Area Superintendent Acct. Services Off.	Social Services Social Services NWTHC MACA MACA Education Govt. Services MACA Finance

Apprenticeship	Training	Program
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GNWT

Month: June 1987

NAME	HOME COMMUNITY	WORK LOCATION	TITLE	DEPARTMENT
R. Niditchie	Arctic Red River	Norman Wells	Plumber	DPW
R. Debastien	Inuvik	Inuvik	Electrician	DPW
A. Arey	Aklavik	Inuvik	Plumber/Gasfitter	DPW
J. Firth	Fort McPherson	Norman Wells	Carpenter	DPW
W. Ballas	Inuvik	Inuvik	Carpenter	DPW

# Training On The Job

NAME	HOME COMMUNITY	WORK LOCATION	TYPE OF TRAINING	NAME OF EMPLOYER
ANDERSON, Dawn AREY, Lois AREY, Viola AYAH, Arsenne BLAKE, Doris BLAKE, Herb CARNOGURSKY, Dinah COLIN, Marilyn EVANS, David GRUBEN, William LEWIS, Lana ROSS, Jerry SCOTT, Rondie * * * * *	Tuktoyaktuk Inuvik Inuvik Fort Franklin Fort McPherson Fort McPherson Aklavik Fort McPherson Inuvik Tuktoyaktuk Inuvik	Fort McPherson Inuvik Inuvik	Day Care Worker S	NorthwesTel
*	Inuvik	Inuvik	Restaurant Services C	loud 9 Cafe

All individuals were selected by employers in accordance with criteria as specified under the T-0-J guidelines. \*Pending written applications.

# Private Sector Apprentices

NAME	HOME COMMUNITY	WORK LOCATION	TYPE OF TRAINING	NAME OF EMPLOYER
ANDERSON, David ANDRE, Ernie AVIK, Andy BLATTLER, Oscar BOUDREAU, John BULLOCK, Jon CAMPBELL, Brian CARPENTER, Stan CHURCH, Chris DAY, James FOISEY, Karen GREENLAND, Joey GRUBEN, Robert HEATH, John IRVINE, Jody JACKSON, Lawrence JACOBS, Brad KAKFWI, Wayne KASOOK, Pat LEMIEUX, Mario LENNIE, Floyd	Tuktoyaktuk Fort McPherson Tuktoyaktuk Inuvik Inuvik Inuvik Sachs Harbour Inuvik Inuvik Inuvik Inuvik Inuvik Inuvik Inuvik Fort Good Hope Norman Wells Fort Good Hope Aklavik Inuvik Inuvik Fort Good Hope Aklavik Inuvik Sachs Harbour	Inuvik Fort McPherson Tuktoyaktuk Inuvik Inuvik Inuvik Inuvik Sachs Harbour Inuvik Inuvik Inuvik Inuvik Inuvik Inuvik Inuvik Norman Wells Norman Wells Fort Good Hope Aklavik Inuvik Sachs Harbour	AME Housing Maint. Housing Maint. MV Mechanic Electrical (Const.) HD Mechanic 3rd Class Power Eng. Welder Housing Maint. MV Mechanic Housing Maint. Housing Maint. Housing Maint. Housing Maint. Housing Maint. CMV Parts HD Mechanic Instr. Mechanic Carpenter Housing Maint. Plumber HD Mechanic	Aklak Air McPherson Hous. Assoc. Tuk Housing Assoc. Delta Ford Davic Ltd. Canada Transport
LESTER, Eric	Tuktoyaktuk	Tuktoyaktuk	Electrician (Const.)	McDonald Brothers

# Private Sector Apprentices (Cont'd)

NAME	HOME COMMUNITY	WORK LOCATION	TYPE OF TRAINING	NAME OF EMPLOYER
MCALLISTER, Keith MCLEOD, Eddy MATCHIM, David MILTONBERGER, Jean MODESTE, David MORIN, Richard NEYELLE, Morris NORRIS, Fred Jr. PETERSON, Abraham RINAS, Mary ROSS, Phillip SCHMITKE, Warren SEWI, Albert SKIFFINGTON, Lorne STEVENSON, Michael STEWART, Andrew STRATTON, Janice TREMBLAY, Carey WALKER, Paul	Inuvik Aklavik Tuktoyaktuk Norman Wells Fort Franklin Inuvik Fort Franklin Inuvik Fort McPherson Inuvik Inuvik Norman Wells Fort Franklin	Inuvik Aklavik Tuktoyaktuk Norman Wells Fort Franklin Inuvik Fort Franklin Inuvik Fort McPherson Inuvik Inuvik Norman Wells Fort Franklin Inuvik Inuvik Norman Wells Fort Good Hope Inuvik Inuvik Inuvik	Electrician (Const.) Housing Maint. Housing Maint. Millwright Housing Maint. HD Mechanic Housing Maint. AME Housing Maint. Cook MV Auto Body AME Housing Maint. MV Mechanic Ind. Warehouse Housing Maint. Hairdresser MV Parts HD Mechanic	*
WIDOW, Michael	Fort Norman	Fort Norman	HD Mechanic	Hamlet of Ft. Norman

All individuals were selected by employer.

MR. SPEAKER: Thank you, Mr. Clerk. Item 8, replies to the Opening Address. Ms Cournoyea.

ITEM 8: REPLIES TO OPENING ADDRESS

# Ms Cournoyea's Reply

MS COURNOYEA: Mr. Speaker, relating to the Northwest Territories and the fact that this probably is going to be the last time some of us are sitting here, at this Legislative Assembly, I would like to take the opportunity to thank many of my colleagues that I have worked with, many of the bureaucrats that I have worked with, and especially a thank you to the interpreters who have taken our words and tried to put them into respectable order. We may not be seeing each other again but in all the disagreements or situations that have arisen, I have always appreciated and have learned to appreciate, the fact that we could argue and we could have our special points of views and at the same time, those would be respected by each and every one of us no matter where we come from. Although sometimes it is rather hard to digest and difficult to understand, I believe, Mr. Speaker, that this is what makes up an active and aggressive society that is attempting to build the future for a diversity of people who come from many walks of life and who have many aspirations on how they see the Northwest Territories or themselves personally.

In the matter of my constituency, I would like to take this opportunity to thank them and also to make special recognition of their strength and ability to deal with the many issues, whether it was high impact or whether it was the fact that all of a sudden they had to deal with an issue where there was not anything to deal with except problems. I believe that the people of the Beaufort, and I include the people of the Delta, have had a unique experience over the years in that they have been able to cope with many types of impacts that have descended upon their society. This recognition should be given to them, not because they are unique people but because the circumstances created the fact that that was the area that most people were very much interested in, from the whaling days to the oil industry, and perhaps in the future as well.

I realize that the Executive and the government have done much in trying to represent us on Arctic sovereignty. But I would like to say, as well, that the people who are most closely concerned, especially in offshore issues, are the people who live there and have to rely in the future on resources that come from the Arctic offshore; this should never be dismissed in terms of their involvement and their strength and their dignity in trying to preserve and conserve that very special part of the Arctic. I believe they can offer much to this government, given due respect, in the fact that they have the knowledge and they have the commitment and they have to account to their own people in their leadership as to whether they have done enough to protect that particular area of Canada.

I would like to say that although there have been many ups and downs over these last few years that the government has struggled very hard to work together with everyone to build a society that would be good for everyone in the long term. Probably the biggest disappointment is that we have always seemed to be caught in a situation where we have to try to deal with many short-term issues. That is a difficult situation for anyone, whether it comes from a community, whether it comes from a region, or it comes from government as a whole.

I suppose that we could always attempt to say the situation arises from our constitutional inferior situation, divorced from the federal government. However, because things have not happened as quickly as we wanted, I do not believe that it is a time to dispair because there have been many positive things coming out of the exercise that we have gone through. Hopefully, we have not spent too much money on the politics and on the constitutional issues and hopefully we have made the proper decisions so that the economic issues and the job requirements are looked after at a community and Northwest Territories level.

In the matter of constitutional development and the Meech Lake agreement and the constitutional issues that have arisen, I suppose I could be one person that is not entirely excited that we may not become a province. I believe that many of my constituents probably really do not know what is going on down around there.

#### Constitutional Development

The issue of constitutional development affects all of us and it is the leaders who deal with it. I do not believe that we will ever be at a sophisticated stage where every person in every community at every level knows those constitutional issues that require treatment at this time or for the future. So the reason that leadership is important here is that people, like myself, and like the rest of my colleagues, are put here to understand the broader issues that affect the final decision-making at a territorial level. I take that responsibility myself and I have been sent here in the past few years to deal with those issues. But at the same time the people which I represent also demand that in my representation of them, that I deal with the everyday problems, everyday issues that concern them day by day in their family relationships.

The constitutional issue is a concern to me because I believe that in the long term the decision-making policy of the federal government lies very much with 10 premiers, who are very much concerned, the same as we are, with dealing with their own province, with their own communities. To attempt to get them to understand the situation in the long term for the Northwest Territories, in the development of the constitution and the programs and the direction that the Northwest Territories would want to go, would be extremely difficult. So rather than being concerned about whether we can become a province or not, or whether we can elect somebody to the Senate, the concern that I have is the process; the process in which we have no involvement before decisions are made and we have no way of feeding into those policy decisions and the development of Canada. The process has eliminated the Northwest Territories from giving much needed advice and direction at the beginning of development of policy and direction of Canada. This process, I believe, has robbed Canada of a group of people who have imagination, who are not loaded down with centuries of political regimes that we must adhere to. We do not have these restraints on us that other parts of the country have begun to live with and have lived with for a very long time, and take it as a matter of fact that this is the way to do things and make decisions politically. I believe that we are in a very privileged position.

Mr. Speaker, I believe that everyone has expressed themselves very well on the constitutional issue. I commend the Government Leader on his initiative to go as far as taking our situation to court. I would also go as far as to say that I have consulted with some of our leaders in the community, who have stated that perhaps this government should go even further, perhaps even to the world court. These political issues are very important to the future and perhaps to decision making in the short term. I would like to support many of the initiatives that have been taken by this government and the statements made by other MLAs. I believe that they have been very well pronounced.

I would like to get back to more territorial involvement. I believe that even though we do not have a broader constitutional involvement with the federal government, as much as we want, we do have some in terms of the situation where our economic well-being is dictated; in terms of our working relations with the federal government and sitting on decision-making boards. I think we should make the most of that. I sat on a few of those boards and if you work hard, sometimes it is

not that hard to influence those policies and procedures. But it takes hard work, it takes a lot of struggle, it takes time learning what is there, so it can be changed. I believe that from my constituency we have worked very hard to get recognition; that when federal policy dictates an economic climate in any region, that the people of the Northwest Territories and generally the people of the region have some controlling interest in that. And that is setting government policy.

In terms of loans, grants, policies of this government, I would like to make a statement that we have been very disappointed because of the effort that we put in over a long period of time to get recognition, that the short-term decisions of the action force have not really benefited local contractors. They have not benefited the people who are supposed to have the benefit in terms of wages and training. Perhaps it is because the government had a lot to do and the follow-up was maybe not as critical as it should have been. The one project that was slated for Tuk, which was federal and not territorial, was a nursing station. This went to a southern contractor.

There is concern that even territorial policies, such as the water and sewage policy, did not take into consideration, at the outset, the particular circumstances of an industrial town like Tuktoyaktuk. Basically that water and sewage policy has put two businesses out of business because the total package was not thought through for that particular community and because of the boundary situation. These things were not tied together. I do not put any special blame on the Minister responsible for Municipal Affairs, because part of it probably was our fault. But it all ties together, and how we tie that together, I suppose, falls upon the Executive Committee in terms of their individual responsibility and whether they are working together as a team, and the leadership that is provided at that time. I believe a person such as myself attempts very hard to support the Ministers who are responsible for those different departments and as a whole community we try to tie together issues, programs and policies, that come from the territorial and federal government.

Given that I respect the big mandate that the Executive has, I would like to say at this time, that the action force really did not work. That process did not work. The federal government sort of blames the territorial government and the territorial government sort of says, "Well, that was the federal government." I would not like it to be said that the action force really did anything because they did nothing. The territorial government did take the fact that in the forefront there was an action force and it allowed them to build on putting more money into all communities. But the original intent really was not there in terms of the global scope, from the federal-territorial relationship. Given that, hopefully, we will learn something from that.

#### Economic Development Projects Not Make-Work Projects

Mr. Speaker, we talk a lot about economic development. To me, economic development means one thing and that is economic development. It does not mean make-work projects. It does not mean social services. These things have an entity of their own. I believe that I can go as far as to say, "Let us talk about viable economic development." And that is possible in certain areas, but it is not possible in other areas. However, there could be a long-term make-work project, where funds are infused from time to time, that could benefit the whole Northwest Territories and the training employment can be hooked into that. But you do not call that economic development, because it is not economic development. I do not believe that we, as the Government of the Northwest Territories, should be ashamed to talk about some kind of make-work program, and I do not talk about peanuts make-work programs. Hopefully this will be the initiative in the motion by Tagak Curley, and when you are talking about these energy resources a compromise should be found where if there is a region where you cannot have economic development because it is not economic development, because you continually bail it out -- when you continually bail out something, that is not economic development. That is a social program. And it is a make-work project.

Previously, I believe, in southern Canada their make-work projects were sort of very minimal and non-effective and they gave that up. However, there could be make-work projects that can be designed for the benefit of the long term. I do not want to have this government try to squeeze in projects in economic development that should not be there. Call it what it is. It is easier to deal with and it is more understandable. And then you can look at programs in different regions and say, "This is what we are doing", and not do it under the guise of some other popular phase. I think that has to be dealt with.

#### Guaranteed Income

As well, given the profound situation in all the Northwest Territories, I believe that we should begin exploring the issues of guaranteed income. I know that other people have looked at it and they say that it is a negative thing. But what I feel is more negative, is social assistance. Going pitifully every day to the social assistance people and trying to explain why you do not have some cash in your pocket; trying to explain to your wife why you do not have enough money to take her out on a fishing trip when you want to. I believe that with the situation in the Northwest Territories, we should not be afraid to talk about guaranteed income. I believe we can set our own policies on what that could be. I believe we can look at what has been done before so that we do not repeat mistakes. We should look at ourselves and say, "This is guaranteed income. This is a make-work project. This is economic development." Because there are too many things thrown into economic development which are not economic development. Let us call it what it is and let us deal with the issues, the real issues, and not try to fit them under some program that comes from somewhere else.

Mr. Speaker, I have enjoyed being here from time to time. I believe that we all have to take issue sometimes with what is being done. But I very much tried to be supportive in terms of what other people are doing and in what they want and where they want to go.

# Inuvialuit Land Claims

I would like to say something about the land claims issue. In terms of the Inuvialuit land claims, we realized when we embarked on this claims issue, that it would be most critical for us to be under the scrutiny of our people. And we realized when we moved the land claims to the point where it was resolved, that this accountability would be very critical. I believe that any one of us who has been involved with that, respects that. This makes it more critical for our leadership to be responsive. That was anticipated. However, we have some problems in the issue of government and their look at what claims are. It appears to me that we have an issue where, when we settle a claim, it is agreed, the Government of Canada signs and we are sitting there, and the government continues business as usual. Business as usual. Who wants to read that 35 page document? Business as usual. It means going to school again. And the fact that people have continually changed over, makes it very difficult. Any delay the government has in terms of making a decision as it relates to a negotiated settled claim, has no expense to them whatsoever. But it does cause expense to the people who, in good faith, signed a document with Canada who, we felt, in good faith, was going to honour that agreement. However, I am not complaining about this. I am just bringing to the attention of future claimant groups the fact that this process is not something that we did not expect.

In relation to the statement on CBC about the Department of National Defence, last year they went into Holman Island and they were a bit concerned about paying \$17,000 for their access fees. Because the Inuvialuit decided that this exercise should go on, the fees were waived. The conditions were that local involvement be pronounced and the local establishment be used rather than tents and that they clean up their mess. I believe that that statement today was made very critically and I do not want to be too hard on the guy who said it, and presently we are trying to resolve how people get on the land in terms of government access. Government access is important but I believe that up until this time the Inuvialuit have been very generous. However, the land belongs to the Inuvialuit. They have spent millions of dollars negotiating that deal. But an attempt to make a public agency, a commercial agency, believe that they could not place a facility or that there be no action within the region is a lie. There is much land that is left that is crown land. We have never been unreasonable.

So, ladies and gentlemen, Mr. Speaker, I very much detest any big magnates, government agencies such as the Department of National Defence, trying to create a situation where they have the Chamber of Commerce fighting the Inuvialuit who have worked hard to get what they have. I think that was totally the intent of that news broadcast.

Mr. Speaker, in relation to the ongoing special needs of people, whatever decision we make and whatever the federal decision is, to cut back or move forward or do whatever they want to do, or support the Eastern Arctic accord or the Western Arctic accord, I very much hope that it will not be done on the backs of the youth, the elderly and the disabled, whatever any government body does.

To take in maybe a scenario, I think that in any graduating class and I think I have graduated from this Assembly, we always have a look back and a look forward. I would like to say in looking back to Commissioner Parker, I do not understand how this person can sit in here for all these years and still look interested.

## ---Laughter

And I do not believe that there is any question that has not been asked 10 times before. But I think a special commendation of perseverance should be given to the Commissioner for that long-term hearing aid.

#### ---Applause

#### Worst Case Scenario

But, Mr. Speaker, I want to look forward to what I feel we do not ever want to see in the Northwest Territories. It may seem far out but it is something that I feel we do not want to see. Let us take, for example, in the future, the plane that is departing north leaving Edmonton International Airport. People are getting ready to board and the tour guide says, "Ladies and gentlemen, flight MX4 is about to leave, destined to the interior. As a matter of interest, you will note that there is a slight haze but the Department of National Defence has given us assurance that there has been some positive effects of that." And a passenger comes forward and says "The Department of Interior Tourism told me that there are some interesting facts about this place we are going to and I bought a ticket which cost about \$15,000." But it is not really a ticket, it is a tour guide experience. The tour guide, who is also a stewardess says "Ladies and gentlemen, fellow tourists, this part of Canada makes up the buffer zone between the United States, which you will be interested to note have redrawn their boundary line to take in up to the former Northwest Territories border. This was fully supported by the 10 provinces which were once called Canada." The plane then leaves out of the US, which was formerly Canada, agreed to by the former premiers.

Arriving in the interior, the point of destination is the former Yellowknife. Of much interest to the tour participants is this place here which is now called BNI plus S. It is completely domed to protect its citizens. They are a unique people as this depicts that they have persevered, to show that a BNI plus S can succeed beyond political will. Once the plane lands under the dome a passenger asks, "What are these large beasts that are standing outside this dome?" The tour guide says, "This is one of the positive effects of the haze. It has progressed the growth rate of all the animals in the Northwest Territories." The tourist says, "We are of the understanding that aboriginal people of this area are primarily hunters covered under the Workers' Compensation Act. Do they not control, through their hunting practices, the rate of growth, because they need the animals to eat?" And the tour guide says, "There are not very many aboriginal people left. This is why the BNI plus S has been so successful."

So, the tourist wonders why this has all happened. And the tour guide is very well versed on ancient policy and says, "A lot of things happened in those days and one of the things that was very, very critical in those days is that we had to deal with some disease problems and some issues of survival. So, people worked very hard and created many reviews on providing solutions to acquired immune deficiency syndrome. But the implementation of resolving this problem was delayed because there was a lot of reviews. There was also a review on the meningitis problem and the fact that there were so many meetings between Alaska and Canada, we could not really decide which vaccine we wanted to use to eliminate this problem. Then, we had to talk to all the people in all the communities on the effects on health and the virus and where they are going to be." The tour guide continued, "There is one positive thing that took place. The positive part is that these aboriginal people were becoming very tiresome and these events supported the BNI plus S syndrome down the road. The most critical and interesting part of all this is that you as tourists from the United States, which has taken in the former Canada as approved by the 10 provincial premiers, can experience this buffer zone and the international side of this is that for once everyone operates on an equal basis, all the countries. All nations have agreed that they will work together so that they can at least have one place to dump all their slop without really having anyone to deal with." Thank you, Mr. Speaker.

#### ---Applause

MR. SPEAKER: Thank you, Ms Cournoyea. Replies to the Opening Address. Mr. Erkloo.

## Mr. Erkloo's Reply

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. I would like to make a reply since this is our last session before the election. Maybe perhaps it will start from here and continue toward the end of this table. Firstly, I would like to say that it has been an honour and a privilege for me to be one of the MLAs on the 10th Assembly. I would like to thank the other MLAs and the staff who have helped me a great deal without tiring. I also would like to thank the government staff for giving me assistance whenever I asked for it even though I am an ordinary MLA. Being new to this office, it took me three years to familiarize myself and become part of the Assembly.

There are other factors I think all of the MLAs are aware of, and one of them is that I had personal problems concerning liquor. I would like to mention, also, Mr. Speaker, that I would like to thank you. If it was not for you, I would still continue to have this problem up to now. I could openly say today I do not have any problems at all. I cannot say that I am proud of myself for this. I know too well that I could not solve this problem by myself alone. A person has to accept what he is truthfully before any problem can become easier. I would like to go back to this later on but right now I would like to say something else.

I would like to mention that the hiring of Judge Troy in the Baffin Region, in my view, will assist a great deal in the Baffin Region. In the past years, up to now, when the court party is travelling to the communities the first thing that comes to people's minds is "Jail or fine." I think our attitude has to change. There are many reasons for this. Especially that the justice system is not well understood. I remember that one elderly person telling me that he was tried in a court once and I found out later on that he was only a witness. When there is a preliminary hearing, this also is considered as being charged or taken to court. I am also aware that the RCMP had been considered as "wolf" in some communities. This attitude is slowly changing and when there are abused people they now can seek protection from the RCMP. The people's attitude has to change; they must see the court as some kind of protection instead of a horrible place to go. We were passing some legislation on the enforcement act, that these kinds of laws should be able to assist the individuals who have no way or other means of getting assistance in fairness. There is also the other side of the coin, that some judges are giving heavy fines or extra months in jail as a "lesson" to the communities. I think that the Inuit should not be treated this way. We are also Canadians and should be treated as Canadians. We expect that Judge Troy will try to resolve these problems and he has been in the Baffin Region and I am sure and confident that he will help the Baffin Region.

In speaking of the court system, we are all aware that 90 per cent of the court cases are alcohol related. Today the biggest enemy is liquor. I think this is very well understood at the present time by the communities and by the public. I mentioned I would go back to this subject. I do know I will be observed and there will be some people who will say, "Oh, he has just been rehabilitated." But I think we have to ask which is better, whether I go to the jail because of the liquor or will I seek some help. If I say anyone of my colleagues were never in jail, I will be lying. There are three ways the person can be helped who needs help because of alcohol. One is to spend one night in jail so that the person will be protected from harm himself. Another way is to go to a detoxification centre to get dried out and this requires a stay of three days to a week. Lastly, is to get treatment for a month. I have done so this past January and I was away for the whole month of January in the detoxification centre and it helped me. I found out things that I would not have found out which helped me. I also would like the other colleagues to be aware that there is also a program on CBC at midnight telling stories of the Inuit traditional life. I will probably talk more about this in detail in the program on CBC.

Earlier at this Legislative Assembly we were discussing AIDS, and we all agreed that this House was the right place to start the information to the communities. I believe the availability of treatment for the people who have a problem with alcohol should start with this House and go to the communities as well. I am not saying that people either Dene or Inuit have to get help. A person has to make a choice of his own if he wants to get help. This has to be understood by the people who are seeking help, that there is help available. As I said earlier, I thank the people who have helped me. There is going to be a territorial election this fall. I am not saying goodbye to you all now. It is too bad Bob MacQuarrie is not in the House right now. He is the only one who has said publicly that he is not going to seek another election. For this reason I do not think it would be fair if I did not mention this. I know I have not agreed with Bob MacQuarrie on a lot of issues during this Legislative Assembly, but we all should be aware as elected Members that we are not here to please everybody. We are MLAs representing people in our constituencies, whether they work for the government or as private sector. For these reasons I know we are going to miss Bob MacQuarrie in this House. He did not just sit back and stay quiet, but he represents his people.

Also I would like to mention Special ARDA and grants that may be cut from the Northwest Territories. It is going to hurt the economics in the North. Some of the people in Baffin Island, for instance in Hall Beach, were not aware that they could get skidoos through Special ARDA. They only found out this spring and there were going to be several applications to Special ARDA. Some of the other communities have received help through this program extensively. This has been replaced, it seems, by the military. I heard that they will be using \$82 billion in 15 years and cutting out other programs that affect the public. It does not make sense.

I would like to mention, Mr. Speaker, the devolution that has been implemented up to now. When you live in the small communities, sometimes it seems to become the reality and then it sort of fades away in the last 20 years. We do realize the government has changed a lot in the last few years and the Commissioner has handed over a lot of powers. At the present time the elected MLAs have more power and I would like to thank Commissioner Parker because he was able to give some of his powers to the NWT. He should be commended. Today it seems like all the power is getting to headquarters and I think this has to be taken to the communities. The communities have to be set in a way that they want to utilize the MLAs and work together. In my area, I tell my constituents to call the Ministers and this is not the reality at the present time. I feel that it should be

#### Role Of Leadership

In the Pond Inlet area it has become uncertain as to who is the true leader. There is ITC, NCF, TFN and the other organizations, and there are MLAs. I think there is confusion. I feel my responsibilities as an MLA are first. I think we have to make the public know the responsibilities of MLAs according to the law. Secondly, the people in the communities who are the leaders, I think they should voice their concerns much more. I do not think we should just sit back and wait for one another to make a move in certain issues. This is stopping progress in the communities from my point of view.

There are other things that we should be expecting. For the leaders, when they are not working together in unity, there are problems. Firstly, that we have to start working closely together in the future. I was asked a question many years ago when I was in Ottawa when I was working for Indian Affairs. They asked me, "What are you?" I responded, "First of all, I am an Inuk, and I am a Canadian and thirdly, I work for the public service." I think I would still answer them the same way. First of all, I am an Inuk and I am proud of it. Secondly, I am a Canadian. Thirdly, I am an MLA. Those that are working on the land claims negotiations, a body like ITC, are representing me. Also as an MLA I am representing the people, but I could outrightly say that through our land claims negotiations, as an Inuk, today I do not know what is going on. I do not know what they are trying to do for me. I think they know less than me as an MLA here. Firstly, this is the way I look at it, and this has to stop. To give an example, when there was an election in leadership in Rankin Inlet for different organizations, and Paniloo was there at the time during the Legislative Assembly, I spoke, at the time, that I wanted to receive some of their resolutions and recommendations so that I could assist them in some way when I can. I was told at that meeting that they were going to send me some of their minutes and the resolutions, but up to today I have never received any of those. Maybe they got lost in the mailing system. These are some of the problems that have to stop and we have to start working closely together in unity.

Also, I would like to say, Mr. Speaker, concerning the elders in the Northwest Territories and also concerning the Constitution of Canadá, that some of the elders receive their old age pension when they turn 65. But up to today there has been a decision that — in the Northwest Territories they age faster up here and we have to look into this very closely. Researchers in the Soviet Union also found this out. I think we have to lower the age of 65 for the people to receive old age pensions. I do not want to dwell on this but looking at these issues there is a lot of work to be done. I know this is the last time we meet in the Legislative Assembly as MLAs and our responsibilities up to today have not stopped. We should not stop doing our responsibilities. Many of the things have been identified that we need to work on more and we still have a lot of work ahead of us.

I was asked, perhaps a few days after I was elected, if I will be running again in the election and I am still being asked that question. I just told them that I cannot answer you at this time because it is not election time, whether or not I will be running again for office.

In conclusion, I would just like to say while the MLAs are here and the public is listening, I will be here again with the 11th Assembly. Thank you.

---Applause

DEPUTY SPEAKER (Mr. Gargan): Thank you, Mr. Erkloo. Replies to the Opening Address. Are there any further replies to the Opening Address?

Item 9, petitions.

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

ITEM 11: TABLING OF DOCUMENTS

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. I would like to table Tabled Document 78-87(1), a telex that I received yesterday from the hunters and trappers association in Igloolik. It is a kind of special program. There is a certain group in Igloolik that have made a petition. I am sorry it is not in English, it is only in the Inuktitut version. I will be asking more specific questions after it has been translated into English. Thank you.

MR. DEPUTY SPEAKER: Thank you, Mr. Erkloo. Item 11, tabling of documents. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I would like to table Tabled Document 79-87(1). After the BRC meeting, in Baffin, these are some of the motions I would like to bring forward at this time. Some of these are requests concerning their mandates and the important issues that they wanted to bring out. They had a concern about the subsidy on alcohol, liquor, in motion 20/05. Also the second request is that there should be a subsidy on food. Thirdly, also that the post offices in Baffin Region have to be reviewed. These are the motions, the resolutions, that were passed at the BRC meeting in Igloolik.

MR. DEPUTY SPEAKER: Thank you, Mr. Arlooktoo. Item 11, tabling of documents. Mr. Pedersen.

HON. RED PEDERSEN: Thank you, Mr. Speaker. I wish to table Tabled Document 80-87(1): Mackenzie Wood Bison Management Plan. Mr. Speaker, this is in English with the summary of the plan provided in Inukitut. Thank you.

MR. DEPUTY SPEAKER: Thank you, Mr. Pedersen. Item 11, tabling of documents. Item 12, notices of motion. Mr. Butters.

ITEM 12: NOTICES OF MOTION

# Notice Of Motion 33-87(1): Approval Of Amendment To the Formula Financing Agreements

HON. TOM BUTTERS: Mr. Speaker, I give notice that on June 12th, 1987, I shall move the following motion: Now therefore, I move, seconded by the honourable Member for Nahendeh, that this Assembly approve the proposed amendment to the financial agreement with the Government of Canada.

MR. DEPUTY SPEAKER: Thank you, Mr. Butters. Item 12, notices of motion.

Item 13, notices of motion for first reading of bills. Item 13, notices of motion for first reading of bills. Item 14, motions. Motion 28-87(1), Sanikiluag Arena, with Mr. Appagag.

ITEM 14: MOTIONS

## Motion 28-87(1): Sanikiluaq Arena

MR. APPAQAQ: (Translation) Thank you, Mr. Speaker.

WHEREAS I have received a letter from the hamlet of Sanikiluag asking about an arena;

AND WHEREAS the people of Sanikiluaq have been requesting this arena for quite some time now;

AND WHEREAS the young people compete every year with Quebec's young people in hockey games which have to be held outdoors;

AND WHEREAS we have heard that the area where our new arena is going to be located is a long distance from the hamlet;

AND WHEREAS our young people play hockey anywhere on lakes that are two to eight miles away from the hamlet;

AND WHEREAS, to date, the hamlet council has \$100,000 earning interest in their bank account, since November 1986, toward this arena which is planned, under the five year capital plan, for 1992-93;

NOW THEREFORE, I move, seconded by the Member for Baffin Central, that this Assembly recommend to the Executive Council to move the allocation for the project up to 1988-89 in the five year capital plan. Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Thank you, Mr. Appaqaq. Your motion is in order. Would you like to speak to the motion?

MR. APPAQAQ: (Translation) Thank you, Mr. Speaker. I will just make a short remark on this. I have received a letter, which seemed to be in two parts regarding the Sanikiluaq arena and a curling rink. But I know that we are short of funds to get that much money at the same time. So the motion I just made only deals with an arena. I have always supported recreation facilities in other areas too. I would just like to add that our young people work really hard. When they want to have a hockey game they have to shovel out the lake areas where they are going to be playing. You cannot have good days all the time and sometimes this area that they have cleared would only last for one day, even though they want to have another hockey game the following day. The young people who do this work, even though they want to play hockey, have expended all their energy in trying to clear an area for themselves.

I would just like everyone to understand that they have to go quite a distance from the community to play hockey on the lakes. They have to borrow their parents' skidoos. They use a lot of gas in searching for those lakes. They tend to break the skidoos and it is dangerous for them if one of the players happens to get injured; it is difficult to get them back into the community. Many of the lakes have open areas in them or cracks on them which lead every which way and these can be dangerous for the skater. Well, lakes in the first place, should not be used as hockey arenas. Also, I would like to make it clear that the \$100,000 that the hamlet has in the bank earning interest, the hamlet council will be putting this money or giving this money to the recreation department of Municipal and Community Affairs, toward the cost of an arena. We know that in a five year capital plan we are supposed to be getting the arena in 1992-93 but that is far off in the future. We have to consider the equipment that is also being used and our weather is not that good and it does not stay good for more than a day or so. For these reasons we are concerned and that is why I made a motion and I would like you to support it.

This has been discussed for a number of years now and we have tried different ways to get what we want through BRC. But at the last BRC session in Igloolik, Sanikiluaq tried to get their support to get funding earlier but were told to go through me, as their MLA, instead and that it is my responsibility to get this money from the territorial government because BRC has no funding for these projects. So, I am asking for your support. I am not trying to get money for 1992-93, but we would like to get the arena as soon as possible. I do not know how much interest will have been earned on \$100,000 in that year but we are saving it nevertheless. Thank you very much.

MR. DEPUTY SPEAKER: Thank you, Mr. Appagag. Seconder of the motion. Mr. Paniloo.

MR. PANILOO: (Translation) Thank you, Mr. Speaker. I am a seconder of this motion. When you are in a smaller community it poses a problem when you do not have any recreation or arena facilities. Those people who want to participate in territorial-wide competition, they have a big problem when they have no recreation facilities in the Baffin Region. That was the reason why I seconded the motion. I support the idea that is contained in the motion but I will not go into too much detail. Thank you.

MR. DEPUTY SPEAKER: Thank you, Mr. Paniloo. To the motion.

AN HON. MEMBER: Question.

#### Motion 28-87(1), Carried

MR. DEPUTY SPEAKER: Question is being called. Mr. Appaqaq, would you like to make any closing remarks? All those in favour of the motion? Opposed, if any?

SOME HON. MEMBERS: Agreed.

---Carried

MR. DEPUTY SPEAKER: This motion is carried. Thank you. Motion 29-87(1), Tabled Document 72-87(1), to Committee of the Whole. Mr. Richard.

Motion 29-87(1): Tabled Document 72-87(1), To Committee Of The Whole, Carried

MR. RICHARD: Thank you, Mr. Speaker.

I MOVE, seconded by the honourable Member for Yellowknife Centre, that Tabled Document 72-87(1), A Model for the Delivery of Alcohol and Drug Services in the Northwest Territories, be moved into committee of the whole.

MR. DEPUTY SPEAKER: Thank you, Mr. Richard. The motion is in order. To the motion.

AN HON. MEMBER: Question.

MR. DEPUTY SPEAKER: Question has been called. All those in favour? Opposed, if any? Abstentions? The motion is carried.

---Carried

Motion 30-87(1), Water Supply in Rankin Inlet, Mr. Curley.

Motion 30-87(1): Water Supply In Rankin Inlet

MR. CURLEY: Thank you, Mr. Speaker.

WHEREAS the present water supply and reservoir in Rankin Inlet have to be subjected to heavy chlorination in order to make the water safe for human consumption;

AND WHEREAS the community of Rankin Inlet is rapidly expanding around the reservoir;

AND WHEREAS the hamlet council has indicated its desire that this water supply and reservoir no longer be used;

NOW THEREFORE, I move, seconded by the honourable Member for Nunakput, that this Assembly recommend to the Minister of Municipal and Community Affairs that appropriate funding be incorporated into the department's budget to plan and design, in conjunction with the hamlet council, an alternate source of water supply for the community of Rankin Inlet. Thank you.

MR. DEPUTY SPEAKER: Thank you, Mr. Curley. Your motion is in order. To the motion.

MR. CURLEY: (Translation) Thank you, Mr. Speaker. Everyone who has been to Rankin Inlet recently knows the situation there and it is an embarrassment for the community, for the people that come into the community. Even though the airstrip is very close to the community, the water reservoir and the water supply is right in between the airstrip and the community. There is an old mine site in Rankin Inlet and there is an old garbage dump near the water reservoir. There are small fish in the water reservoir and the pump takes in all the little fish and contaminates the water that is coming into the community. So, there is a lot of chlorination and a lot of chemicals added to that and this is not healthy. I think the department is very aware of this and they have had a meeting with the hamlet council.

We know that this is going to involve a significant amount of money but this has to be corrected. So that the department can start having a discussion with the hamlet council to make a study of it and make plans for it and look for an alternate supply of water, this is the motion I am making. (Translation ends)

Mr. Speaker, my motion is very straightforward. For the size of the community, the water supply and present water reservoir are really not adequate. And really, if I could be quite bold, I would say that in many respects it is unfit for human consumption. Without the heavy chlorination, that water would be unfit for humans to drink. As a result the hamlet has now begun to discuss this problem with the Department of Municipal and Community Affairs and DPW. So I am asking the Members just to recognize the importance of having a decent water reservoir and supply. It is critical that the department put it into the estimates either this year or next year and try to find a decent water supply for the community. Thank you.

MR. DEPUTY SPEAKER: Thank you, Mr. Curley. Seconder of the motion. Ms Cournoyea.

MS COURNOYEA: Thank you, Mr. Deputy Speaker, Mr. Deputy Deputy Speaker. The reason that I consented to support this motion is because I realize that of all community services, water is one thing that is very important and generally judges the well-being of the community. I also would like to say, in supporting this motion, that the community does become involved. I have experienced the reservoir development in Tuktoyaktuk and I would like to say that I would not want that same experience to happen to the Rankin Inlet people. It cost many many dollars to develop this long-term service to the community. I believe a lot of time the Department of Public Works planning tends to take things a little too far, so I would support, very much, that at the very outset, the community become involved and even perhaps indicate to this government that the community could probably do the contracting. But the accountability of how much is spent on this type of facility or aid to the community is very important because we went far over budget and the process was much too long. The expense was over and above what it needed to be. Knowing that the government is centred in Rankin Inlet for the Keewatin Region, I notice that once government moves into a central area, there are a lot more showers taken. I do not know why it is, but it seems like when other people move in, they seem to give us the impression that we need to be cleaner than we were before.

#### ---Laughter

So, I think for people coming in, it is good. And also the fact that a certain standard has been imposed on the community to be cleaner and fit into the modern society. To be serious, you know, the water supply is important but I would like to stress that the community gets actively involved right at the beginning. Thank you.

MR. DEPUTY SPEAKER: Thank you, Ms Cournoyea.

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: Question has been called. Mr. MacQuarrie.

MR. MacQUARRIE: Drinking water is a fundamentally important thing for every community and I would like to treat this motion very seriously because of the request that is being made. And I fear sometimes that motions are brought into the House in the past and Ministers do not hear what the arguments are. Some Ministers do not, others absolutely do. And, you know, I do not know what kind of response there has been to the motion but this is, I believe, a very serious request and I do not feel, personally, at the moment, confident to say whether it really is a desperate need and if it is, maybe it should be coming ahead of some other things that the government is doing.

#### Motion To Refer Motion 30-87(1): To Committee Of The Whole, Defeated

So in order to have a serious discussion about what is involved in this, I am going to move, Mr. Speaker, that this motion be referred to committee of the whole for further discussion.

MR. DEPUTY SPEAKER: Mr. MacQuarrie, do you have a seconder for your motion? Thank you. Your motion is to refer this motion to committee of the whole. To your motion, Mr. MacQuarrie.

MR. MacQUARRIE: Yes, thank you very much, Mr. Speaker. As I said, it is simply because I do take the motion seriously and I would like to see it dealt with more thoroughly by the House. The only way that can be done really is if we have an interplay discussion between Members and the appropriate Minister and so on, in the committee of the whole. That is why I am asking that it be referred.

MR. DEPUTY SPEAKER: Thank you, Mr. MacQuarrie. Mr. Curley, to the motion.

MR. CURLEY: Thank you, Mr. Speaker. The situation is serious and the hamlet council has been dealing with the issue for a long while and plans have been delayed and discussions have been going on with DPW. I specifically wrote a letter to the deputy minister once upon a time, that was last year, about the quality of the water and I did receive a reply from him. There are problems. There is no other water supply in the Northwest Territories, in my view, that has a road going through it in the middle of the lake. That is the situation in Rankin Inlet. The road leading to the community is part of the water reservoir in the community. So, I am not in favour of delaying the motion at all, although it is important to have a thorough discussion. But I know that the Department of Municipal and Community Affairs is fully engaged in discussion with the hamlet council. DPW has been fully engaged in putting forward an alternative interim arrangement for the present water supply and these plans were rejected by the hamlet council. Mainly, in fact, because to try to patch up the existing water supply was not the answer to the present situation.

So therefore, I did consult with the Minister and the motion has his full support and he has seen the draft of the motion and has made some adjustments to my proposal. So as a result of that, I do not think the Members should be entertaining any further delay in trying to get a decent water supply for the people of Rankin Inlet. So I will vote against the proposal to refer it to the committee of the whole.

MR. DEPUTY SPEAKER: Thank you. To the motion. Ms Cournoyea.

MS COURNOYEA: Mr. Speaker, I feel that this motion is a recommendation to Executive Council to take this situation into due consideration as soon as possible. Given the explanation that there has already been a considerable amount of work and communications and meetings between this government and the Rankin Inlet municipality, I believe that we should not really be deferring this. Because if we defer it without a specific time of deferral, it would only, you know, probably take it off the order paper. But since it is a recommendation that the Executive Council take it into consideration, I believe that there really is no real reason to delay or refer the motion. Thank you.

MR. DEPUTY SPEAKER: Thank you, Ms Cournoyea. To the motion to refer.

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: Question has been called. All those in favour? Opposed, if any? Abstentions? This motion is defeated. I counted three to refer and four against. So this motion is defeated.

---Defeated

To the main motion, Mr. Curley's motion.

SOME HON. MEMBERS: Question.

Motion 30-87(1), Carried

MR. DEPUTY SPEAKER: Question has been called. Mr. Curley, would you like to make closing remarks? Okay, all those in favour? Opposed, if any? Abstentions? This motion is carried.

---Carried

Thank you very much. Item 15, first reading of bills. Bill 19-87(1), Residential Tenancies Act. Mr. Ballantyne.

ITEM 15: FIRST READING OF BILLS

First Reading Of Bill 19-87(1): Residential Tenancies Act

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Inuvik, that Bill 19-87(1), An Act Respecting Residential Tenancies, be read for the first time.

MR. DEPUTY SPEAKER: To the motion.

SOME HON. MEMBERS: Question.

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

---Carried

Bill 19-87(1), Residential Tenancies Act, has now had first reading. Item 16, second reading of bills. Bill 38-87(1), Write-off of Assets and Debts Act, 1987-88. Mr. Butters.

ITEM 16: SECOND READING OF BILLS

Second Reading Of Bill 38-87(1): Write-Off Of Assets And Debts Act, 1987-88

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Kitikmeot West, that Bill 38-87(1), An Act Respecting the Write-off of Assets and Debts for the Fiscal Year Ending the 31st Day of March, 1988, be read for the second time. The purpose of this bill, Mr. Speaker, is to write off certain assets owned by and debts owed to the Government of the Northwest Territories.

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

---Carried

Bill 38-87(1) has had second reading. Second reading of bills. Bill 28-87(1), Motor Vehicles Act. Mr. Butters.

Second Reading Of Bill 28-87(1): Motor Vehicles Act

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Iqaluit, that Bill 28-87(1), An Act Respecting Motor Vehicles, be read for the second time. The purpose of this bill, Mr. Speaker, is to revise the laws respecting the operation of motor vehicles on highways within the Northwest Territories; to require a person who acquires ownership of a motor vehicle that has been registered to obtain a new certificate of registration for the vehicle within 30 days of becoming the owner; to provide for personalized licence plates; to set minimum insurance limits for persons who own motor vehicles used as school buses or taxicabs; to provide for the automatic cancellation of the driver's licence of a person prohibited, pursuant to the Criminal Code of Canada, from operating a motor vehicle; to allow certain officers to suspend a driver's licence for a period of up to 24 hours where the officer believes the ability of the person to drive is adversely affected by alcohol, drugs or fatigue; to provide for the compulsory wearing of seat belts; to raise the minimum amount of damage for accidents that must be reported to the Royal Canadian Mounted Police to \$1000; to change the standard upon which a gratuitous passenger can sue an owner or driver of a vehicle from gross negligence to negligence; and to make consequential amendments to various acts.

MR. DEPUTY SPEAKER: Thank you, Mr. Butters. Your motion is in order. To the principle of the bill. Question has been called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Bill 28-87(1) has had second reading. Bill 35-87(1), Workers' Compensation Act. Mr. Butters.

Second Reading Of Bill 35-87(1): Workers' Compensation Act

HON. TOM BUTTERS: Mr. Speaker, I move, seconded by the honourable Member for Yellowknife North, that Bill 35-87(1), An Act to Amend the Workers' Compensation Act, be read for the second time. The purpose of this bill, Mr. Speaker, is to amend the Workers' Compensation Act to provide for automatic coverage for independent hunters and trappers who hold a general hunting licence and children or dependants under 16 years of age who work with them; to charge the costs of any claims in respect of these persons to the same experience account as the Government of the Northwest

Territories; to authorize the board to make agreements with the Government of the Northwest Territories respecting safety education programs; and to authorize payments from the accident fund pursuant to those agreements or to non-profit organizations that provide first aid or public safety programs.

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

#### ---Carried

Bill 35-87(1) has had second reading. Bills 38-87(1), 28-87(1) and 35-87(1) are ordered into committee of the whole for today. Item 17, consideration in committee of the whole of bills and other matters: Bill 5-87(1), Fourth Report of the Standing Committee on Public Accounts, Bill 12-87(1), Bill 18-87(1), Bill 20-87(1), Bill 36-87(1), Bill 37-87(1), Tabled Document 72-87(1), Bill 38-87(1), Bill 28-87(1) and Bill 35-87(1), with Mr. Erkloo 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 12-87(1), INSURANCE ACT; FOURTH REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS; AND BILL 18-87(1), PROPERTY ASSESSMENT AND TAXATION ACT

CHAIRMAN (Mr. Erkloo): The committee will now come to order and we will have a 15 minute coffee break.

---SHORT RECESS

#### Bill 12-87(1): Insurance Act

Subsection 2, death benefits and loss of income payments. Part I, death benefits. I am sorry. We are on Bill 12-87(1). Mr. Minister.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. I wonder if I could have permission from the committee to bring in my witnesses?

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

SOME HON. MEMBERS: Agreed.

#### ---Agreed

CHAIRMAN (Mr. Erkloo): Go ahead. I just want to remind the Members that we are on Bill 12-87(1) on page 31, schedule, at the bottom of the page, subsection 2, death benefits and loss of income payments. Part I, death benefits. Mr. Minister, could you introduce your witnesses at this time?

HUN. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. Certainly. I have with me Stien Lal and Giuseppa Bentivegna and Shirley Stevenson.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. MICHAEL BALLANTYNE: Yes, Mr. Chairman. As I recall, we left off last night with some astute observations by Mr. Richard.

HON. DENNIS PATTERSON: (Inaudible comment)

HON. MICHAEL BALLANTYNE: Dennis is always supportive when I am sitting here in the chair. We will discuss that after.

#### ---Laughter

And Mr. Richard was quite correct that the net effect of the proposed amendments would be that there would be less going to the survivors of an accident that caused fatalities. Last night and this morning, my staff came up with a new schedule of payments that I think will take Mr. Richard's concerns into account. I have shown it to Mr. Richard. I am sure it will. I think Mr. Richard is sure it will. So, with your permission, Mr. Chairman, I would like to move an amendment.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Erkloo): Go ahead, Mr. Minister.

Motion To Amend Clause 79, Schedule, Section B, Subsection 2 A, Bill 12-87(1), Carried

HON. MICHAEL BALLANTYNE: Mr. Chairman, I move that Bill 12-87(1), An Act to Amend the Insurance Act, be amended by deleting the first full paragraph commencing at line nine on page 32, that starts with "In addition," and replace it with the following: "In addition, with respect to death of the head of the household, where there are two or more survivors -- spouse or dependants -- the principal sum payable is increased \$2500 for each survivor other than the first." That is a change of \$1500 of what was in the act we had already. Where there is one survivor -- spouse or dependant -- the principal sum payable is increased \$1500. And presently that is zero. That is also an increase of \$1500. So, the net result of that, Mr. Chairman, is that every stage of the way there is one spouse with a child, two survivors right up to six survivors. At each stage there will be more under the new schedule than there was under the former schedule. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Could we have a copy of your motion? Your motion is in order. To the motion.

AN HON. MEMBER: Question.

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

---Carried

Subsection 2. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, we have just passed an amendment that would have the effect of increasing the benefit and we have been informed earlier that an appraisal was done and, with the increase in the benefits that were listed in the bill at that time, there would be an increase in premiums of, perhaps, \$25. Can we hear an estimate of how much premiums will now increase as a result of having increased these benefits?

MR. RICHARD: \$26.37.

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

Increase In Insurance Premium With New Schedule

HON. MICHAEL BALLANTYNE: We anticipated that somebody might ask that particular question and we have it. With the new schedule that has just been passed, with that amendment, and with all the coverages that are encompassed in all the amendments that we have here, for a driver over the age of 25 who drives to and from work, it is five dollars to six dollars a year. Now, the most expensive scenario is a driver under 18, driving mainly for recreation and pleasure, as we all did when we were 18, from \$23...

MR. MacQUARRIE: Not all of us had cars; some of us came from poor families.

HON. MICHAEL BALLANTYNE: I was not talking about cars that we were interested in, it was recreation and pleasure.

SOME HON. MEMBERS: (Inaudible comments)

CHAIRMAN (Mr. Erkloo): Can we have order, please. Mr. Minister.

HON. MICHAEL BALLANTYNE: I apologize, Mr. Chairman. It is from \$23 to \$87 annually, depending on whether insured on conventional market or in a facility. Potentially, a young driver who had any problems is where there is going to be the biggest impact. For a normal driver with a good safety record it is minimal, five dollars to six dollars a year. Does that answer your question?

CHAIRMAN (Mr. Erkloo): Subsection 2, death benefits and loss of income payment. Part I, death benefits. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Part II, loss of income. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Page 35, subsection 3, definitions, exclusions and special provisions of this section. Mr. Richard.

Change Of Wording To Proper Terminology

MR. RICHARD: Thank you, Mr. Chairman. Another item that had been drawn to my attention in these changes. This subsection 3 sets out the statutory provisions that are in insurance policies and the government, in passing this legislation, attempts to, among other things, limit the types of exclusions that an insurance company can put into an insurance policy. And over on page 37 under exclusions (2)(b), and this is coverage for bodily injury or death, it provides that if a person has an insurance policy and is injured or killed at a time when they were drinking and driving, that their insurance policy is voided, or they have no coverage for themselves if they are in that condition where they have been drinking and driving. And whereas the current legislation, or the current schedule, and it is, Mr. Chairman, over on page 35(1)(a), you will see that under the (2)(b) exclusions there, that the policy would be voided if the person was convicted of an offence under the Criminal Code which is what we call "over 80", or under section 234 of the Criminal Code, which we call "impaired driving". The government, as I understand it, in copying, and I am not suggesting this is a "mindless copy"...

#### ---Laughter

...in copying the wording from the province of Ontario, back to page 37 now, is using what I believe is old or ancient terminology, that the policy would be voided only if there was a conviction for "drunken driving" or "impaired driving".

I believe, Mr. Chairman, after speaking to the Minister and his officials, that it was not the intention here of the government to remove the possibility of someone who had been drinking and is administered a breathalyzer test and scores over 80, which is the legal limit. In that situation, currently under the law, the insurance policy is voided, and I think it should be voided in that situation. But with this new wording I think there may be a gap there and I have asked the Minister and his officials about that and I believe they are in agreement. Just to be sure that we use proper terminology, and that the insurance companies do have exclusions for the right situations. I believe, Mr. Chairman, the Minister is now agreeable to changing that wording in (2)(b) to be as it is at present, to go back to the current provisions for impaired driving or "over 80" convictions. Perhaps the Minister could confirm that, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. Mr. Richard is correct. The intention here was not to allow the loophole, especially now when our government, along with the federal government, is really emphasizing that impaired driving is something that society no longer will accept whatsoever. We did not intend that somebody who took a breathalyzer and blew more than .08 would be able to get out of their responsibilities and their insurance company would still be liable for their actions. So, with your permission again, Mr. Chairman, I will move an amendment to this, which I think will satisfy Mr. Richard and will take care of that potential loophole in the act.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

Motion To Amend Clause 79, Schedule, Section B, Subsection 3(2)(b)(i), Bill 12-87(1), Carried

HON. MICHAEL BALLANTYNE: Mr. Chairman, I move that Bill 12-87(1), An Act to Amend the Insurance Act be amended by deleting subparagraph (2)(b)(i) on page 37 and substituting the following: "sustained by any person who is convicted of an offence under section 237 of the Criminal Code of Canada, driving while impaired by alcohol or a drug or driving with more than 80 milligrams of alcohol in 100 millilitres of blood occurring at the time of the accident; or".

CHAIRMAN (Mr. Erkloo): Thank you. Your motion is in order. Could we have a copy of your motion, please? To the motion. Question is being called. All those in favour? Opposed, if any? The motion is carried.

---Carried

Subsection 3, definitions, exclusions and special provisions of this section. Mr. Gargan.

MR. GARGAN: Mr. Chairman, just a clarification here. With regard to this 80 milligrams. I just wanted to find out, if a person is under the influence and gets into an accident and dies because he was under the influence, or over .08, then he will not be covered by his insurers, is what I understand. But what does it do to the passengers under these circumstances? I also would like to find out, when you made your motion there, this definitely includes drugs, then? When you made the motion that you mentioned, about (b)(i), you did not mention anything about the influence of drugs at the time of the accident. Or is it still in there?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. MICHAEL BALLANTYNE: To answer your first question, essentially, if you are convicted of having a breathalyzer test which reads more than .08 or of drunk or impaired driving, your insurance company is no longer liable whatsoever for your actions. So the insurance company would pay no claims resulting from the accident.

MR. RICHARD: This is for your own injuries -- third parties...

Third Party Liability Not Affected By Conviction For Alcohol Or Drugs

HON. MICHAEL BALLANTYNE: The Member is correct, the third party liability is not affected by a conviction.

CHAIRMAN (Mr. Erkloo): Mr. Gargan.

MR. GARGAN: Thank you. Has the definition of drugs been made for this particular act? Also, if a person is impaired and does die, is it still legal for the person to get his blood sample taken?

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. MICHAEL BALLANTYNE: My understanding is that under the new amendments just recently introduced to the Criminal Code of Canada, compulsory blood tests now can be required. Blood tests can be required to prove whether or not somebody is under the influence of alcohol and/or drugs.

CHAIRMAN (Mr. Erkloo): Mr. Gargan.

MR. GARGAN: Thank you, Mr. Chairman. I would assume that this compulsory blood test, if a person dies, would only occur if there are enough grounds to do so. If, for example, they found an open bottle or beer cap or something like that, and there were enough grounds for them to actually take a blood test. Just the accident itself, is that enough grounds to actually take a blood test? Or it does not matter any more in regard to whether there is enough grounds to do so.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. MICHAEL BALLANTYNE: My understanding, with the new criminal code amendments, is that if a policeman for any reason suspects that somebody is under the influence of alcohol or drugs, within two hours that person has to be taken in front of a medical practitioner, a doctor, and the doctor

will ascertain whether or not a blood test is required. If, in a doctor's opinion, the person appears to be impaired because of alcohol or drugs, then the doctor can order that the blood test be taken. So, a police officer cannot do it but it means that a medical practitioner has to do it and it has to be within two hours.

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

MR. GARGAN: I guess, when I brought up that question, I was more or less thinking of a situation where a person does get into an accident and dies but there is no evidence that alcohol was involved. Maybe a blow-out or something like that that caused the accident. I am just wondering, in these circumstances, whether a policeman can actually take blood samples. The other thing, too, is that I still do not have an answer with regard to the definition of drugs here for the purpose of this act. Drugs could mean medical drugs as well as illegal drugs.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

HON. MICHAEL BALLANTYNE: To answer the Member's first question. The officer who came to the scene of an accident would have to have some reason to believe that alcohol and drugs were involved before a medical practitioner is brought into play. So there should be some evidence that there is alcohol and drugs involved in causing the accident.

Impairment By Drugs May Be By Legal Drugs

The second answer is that a person can be impaired by drugs, by any sort of drugs. One can be impaired by taking some drugs which one, perhaps, receives legally for medical reasons. That still does not absolve you of your responsibility. So, if for whatever reasons a policeman or a medical practitioner and then, ultimately, a judge thinks that the taking of these drugs actually impaired your abilities and contributed toward an accident, then you could be found guilty under that. So, it is a fairly broad definition of drugs.

CHAIRMAN (Mr. Erkloo): Thank you. Subsection 3, definitions. Mr. MacQuarrie.

MR. MacQUARRIE: Well, I have a concern with the answer that was given to the last question, because it seems to me that in a section where there are exclusions like this we are saying, rightfully I think, that where there are cases of individuals who have willfully debilitated their own abilities by using drugs or alcohol and have caused a serious accident and injured themselves, for that person we can understand why we would say, "You are not going to be covered because you are irresponsible and we do not think that others in society should have to cover you in that case." And it would mean "others in society" because if he was able to collect, then others have to help support the payments through increased premiums, and so on. But, I do not think that what we are saying is that some responsible person who was prescribed drugs by a doctor who never told him, "Look, you should not be driving if you take this dosage of drug", so the responsible person takes the medication, because he is told to do it, and starts driving and then becomes involved in an accident -- well, what you seem to be saying, to me, is that if they say that he had a package of pills in his pocket, and they compelled him to take a blood test, and the blood test shows, yes, he was impaired by drugs, what you seem to be saying is that he is not covered. Yet, I feel the intention of the legislation would still enable a person like that to be covered. Maybe it is hard to make the distinction; I do not know, but if it can, I think some attempt should be made.

AN HON. MEMBER: (Inaudible comment)

MR. MacQUARRIE: He would be convicted. Yes, but what I am saying is, in a sense, I do not think that he ought to be. If he really personally was under the impression that there was nothing wrong in doing that. He was simply following his doctor's orders and taking his medication. So, I do not think that it should be void in that case.

CHAIRMAN (Mr. Erkloo): Mr. Minister.

#### Judge Would Decide On Conviction

HON. MICHAEL BALLANTYNE: Excuse me, Mr. Chairman. I think the operative word here is "convicted". So that if, for whatever reason, a person was not aware, for instance, that the substance they were taking could impair them or that the quantity of substances that they were taking could impair them, that would be their defence to a judge. A judge would probably say, "You are not guilty." So I think that is the important component here is "convicted".

CHAIRMAN (Mr. Erkloo): Subsection 3, definitions, exclusions and special provisions of this section. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Page 39, clause 80. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Clause 81, insurance required. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Does the committee agree that Bill 12-87(1) is now ready for third reading as amended?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Erkloo): Thank you. I want to thank the Minister and his witnesses at this time. Mr. Butters, could you indicate which bill you want to deal with?

HON. TOM BUTTERS: Yesterday I indicated that possibly the chairman of the standing committee on public accounts might wish to proceed with his report at this time. If not, we could move to Bill 18-87(1), but whatever the committee desires.

CHAIRMAN (Mr. Erkloo): Mr. McCallum, are you ready to report the Fourth Report of the Standing Committee on Public Accounts at this time? Thank you. Do you wish to have opening remarks at this time?

Fourth Report Of The Standing Committee On Public Accounts

#### Chairman's Opening Remarks

MR. McCALLUM: Thank you, Mr. Chairman. I have given a verbal report of the work of the public accounts committee and I asked that the document be tabled in the House so that we could go through the various recommendations. I would like, now, to proceed with that if it is possible.

Before we get to the first recommendation, Mr. Chairman, I would simply like to say that there had been some concern raised both by Members of the committee and by the Auditor General about some of the responses made by the government to the recommendations in the report on "any other matter". Most of the responses begin with the statement "Agreed", which is followed with a promise not to do the same thing again or to provide documents or policies requested by the recommendations. The committee Members were of the opinion that what is actually needed is an admission that what was reported by the Auditor General did indeed happen and, further, that the admission should be followed with an explanation of the circumstances. We, as a committee, believe that the explanation should be forthright enough to acknowledge the responsibility of individuals where that is warranted. The comptroller general acts as a co-ordinator between departments and the Auditor General in obtaining the responses. The committee itself is satisfied that the comptroller general was in attendance during the discussion on this matter and that he would personally endeavour to see that the quality of responses would be improved upon in future years.

One of the other things that we dealt with was this whole matter of special warrants, Mr. Chairman. We noted that there had been quite a reduction in their use from 1984 to the year 1986-87. The Minister, the Hon. Tom Butters, presented a report on special warrants which contained a copy of a checklist that was used by the Financial Management Secretariat to assess each request for a special warrant. The committee Members were concerned that the criterion that a special warrant be in the overall public interest was not included in that checklist. The Minister of Finance said that it would only be proper to have that there but he did consider a request of the committee that he make a note to be sure that that particular criterion was in the checklist in the future.

We noted as well that, while the government is to be commended for its greater concern with the special warrant process, there are some times when the warrants are not being used where they should. We pointed out that in the February-March session of this year, there were requests presented to the Assembly for expenditures that had already been made. Here we had a situation where the request for supplementary funding was presented to the House only a few days before the end of the fiscal year. The timing factor was a concern. As a result, in one instance, a request for supplementary funds was denied.

Motion To Accept Recommendation One, Fourth Report Of The Standing Committee On Public Accounts, Carried

So, that leads me, Mr. Chairman, to the first recommendation. The first recommendation to the government is: It is recommended that the Auditor General, in his examination of the financial transactions of the government for the fiscal year 1986-87, report specifically on the following supplementary funding requests presented in Bill 25-87(1), Supplementary Appropriation Act No. 4, 1986-87; Department of Justice, Police Services Agreement, \$313,000; Department of Municipal and Community Affairs, sport and recreation, \$197,000; Department of Economic Development and Tourism, Expo '86, \$1.475 million; and Department of Education, various activities, \$452,000. I would move that recommendation.

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

SOME HON. MEMBERS: Question.

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

---Carried

Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. The next recommendation comes about as a result of the discussions we had with the Minister of Finance and with the deputy minister of the Executive, Mrs. Louise Vertes, of the role, the authorities, the membership and the reporting relationships of the audit committee. The Auditor General in his report on "any other matter" noted that there were several deficiencies with the audit committee and the Auditor General made a recommendation that the government should review the role, objectives and responsibilities of the audit committee with a view to developing a formal policy directive governing its activities. Areas of consideration should include, but not necessarily be limited to, authority, organizational status, terms of reference, composition, relationships, frequency of meetings, and the role and responsibilities of internal audit in the government. The response of the government in the report and of witnesses before the committee was that a review was being conducted by our internal audit bureau. The deputy minister of the Executive who chairs the audit committee indicated that as a result of that review, a comprehensive options paper is expected to be available to the Government Leader in early June. The committee on public accounts feels that the audit committee has a very important role in government and that this report, therefore, is very significant. We are pleased that the report will be made available before the end of the ninth session.

Motion To Accept Recommendation Two, Fourth Report Of The Standing Committee On Public Accounts, Carried

We make the following recommendation: It is recommended that the review of audit policy respond to all of the concerns of the Auditor General as expressed in his report on "any other matter" and that further it present a review of options and alternatives for discussion by Members of the

Executive, of the standing committee on public accounts, and of the Assembly before decisions respecting the audit committee are made. And I would so move that recommendation, Mr. Chairman.

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

---Carried

Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. While the options paper may suggest several reporting arrangements, the public accounts committee feels strongly that an elected official should have responsibility for the audit committee.

Motion To Accept Recommendation Three, Fourth Report Of The Standing Committee On Public Accounts, Carried

So, I will move the following recommendation, Mr. Chairman: It is recommended that the audit committee receive direction from, and report on its findings and activities to, an elected Member of the Executive Council.

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

---Carried

Mr. McCallum.

Retroactive Approval For Loans Payable By NWTHC

MR. McCALLUM: Thank you, Mr. Chairman. The public accounts committee dealt with the Housing Corporation of the Northwest Territories and noted that in the Auditor General's report on "any other matter", it advised that the corporation had borrowed a substantial amount from Canada Mortgage and Housing Corporation repayment of which, due to the agency relationship which exists between the Housing Corporation and the government, is guaranteed by the GNWT. In the opinion of the Auditor General that meant that the Government of the Northwest Territories has extended itself beyond approved borrowing limits set by the Northwest Territories Act. The Auditor General recommended that even though these loans were made in past years, retroactive approval by the Governor in Council should be requested for loans payable by the NWT Housing Corporation.

In our discussions with the Minister of Finance, Mr. Butters, and the Housing Corporation, we were informed that the territorial government's Department of Justice legal advisers had recently indicated their agreement with the Auditor General and that the government would be approaching the federal Department of Finance for the appropriate course of action. We would hope, as a committee, that an additional response on what that action might be would be made available to the public accounts committee and the Assembly during this session. We have not heard of anything yet, but I am hopeful that before we end that we will hear from the government. There are other concerns that the Auditor General commented upon with regard to the operation of the Housing Corporation. I do not think I have to go into those. There were no recommendations by the committee.

CHAIRMAN (Mr. Erkloo): Mr. Richard.

Mk. RICHARD: Mr. Chairman, this matter that Mr. McCallum was just referring to, the request for retroactive approval by the federal cabinet for an increase in the borrowing authority, could I ask if the Minister of Finance or the Government Leader or someone on behalf of the government could indicate whether that request has gone in and if there has been a response to it? While I have the microphone, Mr. Chairman, could I go back to the motion which was adopted, on the audit committee, and ask also if that review of the role of the audit committee, the whole thing that is referred to in here, is going to be reported on or available prior to the end of this session? Thank you.

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

HON. TOM BUTTERS: Mr. Chairman, the review on the role of the audit committee is being prepared, as Members were advised, for presentation to the Executive. I expect it could be on the Executive agenda in the very near future, although that agenda is very crowded, but it is in progress in

accordance with the promise that was made to the Members. I am not sure with regard to the progress on the first question. I will just inquire while this discussion is going on of the comptroller general and determine just where that particular initiative is at the moment.

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

MR. McCALLUM: Thank you, Mr. Chairman. One further comment regarding the Housing Corporation. During our committee meetings a question was asked of the Auditor General and his staff about the status of the comprehensive audit of the corporation since the committee had asked the Auditor General to conduct such an audit in its report in May 1985. The committee was told that this report might be completed by the fall of 1986. However, in response to that question, the Auditor General's staff responded that while the audit was proceeding well it was taking more time than was originally estimated. But the committee does expect that the report on the comprehensive audit of the NWT Housing Corporation will be available from the Office of the Auditor General later this year.

## Petroleum Products Revolving Fund

The next area leading to recommendation four, Mr. Chairman, deals with the petroleum products revolving fund. The concern here was with the methods of accounting in use for the petroleum products revolving fund. The Auditor General had noted that the government should change its accounting policy to charge the fund for all its assets in order to enable the full costs of operating the fund to be readily determined. As well, the Auditor General was concerned that neither the existing legislation creating the fund, nor policy directives, adequately identify appropriate administrative and financial reporting requirements for the operation of the fund. At the present time the Auditor General only does an examination of those aspects of the accounting of the fund as are incorporated into the government's financial statements, such as the accounts receivable. The financial statements of the government presently include, as an information item, a statement of the fund prepared by its officers.

The public accounts committee was told that the Department of Government Services was moving to adopt a system of charging assets, and depreciation of assets, to the fund and that a report on the advisability of such action was to be ready for the Financial Management Board in June of this year. We were told further that the Department of Finance was developing new financial reports and systems for the fund to aid in auditing. The public accounts committee is concerned about the size and scope of this division, since the sales of petroleum products are now approaching \$40 million per year, and the committee was of the opinion that a full audit of the fund was required. The committee was told that the department had approached the Auditor General for such an audit.

Motion To Accept Recommendation Four, Fourth Report Of The Standing Committee On Public Accounts, Carried

And so, Mr. Chairman, I would like to move recommendation four. The committee recommends that an audit be conducted annually, by the Office of the Auditor General, of the petroleum products revolving fund.

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

SOME HON. MEMBERS: Question.

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

---Carried

Mr. McCallum.

Motion To Accept Recommendation Five, Fourth Report Of The Standing Committee On Public Accounts, Carried

MR. McCALLUM: Thank you, Mr. Chairman. A further recommendation, and I would so move: It is recommended that the government should act upon the suggestion of the Auditor General and charge the petroleum products revolving fund for all of its assets.

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

SOME HON. MEMBERS: Question.

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

---Carried

Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. As well, in dealing with the petroleum products revolving fund, we noted that the unaudited statements currently prepared by this division of Government Services are consolidated into the financial statements of the government. We, as a committee, wanted to ensure that this process continues.

Motion To Accept Recommendation Six, Fourth Report Of The Standing Committee On Public Accounts, Carried

So, I would move recommendation six, that the financial statements of the petroleum products revolving fund, as audited by the Auditor General, be consolidated with the financial statements of the government.

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

SOME HON. MEMBERS: Question.

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

---Carried

Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. In addressing those three recommendations as they relate to the petroleum products revolving fund, Members of the committee also questioned whether the same conditions should apply to other funds, especially, and particularly, to the Liquor Commission. We were given, as a committee, the assurance of the Minister that he will have this matter reviewed and investigated.

Motion To Accept Recommendation Seven, Fourth Report Of The Standing Committee On Public Accounts, Agreed

However, the committee feels that such changes should be made wherever they are warranted and I would like to make the following recommendation: It is recommended that the government charge the NWT Liquor Commission for all of its assets.

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

SOME HON. MEMBERS: Question.

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

---Carried

Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. As I had indicated earlier, the committee is concerned about the size of the operations and the levels of responsibility of the petroleum products revolving fund. There was some discussion with the Minister of Finance on the possibility of setting up the petroleum products division as a crown corporation similar to the NWT Housing Corporation. When we dealt with Government Services the question was raised again with the deputy minister of Government Services. We heard that this possibility had been explored and considered

as long ago as 1979 and at that time it had been suggested the division could be sold to private business interests but no buyer could be found. We were also told that while the division is attempting to devolve much of its operation to the private sector, its experience has been that when economic times are difficult, such as a world price increase, the division is often asked to step in again to ensure complete and reasonably priced fuel delivery services.

As a result of those discussions and for those reasons and for clarity of responsibility of administration and of accounting, the committee felt that the formation of a crown corporation warranted serious consideration.

Motion To Accept Recommendation Eight, Fourth Report Of The Standing Committee On Public Accounts, Carried

So, I would like to move the following recommendation, Mr. Chairman: That the Department of Government Services, in consultation with the Department of Finance and the Office of the Auditor General, study the feasibility and implications of creating a territorial crown corporation to assume the responsibilities of the petroleum products division.

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

SOME HON. MEMBERS: Question.

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

---Carried

Mr. McCallum.

## Appreciation Of Role Of Comptroller General

MR. McCALLUM: Thank you, Mr. Chairman. When we met with the comptroller general who acts as the liaison person between our committee and the government and deals with the government's actions to implement recommendations made by the public accounts committee or by the Auditor General, we had recommended that the comptroller general be given this responsibility so that all departments would act in a timely manner on the recommendations of the committee and the Auditor General. I want to go on record, Mr. Chairman, as saying on behalf of the public accounts committee, that we have been very pleased with the work done by the comptroller general and his staff.

SOME HON. MEMBERS: Hear, hear!

MR. McCALLUM: As the departments become more aware of the co-ordinating role being served by the comptroller general, his effectiveness and therefore the effectiveness of the public accounts committee, will undoubtedly improve. We have suggested that the comptroller general and committee staff meet to design a response form that should be completed by departments and used by the comptroller general as a follow-up tool in terms of being accountable to the committee. This form, when it is developed, would include, among other things, the dates of responses, descriptions of departmental actions and the rationale for not addressing a recommendation. We would expect that these responses could then be made available at any time and particularly in advance of the annual review, for committee Members to evaluate and to question.

Mr. Chairman, when we were discussing the recommendations with the comptroller general, we were advised that manuals and policies requested of the Department of Education by the committee in both the previous two years are just now completed in a draft stage. The comptroller general has received a copy of the student financial assistance policies and procedures manual but had not received copies, up until that time, of the student services handbook and the procedures manual as they are only nearing completion. When we met with departmental officials, the committee was told that the regulations and the policy and the procedures manual were all in place and in use.

Our committee has also been concerned that formal agreements in respect to contributions to school boards and districts were not in effect. This year the department advised that agreements have been used for capital contributions and further that, despite a strong feeling that it is unnecessary, the department had asked the Department of Justice to review a suitable agreement for operating contributions. That agreement is expected to be implemented for all contributions in the

1987-88 school year. Because the department had taken so long to implement the changes that had been requested, the committee questioned the Department of Education when we met. I will come to a further recommendation dealing with the Department of Education later on, Mr. Chairman.

Mr. Chairman, in dealing with the Executive Council office, we had been concerned that appropriate guidelines be established for the Executive's use of its authority under section 4 of the contract regulations to award contracts without tender and to other than the low bidder, and especially that the documentation substantiating any such action be available. The comptroller general advised the committee that the regulations had been changed to require substantiating documentation but that no other guidelines are in place. Our committee does not feel that that is a satisfactory response to the concerns that we had. Guidelines should be established, and should establish the circumstances under which and the criteria by which, decisions to use the Executive authority can be made. These guidelines would serve as a check that a proposed action is in the public interest and appropriate at the time.

Motion To Accept Recommendation Nine, Fourth Report Of The Standing Committee On Public Accounts, Carried

So, Mr. Chairman, I will want to move the following recommendation which is a repeat of the first part of the recommendation from this committee last year. I move that the Executive Council develop guidelines to govern the appropriate use of its authority under section 4 of the government contract regulations.

CHAIRMAN (Mr. Gargan): Your motion is in order. To the motion. We do not have a quorum for a vote. Will the Sergeant-at-Arms ring the bell, please?

AN HON. MEMBER: Question.

CHAIRMAN (Mr. Gargan): Question being called. All those in favour? Opposed, if any? The recommendation nine is passed.

---Carried

Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. In discussions with the comptroller general we dealt with the Department of Finance and had a report on the recommendations to change certain features of the territorial accounts and the committee is pleased to note that these requests were put in place. Other requests that were made are being looked at as well.

In dealing with the Department of Public Works, the committee was concerned with what is called the "capital leases", that is, long-term commitments to lease a property for office space as opposed to the purchase or construction of the property. The committee wanted a study done to examine ways that the leases might be recognized as capital and voted on in the Assembly. The comptroller general, in his discussions with us, advised that a submission currently with the FMB will recommend that the costs of improvements done by the government as a tenant, should be capitalized. He advised that other aspects of the concern with leases are still under review and that if other changes are recommended, they will come to the attention of the committee. You should also note that the revised contract regulations requested by the committee were completed in June of last year.

In dealing with the Financial Management Secretariat, the comptroller general indicated to the committee that the proposed Financial Administration Act currently before the House will require that the Assembly is notified of any transfer of funds between activities at its next sitting.

#### Allowance For Doubtful Accounts Unrealistically High

With regard to territorial accounts, the comptroller general was questioned about the values and significance of the allowance for doubtful accounts. We were concerned that the allowances are set unrealistically high, that write-offs do not more closely approximate the allowance and that the large allowances might result in an attitude that makes collection less important and, therefore, less effective.

This was of particular concern, Mr. Chairman, with loans made under various Economic Development programs and with the students loan fund. The committee was told that the allowances were set based on historical trends and by identification of specific accounts. The seemingly high allowances in 1985-86 took into account some particularly large write-offs that were completed in 1986-87. However, I want the House to note, Mr. Chairman, that the committee is concerned and expects, as these large write-offs have been completed, that the allowances sought in future years will be reduced. We are further concerned that the managers of loan programs become much more diligent in their efforts to have successful collection results.

Another concern with the territorial accounts centred around the presentation of the schedule of operations. That statement presents information in a format different from the main estimates documents which were considered in the Assembly, particularly because the schedule of operations ignored the supplementary and capital reserves which were predicted in the estimates. Our committee Members found this process to be misleading both to the Assembly and to the public. Because the Auditor General's staff agreed that different presentation formats might be inappropriate and indicated to the committee that they would undertake to review this process with the comptroller general, we do not make a recommendation at this time.

# Unsatisfactory Response Time Of Department Of Education

As I had indicated earlier, Mr. Chairman, in relation to the Department of Education, the committee wanted particularly to notify officials of this department that it was concerned with the lengthy time period taken to implement the actions requested by the public accounts committee. The committee noted that procedures, policies, manuals, and regulations appeared to be in place or developed awaiting some final approvals. We noted, as well, that agreements would finally be entered into with school boards. We acknowledge that something is now being done to address the committee's concerns but the committee does not feel that the lateness of departmental actions can go without remark.

This department has taken three years to address the problems brought to its attention both by the Auditor General and by this committee. That response time, Mr. Chairman, is simply not satisfactory. This department and, indeed, all departments of the government must understand that the recommendations of the auditor and of this committee are made in the interest of the public. It is our role to ensure that adequate safeguards are in place so that expenditures of public money are made in an appropriate manner. Departments must know that these recommendations are to be implemented unless a satisfactory explanation is provided that changes the expectations of the committee.

The committee also questioned the departmental officials about its nearly 25 per cent allowance for doubtful accounts and the effectiveness of its collection efforts relating to the students loan fund. Several reasons were given to explain why the allowance is high, including the difficulty and costs involved in collecting loans from students who do not return north and are scattered around the country. The committee noted that one of the reasons that problems had been noted with the loan fund for several years may well be that the department continues to use a high percentage of casual help within this section. Our committee feels that it is important that person years be reallocated so that well-trained, competent staff can be made available to assist those full-time staff currently working in the area of student assistance.

One of the other things that came to our attention, Mr. Chairman, in the Department of Education was a supplementary funding request for \$17,000 in capital for college programs when at the end of the year a substantial lapse occurred. The response given to this question indicated to the committee that government departments are not making appropriate use of the quarterly variance reports. We accept that early in the fiscal year, departments expect to use all the money in their budgets and may feel a supplementary is necessary, but we recognize as well that there must surely be a time, probably as soon as the end of the first quarter, when potential lapses can be identified. We further note that the government in its budget process anticipates a certain amount of lapsing each year. The public accounts committee feels that small supplementary requests, with better examination and more forethought, could be avoided. The examination role is one that would be best done by the Financial Management Secretariat, who might in some instances be able to advise departments not to go forward to the House with such a request. The FMS has developed a checklist to test a request for a special warrant against certain criteria before approving the warrant.

Motion To Accept Recommendation 10, Fourth Report Of The Standing Committee On Public Accounts, Carried

So, Mr. Chairman, I would like to move the following recommendation: That the Financial Management Secretariat develop a checklist of criteria to be met before a request for supplementary funding is presented to the Assembly. This checklist should include, but not be limited to, a review of the most current variance reports identifying potential areas of lapse that would allow for the transfer of funds, and consideration of the size of the request balanced against potential lapses budgeted for within the activity.

CHAIRMAN (Mr. Gargan): Thank you, Mr. McCallum. Your motion is in order. To the motion. Question is being called. All those in favour? Opposed, if any? The motion, recommendation 10, is carried.

---Carried

Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. In our meetings with the Department of Economic Development and Tourism, Members of the committee questioned witnesses on procedures which had been put in place to ensure that individuals and companies with bad debts written off by this government are known to lenders within the government. The committee wanted to make it clear that this process was not intended to prohibit further loans but to allow for caution in lending decisions and for better education of these applicants regarding their responsibilities when borrowing from this government. We were told that the Department of Finance circulates a list of write-offs. Economic Development loan boards are made aware of these lists as well as getting reports on overdue accounts at every meeting. We were also told that a newly implemented version of the department's computerized loan accounting system would assist the department to identify doubtful accounts through a printed ageing schedule. This same accounting system has been improved to address the Auditor General's concerns regarding the calculation of interest.

However, Mr. Chairman, a major concern of the committee came as a result of the responses given by the department to the Auditor General following his several concerns with the operation of the business loans and guarantees fund. Those concerns included poor documentation in loan files and inattention to several procedures already established. The departmental response was that the secretary to the loan board would get direction to ensure that new loans were adequately documented and to ensure that written procedures are complied with. The committee was of the opinion that the experience and ability of the staff in place warranted examination. It was pointed out that in the case of the loan fund and the security pilot project, policies and procedures were in place and that this committee had nowhere else to look but to the personnel side of the issue, to the staff and especially the management responsible for this fund.

 $\hbox{Motion To Accept Recommendation 11, Fourth Report 0f The Standing Committee On Public Accounts, } \\ \hbox{Carried}$ 

So, Mr. Chairman, we make this recommendation: I would move, that senior officials of the Department of Economic Development and Tourism re-examine job descriptions and classification analysis and exercise care with departmental hiring practices; and further, do performance evaluations of employees and provide training support where required.

CHAIRMAN (Mr. Gargan): Thank you, Mr. McCallum. Your motion is in order. To the motion. Mr. Pedersen. Question is being called. All those in favour? Opposed, if any? Recommendation 11 is carried.

---Carried

Mr. McCallum.

MR. McCALLUM: Thank you, Mr. Chairman. The public accounts committee is of the understanding that the government's program performance measurement system was to be fully implemented in all departments as of April 1987. We suggested that next year the committee should review this department's success based on the performance indicators which it has put in place. The department being the Department of Economic Development and Tourism.

We questioned as well the values of the contract security pilot project. That program was scheduled to expire in March of this year. A report on its effectiveness and its future was asked for and is expected during the continuation of the ninth session.

CHAIRMAN (Mr. Gargan): Mr. Richard.

## Contract Security Pilot Project

MR. RICHARD: Thank you, Mr. Chairman. On the issue that Mr. McCallum just finished addressing, the contract security pilot project within the Department of Economic Development, I would like to ask, Mr. Chairman, the Minister of Economic Development and Tourism about the report on the results of that pilot project. We understood in the committee that it was a two-year program, or pilot project, and that it expired earlier this year, I think at the end of the fiscal year. When might the Assembly expect to receive the results of that pilot project? Are we going to continue to do that sort of thing in the future? Or just what is happening with the two-year project? Thank you.

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

HON. NICK SIBBESTON: Mr. Chairman, if the Member would permit me to, I would like to take the question as notice and provide a response to him as quickly as possible.

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

MR. McCALLUM: Thank you, Mr. Chairman. Mr. Chairman, in closing our report on the Department of Economic Development and Tourism, the committee wants to express its disappointment with the apparent lack of regard exhibited by the department for the work of this committee. The committee normally expects the deputy minister of a department to appear if no request to be absent is received by the chairman before commencement of the hearings. Members of the public accounts committee felt that the witnesses were poorly prepared to answer to the concerns of the committee and their responses were, therefore, incomplete, uninformative, and generally unsatisfactory. One of the problems was clearly that the witnesses sent by the department were not sufficiently senior to accept responsibility for departmental problems or to assume responsibility for corrective action that might be necessary.

Appreciation Expressed By Committee To Department Of Public Works And Highways

As well, Mr. Chairman, as perhaps indicating that, I want to go on record on behalf of the Members of the committee to express our appreciation to the Department of Public Works and Highways, the deputy minister and his staff. We recognize that the effort made by the officials of this department in addressing concerns brought to their attention by the committee has been excellent. There have been adequate responses, more than adequate responses, to the committee's recommendations of previous years and co-ordination of responses and information between departmental officials, the Department of Finance and the committee staff have been excellent.

We have the assurance of the department and of the comptroller general that procedures are now in place that would prevent any problems concerning the identification and control of leased escalation payments. We have noted that in the areas of accommodation services and utilities there were substantial lapses. The department advises that as a result there were reductions in the base funding level for 1986-87. I might note that that may have been a first for government departments. So I want, on behalf of our committee, to commend the department and its deputy minister and officials for its very responsible budget practices.

## Department Of Government Services Welcomes Change

We dealt with the Department of Government Services, as I had indicated, Mr. Chairman, and here the Auditor General in his report in "any other matter" recommends, as I said before, that the government change its accounting practices to charge the petroleum products revolving fund for all its assets. We were concerned that current legislation did not provide for adequate financial controls. We were told that the department welcomes the change that would require a full audit by the Office of the Auditor General. So I had moved recommendations four, five and six in relation to that particular department.

Finally, Mr. Chairman, the Auditor General has expressed two concerns with the Legislative Assembly relating to the definition of "allowable constituency expenses" and the use of discretionary funds by Members for donations. The Clerk of the Assembly advised the committee that a three-person commission had been appointed to examine several policy and procedural areas and that its report would include recommendations on these issues. That report is expected to go before caucus at the continuation of the ninth session.

In conclusion, then, Mr. Chairman, on behalf of the standing committee Members, I would simply like to indicate to the House and to Members of this committee, that this particular committee of the Assembly, I believe, has done a very efficient and responsible job in bringing forward certain concerns to the government. My predecessors as chairman of the public accounts committee laid the groundwork for it and I believe that present Members of the public accounts committee are becoming very knowledgeable in many areas of government operation.

## Appreciation Expressed

I want to thank the Minister of Finance, the Hon. Tom Butters, and the comptroller general, Mr. Jim Nelson, for their co-operation and invaluable assistance. As well, the staff of the Auditor General have been very gracious and generous with their support of this committee. Also we have had in the public accounts committee, during my tenure here, a great deal of help from the Clerk's office: Mr. Hamilton, Mr. Zoe, Mr. Montagano and other people who have been associated with it. On behalf of the committee, I would like to express our appreciation to each and every one for their assistance in it. Thank you very much.

#### ---Applause

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

## Appreciation For Work Of Standing Committee On Public Accounts

HON. TOM BUTTERS: Thank you, Mr. Chairman. I would like to just, at the conclusion of the chairman's report, congratulate Mr. McCallum and his committee on an excellent job. It is a very difficult and sometimes tedious chore to dig over and examine old records and old numbers, but I wish to assure him that the government appreciates the work that has been done. The recommendations that have been made as a result of the labours of the committee will be addressed and responded to in a positive and practical manner.

Improvements in government do not come with one fell swoop. They occur by degrees and it is the work of Mr. McCallum's committee and other committees of this House that improve the responsibility and the responsiveness of your government. Thank you, sir.

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

MR. McCALLUM: Thank you, Mr. Chairman. Just in thanking other people, I forgot to mention a very important person of our committee and that is Miss Alice Charlie, who has served as secretary to the committee. I would not want any kudos going to other people and not to her, so I would like to include her as well for the help that she gave us. Thank you.

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

HON. TOM BUTTERS: I know Mr. Wray is anxious to make his opening remarks on his bill. I would just like to indicate, in response to Mr. Richard's question, that we have not sent out a direct request as yet with regard to that matter of the Housing Corporation but it has been expected, as officials from the Department of Justice and this government are working and have worked with the Justice people, people from the Auditor General's office and the Department of Finance, that this matter is going ahead. But I will check, in view of the Member's concern, and assure myself that action is being taken in that area. But, I say, it has been a joint approach by the two levels of government to date on that matter.

 $\hbox{CHAIRMAN (Mr. Gargan): Thank you, Mr. Butters. Does the committee agree the fourth report of the standing committee on public accounts is concluded?}$ 

SOME HON. MEMBERS: Agreed.

---Agreed

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

HON. TOM BUTTERS: Mr. Chairman, if we might proceed to Bill 18-87(1), Property Assessment and Taxation Act.

## Bill 18-87(1): Property Assessment And Taxation Act

CHAIRMAN (Mr. Gargan): We will proceed with Bill 18-87(1), An Act Respecting the Assessment of Property and the Levying and Collection of Property Tax in the Northwest Territories. Mr. Wray, would you like to make your opening remarks?

#### Minister's Opening Remarks

HON. GORDON WRAY: Thank you, Mr. Chairman. Mr. Chairman, Bill 18-87(1), the proposed Property Assessment and Taxation Act, is the final piece of new legislation in the local government package to replace the present Municipal Act. It also replaces the Taxation Act which contains all of the provisions for the assessment and taxation of land not within municipal boundaries of cities, towns and villages. The bill is somewhat different from the other five pieces of local government legislation inasmuch as it is a very technical bill and does not contain very much which is new. An additional level of appeal against assessment has, however, been added for the benefit of taxpayers.

### Provisions To Recover Arrears Of Property Taxes

Another change, to which the Member for Yellowknife South has referred, concerns the sale of property for arrears of taxes. The present Municipal Act and the Taxation Act both require that each year a list of property for which taxes are in arrears be drawn up and published. Every property for which the taxes are not paid by a certain date is then offered for sale at an auction or is bought by the municipality or this government, which may exercise their prior right to do so. If the taxes are still not paid within the next six months, application may be made to a judge to confirm the sale. If the judge does so, the owner loses his property.

This bill proposes a new way of dealing with delinquent taxpayers. It amounts to a simplified method of obtaining a court judgment for the debt by a certificate of tax arrears instead of threatening to sell their homes at a tax sale, as the present act provides. In the last resort, however, if the property owner continues to fail to pay the taxes, the Seizures Act, with a small consequential amendment, and the provisions of the federal Land Titles Act make it still possible to recover the arrears of the tax by sale of the property.

With reference to the concerns of municipalities on the tax provisions, in each case of the tax-based municipalities, there was initial concern about the lack of tax sale provisions in the proposed act but when the alternative collection process, using tax arrears certificates under sections 96 and 97, was explained and discussed, there was a certain amount of relief and satisfaction from the municipalities.

In particular the town of Iqaluit found the new procedure more appropriate since, in the Eastern Arctic, leases are more common than land ownership and tax sales are therefore less useful. The city of Yellowknife, on the other hand, while acknowledging that the system may be better, wishes to reserve comment on direct application to the courts until they have tried the procedure. Under the present acts, I should point out, the procedure has been tried and, of course, is successful with respect to mobile units and improvements on crown lands.

This bill was the last of the six pieces of local government legislation to be drafted. Because of its importance in relationship to the other acts, it also had to be presented at this present time. However, I must admit that because of time constraints, because of the technical nature of the bill, because of translation problems, the type of consultation which took place with the previous five acts was not as extensive on this act as it could have been.

We have, however, received some useful and constructive criticism from the tax-based communities in the limited time that they had and the draft has been amended several times as a result. For instance, a provision has now been included to allow historical resources to be exempt from taxation and I shall be proposing one or two other amendments as a result of further consultation.

#### Recommendations Of Watson Report On Assessment And Taxation

A number of recommendations contained in the Watson report on assessment and taxation in the Northwest Territories have been incorporated in the new legislation. These include an earlier date for the preparation of assessment rolls, availability of assessment rolls for public inspection and the establishment of one general taxation area, as well as several items of a more technical nature.

The bill provides for all assessment to be completed by the Department of Municipal and Community Affairs. Tax on properties in municipalities is levied and collected by individual municipal taxing authorities, which at present mean cities, towns, and villages, but under the new act could also include hamlets and charter communities. In the general taxation area, which is all areas outside of tax-based municipalities, property taxation is the responsibility of the Department of Finance. The passage of this bill for implementation on January 1, 1988, will complete the package of the local government acts. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. Minister. Mr. MacQuarrie, do you want to say something as the chairman of the legislation committee?

Comments From Standing Committee On Legislation

MR. MacQUARRIE: Yes, thank you, Mr. Chairman. This is obviously a very important act and it has significant implications for municipalities and for property owners generally. As I said yesterday, in respect to another bill, this also was one, regrettably, that was not received in time to be widely distributed so that there could be input from other municipalities in time for a standing committee on legislation meeting, and no opportunity for a thorough review by the standing committee on legislation for the reason that there was not time for input; for the reason that the bill was received near the end of the scheduled standing committee meeting; for the reason that when it was received, it was not translated; and so on. So, it simply has not had the thorough kind of review which we try to give to other bills.

Yet, the committee recognized the importance of changes in this act coming into effect at the same time as new local government legislation is coming into effect. And so, the committee did undertake to not go clause by clause through the act but simply to have a look at a summary that was presented by the department. As a result of that, there were a couple of issues that were noted. One was some concern expressed with the change in tax sale provisions, but the committee really did not know what the implications were. The Minister has noted today that the government is attempting to make some change in respect to that, I think, that he hopes will address it. Perhaps he is confident it will address it. There also was the matter raised as to whether, if there were certain exemptions, whether heritage resources, which were just recently recognized in the other local government legislation, could perhaps be eligible for exemptions. I believe the Minister is attempting to make changes that will accommodate that to some extent at any rate.

After the committee had concluded its, not thorough enough, examination of the bill, a letter was received from the town of Inuvik that set out a number of comments dealing with various parts of the bill. The best that I can do under the circumstances, and I will undertake to do it, is that as we are proceeding through the bill, I will read into the record the concerns that are expressed. I hope that the government will respond to them, either indicating why there ought not to be a concern in that regard or perhaps undertaking to delve a little further into the matter and perhaps make some changes that would seem appropriate.

No Motion From Standing Committee On Legislation Recommending Bill 18-87(1)

At any rate, Mr. Chairman, with this bill, as with the Insurance Act, I cannot give this committee the comfort of knowing that the standing committee on legislation thoroughly and comprehensively reviewed the bill, and therefore, there is no motion recommending the bill as it is to this committee. I can only say that in general, having gone through this summary, that committee Members seemed in most ways to be supportive of the bill, but in a sense, I, as the chairman, cannot guarantee that there may not be issues within the bill that might not concern certain Members in the House. So those are my remarks, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): Thank you, Mr. MacQuarrie. Mr. Minister, do you wish to bring in witnesses at this time? Mr. Richard.

MR. RICHARD: Thank you, Mr. Chairman. We are close to the hour, but perhaps I could put some general comments on the record and then maybe we can report progress until tomorrow.

Mr. Chairman, I had expressed earlier, when we were considering the Cities, Towns and Villages Act, my concern that the tax sale provisions of the Municipal Act were being repealed in that other bill, and they are not being replaced by tax sale provisions in this Bill 18-87(1). The Minister has acknowledged, as he always does fairly, that there has not been quite the consultation process on this bill as there was with the bulk of the legislative package dealing with municipal government. But, notwithstanding that admission, Mr. Chairman, I have a real concern, a genuine concern, that the tax-based municipalities that are being affected by the repeal of the tax sale provisions are just not aware of what is happening to their remedies to collect their tax arrears.

The Minister tabled, in this Assembly in October of 1986, Tabled Document 36-86(2), a statement of intent regarding this bill. And it was a summary of what they were doing. They were going to bring in a bill on these topics -- on assessment, taxation and collection. It stated in one part of this document, this statement of intent -- I believe that this document went out to the municipalities at that time last fall -- that, "For properties on which taxes remain unpaid for an unduly long period, tax sale provisions would be simplified, allowing for the purchase of properties by the taxing authority in the first instance, for ultimate disposal as the taxing authority sees fit." That is very similar to what is the case in the current Municipal Act legislation.

No Warning To Communities That Bill 18-87(1) Would Remove Tax Sale Provisions

So, my point is that there was no warning, back in October when this statement of intent went out to the tax-based municipalities, that Bill 18-87(1) was going to, in effect, take away their tax sale provisions.

The Minister did get the bill out about a month ago, or two weeks ago anyway, to the municipalities and there is the letter, as Mr. MacQuarrie says, from the town of Inuvik. Minister Wray just indicated, in paraphrasing the city of Yellowknife's position, that while they concede that the proposed system may be better, they reserve comment on its application. Well, that, with respect, Mr. Chairman, is not what the city has said under the topic of tax arrears. Their comment is, "We have concern over the elimination of the ability of a municipality to conduct tax sales." In a brief conversation with the Member representing the municipality of Fort Smith in this Assembly, I understand that they have not had an opportunity to comment on it, but I leave it to Mr. McCallum to address that.

Proposed Procedure More Onerous On Taxpayer

Mr. Chairman, it may be that the municipalities, if they were all here in the room through their chosen representatives, would agree with the new system. It is clearly a different remedy they are going to have. It is not as effective in some respects. The proposed procedure is more onerous, in some respects, on the landowner, the taxpayer. That person is losing some of his rights under this proposal. I guess I would have to ask the Minister from the outset, what led to the tax sale provisions being repealed? Were the municipalities, who use these tax sale provisions, complaining about these tax sale provisions? Were they unworkable, and if not, why is the senior level of government replacing the tax sale provisions?

Mr. Wray indicated earlier in this session that he felt that the municipalities were abusing the certain right that they have and they were, I believe he said, expropriating some property through the tax sale provisions when that is not really what the provisions were intended for, but if that is a genuine concern of the senior level of government, then is it not a simple matter of repealing that particular prerogative of the municipality, to take land rather than disposing of it through a fair tax sale? I understand, in fact, that the statistics show that the tax sale provisions to date are actually more of a threatening procedure than an actual land grabbing or sale of land mechanism, in that 90 per cent or 95 per cent or some large per cent of taxpayers eventually do pay their taxes at the 11th hour, only after the threat of a tax sale is confirmed by court order.

The only other comments I have, Mr. Chairman, I guess, are specifically with respect to the new proposal. I have some questions on it and when we come to section 96, if the Minister is going to proceed with it, perhaps I can address the technical matters when we come to section 96. But I still have the general concern that the municipalities affected are unaware of what is coming down the tube. Thank you.

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

MR. MacQUARRIE: Yes. I indicated that at appropriate times, I would simply read in the comments that the town of Inuvik had made with the committee in a letter that was received too late to deal with within the committee.

No Mention Of Grants In Lieu

Under general comments, the first comment is that in the act there is no mention of grants in lieu. Grants in lieu to be covered by law to protect municipalities such as Inuvik where the governments are the major landowners. It appears that rules governing grants in lieu do not exist in other GNWT legislation. It is our opinion that there must be laws governing grants in lieu and it may be appropriate that they are incorporated into this law. Now, it could be that there is some good constitutional reason why this kind of thing is not done. But I am sure that at an appropriate time, the Minister will explain that.

The second comment is the proposed act has no sections dealing with the sale of land for taxes which are currently part of the existing Municipal Act. Will the provision for the sale of land for taxes be included in a separate act? So in other words, they also had that same concern. They noted the omission but seemed to be assuming that it would be picked up somewhere else. So, if it were not, it seems to me that they may have a serious concern about that. Their third and last general comment says, "We find the new format, which removes the sections dealing with property and assessment and taxation from the old Municipal Act to a separate act, to be an excellent idea." So, they generally like the idea that there is a separate Property Assessment and Taxation Act.

CHAIRMAN (Mr. Erkloo): Mr. MacQuarrie.

MR. MacQUARRIE: I move that we report progress, Mr. Chairman.

CHAIRMAN (Mr. Erkloo): There is a motion to report progress. All those in favour? Opposed, if any? The motion is carried.

---Carried

I will rise and report progress.

MR. SPEAKER: Order, please. Mr. Erkloo.

ITEM 18: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 12-87(1), INSURANCE ACT; FOURTH REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS; BILL 18-87(1), PROPERTY ASSESSMENT AND TAXATION ACT

MR. ERKLOO: Mr. Speaker, your committee has been considering Bill 12-87(1), Bill 18-87(1) and the Fourth Report of the Standing Committee on Public Accounts and wishes to report that Bill 12-87(1) is now ready for third reading as amended. Further, Mr. Speaker, the Fourth Report of the Standing Committee on Public Accounts is concluded, with 11 recommendations being adopted.

Motion To Accept Report Of Committee Of The Whole, Carried

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

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

SOME HON. MEMBERS: Agreed.

---Carried

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

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. There will be a Management and Services Board meeting tomorrow morning at 9:30 a.m.

## ITEM 20: ORDERS OF THE DAY

Orders of the day for Thursday, June 11th at 1:00 p.m.

- 1. Prayer
- 2. Ministers' Statements
- 3. Members' Statements
- 4. Returns to Oral Questions
- 5. Oral Questions
- 6. Written Questions
- 7. Returns to Written Questions
- 8. Replies to Opening Address
- 9. Petitions
- 10. Reports of Standing and Special Committees
- 11. Tabling of Documents
- 12. Notices of Motion
- 13. Notices of Motion for First Reading of Bills
- 14. Motions
- 15. First Reading of Bills
- 16. Second Reading of Bills
- 17. Consideration in Committee of the Whole of Bills and Other Matters: Bills 5-87(1), 18-87(1), 20-87(1), 36-87(1), 37-87(1); Tabled Document 72-87(1); Bills 38-87(1), 28-87(1), 35-87(1)
- 18. Report of Committee of the Whole
- 19. Third Reading of Bills
- 20. Orders of the Day.
- MR. SPEAKER: This House stands adjourned until June 11th at 1:00 p.m.
- ---ADJOURNMENT