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

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

Speaker

The Hon. Donald M. Stewart, M.L.A.
P.O. Box 1877
Hay River, N.W.T., X0E 0R0
Office (403) 874-2324
Home (403) 874-6560
Office (403) 873-7629 (Yellowknife)
(Hay River)

Angottitauruq, Mr. Michael, M.L.A.
Gjoa Haven, N.W.T.
X0E 1J0
Office (403) 360-6600
(Natilikmiot)

Appaqaq, Mr. Moses, M.L.A.
Sanikiluaq, N.W.T.
X0A 0W0
Home (819) 266-8808
(Hudson Bay)

Arlooktoo, Mr. Joe, M.L.A.
Lake Harbour, N.W.T.
X0A 0N0
Home (819) 939-2363
(Baffin South)

Ballantyne, The Hon. Michael, M.L.A.
P.O. Box 1091
Yellowknife, N.W.T.
X1A 2N8
Office (403) 873-7658
Home (403) 920-2968
(Yellowknife North)
Minister of Justice and Housing

Butters, The Hon. Thomas H., M.L.A.
P.O. Box 908
Yellowknife, N.W.T.
X1A 2N7
Office (403) 873-7128
Home (403) 920-4411 (Yellowknife)
(403) 979-2373 (Inuvik)
(Inuvik)
Minister of Finance

Cournoyey, Ms Nellie J., M.L.A.
P.O. Box 156
Tuktoyaktuk, N.W.T.
X0E 1C0
Office (403) 979-2737 (Inuvik)
Home (403) 977-2405
(Nunakput)

Curley, Mr. Tagak E.C., M.L.A.
P.O. Box 36
Rankin Inlet, N.W.T.
X0C 0G0
Office (403) 873-7139
Home (819) 645-2951
(Aivilik)

Erkloo, Mr. Elijah, M.L.A.
Pond Inlet, N.W.T.
X0A 0S0
Office (819) 899-8903
Home (819) 899-8845
(Amittuq)
Deputy Chairman, Committee of the
Whole

Gargan, Mr. Samuel, M.L.A.
P.O. Box 2131
Yellowknife, N.W.T.
X1A 2P6
Office (403) 873-7999
Home (403) 699-3171
(Deh Cho)
Deputy Chairman, Committee of the
Whole

Lawrence, Mrs. Eliza, M.L.A.
P.O. Box 2053
Yellowknife, N.W.T.
X1A 1W9
Office (403) 920-8052
Home (403) 873-2457
(Tu Nedhe)

MacQuarrie, Mr. Robert, M.L.A.
P.O. Box 2895
Yellowknife, N.W.T.
X1A 2R2
Office (403) 873-7918
Home (403) 873-8857
(Yellowknife Centre)

McCallum, Mr. Arnold, M.L.A.
P.O. Box 454
Fort Smith, N.W.T.
X0E 0P0
Office (403) 872-3224
Home (403) 872-2246
(Slave River)

McLaughlin, The Hon. Bruce, M.L.A.
P.O. Box 2637
Yellowknife, N.W.T.
X1A 2P9
Office (403) 873-7113
Home (403) 873-6200 (Yellowknife)
(403) 393-2939 (Pine Point)
(Pine Point)
Minister of Health and Social Services

Nerysoo, Mr. Richard W., M.L.A.
Fort McPherson, N.W.T.
X0E 0J0
Office (403) 979-7112 (Inuvik)
Home (403) 979-2668 (Inuvik)
(Mackenzie Delta)

Paniloo, Mr. Pauloosie, M.L.A.
Clyde River, N.W.T.
X0A 0E0
Office (819) 924-6336
Home (819) 924-6340
(Baffin Central)

Patterson, The Hon. Dennis G., M.L.A.
P.O. Box 310
Iqaluit, N.W.T.
X0A 0H0
Office (819) 979-5993 (Iqaluit)
(403) 873-7123
Home (819) 979-6618
(Iqaluit)
Minister of Education

Pedersen, The Hon. Red, M.L.A.
Coppermine, N.W.T.
X0E 0E0
Office (403) 873-7959
Home (403) 982-5221
(Kitikmeot West)
Minister of Renewable Resources and
Personnel

Pudluk, The Hon. Ludy, M.L.A.
P.O. Box 240
Resolute, N.W.T.
X0A 0V0
Home (819) 252-3719
(High Arctic)
Minister of Culture &
Communications and Government
Services

Richard, Mr. Ted, M.L.A.
P.O. Box 1320
Yellowknife, N.W.T.
X1A 2L9
Office (403) 873-7920
Home (403) 873-3667
(Yellowknife South)

Sibbeston, The Hon. Nick G., M.L.A.
P.O. Box 560
Fort Simpson, N.W.T.
X0E 0N0
Office (403) 873-7112
Home (403) 695-2565
(Nahendeh)
Government Leader, Chairman of
Executive Council and Minister of
Economic Development & Tourism

T'Seleie, Mr. John, M.L.A.
Fort Good Hope, N.W.T.
X0E 0H0
Home (403) 598-2325
(Sahtu)

Wah-Shee, Mr. James, M.L.A.
P.O. Box 471
Yellowknife, N.W.T.
X1A 2N4
Office (403) 873-8099
Home (403) 873-8012
(Rae-Lac la Martre)
Deputy Speaker and Chairman,
Committee of the Whole

Wray, The Hon. Gordon, M.L.A.
Baker Lake, N.W.T.
X0C 0A0
Office (403) 873-7962
Home (819) 793-2700
(Kivallivik)
Minister of Municipal &
Community Affairs and
Public Works & Highways

Officers

Clerk
Mr. David M. Hamilton
Yellowknife, N.W.T.

Clerk Assistant
Mr. Henry Zoe
Yellowknife, N.W.T.

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Yellowknife, N.W.T.

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YELLOWKNIFE, NORTHWEST TERRITORIES

FRIDAY, JUNE 12, 1987

MEMBERS PRESENT

Mr. Appaqaq, Hon. Tom Butters, Hon. Michael Ballantyne, Mr. Curley, Mr. Gargan, Mrs. Lawrence, Mr. MacQuarrie, Mr. McCallum, Hon. Bruce McLaughlin, 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 Friday, June 12. Item 2, Ministers' statements. Mr. Ballantyne.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 72-87(1): Deputy Minister Of Justice, Mr. Stien Lal

HON. MICHAEL BALLANTYNE: Mr. Speaker, I rise to bid farewell to my deputy minister of Justice, Mr. Stien Lal, who is leaving us tomorrow to pursue a new career as general counsel to the Canadian Human Rights Commission. Mr. Speaker, at this time I feel it is most appropriate to publicly acknowledge Mr. Lal's outstanding contribution to the Northwest Territories and extend to him our sincerest thanks for the loyal service provided by him to the Government of the Northwest Territories over the past 10 years. Mr. Lal in his quiet, efficient manner has made many significant contributions to the Government of the Northwest Territories as legal adviser to the Executive Council and the Legislative Assembly and as the deputy minister of Justice. Mr. Lal's noble accomplishments include advancing northern concerns during the 1982 patriation of the constitution negotiations and, more recently, during our government's attempt to honour the 1987 constitutional accord.

Mr. Lal represented Canada at the international inquiry into the Air India disaster, a position he handled with his usual diplomatic style and skill. Of all his numerous accomplishments, Mr. Lal has to be remembered for his commitment, concern and compassion for championing the rights of aboriginal people and other minority groups. Throughout his career Mr. Lal has only served with sensitivity to the needs, goals and aspirations of northern people. I know I speak on behalf of all Members of this House when I wish him all the best in his new position as general counsel to the Canadian Human Rights Commission. I know that his talent, skill and sensitivity will be greatly missed by this government. Thank you.

---Applause and standing ovation

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

MR. MacQUARRIE: Point of order.

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

MR. MacQUARRIE: Mr. Speaker, sometimes with respect to votes, the Speaker says, "In respect of that vote please note that it was unanimous." Could I ask that in respect of that ovation it be noted in the record that it was a standing ovation?

---Applause

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

Minister's Statement 73-87(1): Tax Reform

HON. TOM BUTTERS: Mr. Speaker, I wish to thank the Member for Yellowknife South who is just standing behind me for his...

MR. RICHARD: I always stand behind you, Tom.

HON. TOM BUTTERS: That's what I like to hear, especially during the money bills. I thank him for his Member's comment yesterday when he referred to the potential serious consequences of the tax reform for the Northwest Territories and residents. Members will recall, I arranged for a briefing of MLAs earlier this week to advise them of our expectations with regard to that reform. I would like to speak to the House now on the basis of what we do know and what this government intends to do.

Mr. Speaker, in a discussion paper released with the May 19th, 1985 federal budget, the Hon. Michael Wilson, the Minister of Finance Canada, opened the way for a public discussion of the corporate income tax system. The purpose of the paper was to provide information to spark serious public discussion. Concurrently with the work being done on corporate tax the federal government was also working on changing the federal sales tax system to a value-added tax system. Initially it was expected that a consultation paper on value-added tax would be released in late 1985.

Over the intervening few years, the Government of Canada had discussions with all sectors of the economy, the provinces and the Territories, and business people across the country. In July, 1986, the Hon. Michael Wilson announced that the federal government intended to proceed with the review of options for comprehensive tax reform with the goal of broadening the tax base by eliminating deductions and exemptions, thereby enabling a reduction of tax rates. This was followed by the issuance of a paper in October, 1986, outlining the guidelines for tax reform in Canada which are: 1) fairness -- fair sharing of the tax burden among taxpayers; 2) simplicity in compliance -- making compliance easier by making the tax system simpler; 3) balance -- rebalancing the government's revenue sources between personal, corporate and sales taxes so as to reduce the burden on personal income taxes; 4) stability -- increasing the certainty of achieving federal revenue goals but not with the objective of raising more federal tax revenues; 5) international competitiveness -- the system should reinforce the ability of Canadians to compete internationally; 6) economic growth -- the system should encourage efficient economic growth rather than having business and investment decisions based on tax avoidance; and 7) Canadian priorities -- the tax system should provide an environment that assists in meeting national, social and economic needs, including regional needs.

GNWT Participation And Representations

The Government of the Northwest Territories has been fully represented at subcommittee meetings of the federal-provincial continuing committee on fiscal and economic matters of tax reform. Additionally, the deputy minister of Finance has been present at all federal-provincial deputy minister meetings and I have participated at meetings of federal-provincial ministers of Finance and Treasurers. I have ensured that the Executive Council has been regularly apprised of developments on federal tax reform and of its implications to the Government of the Northwest Territories and NWT residents. From the information received in these meetings, I have made several direct representations to the federal Minister of Finance and, although we may not have been entirely successful, you may be assured that our government's voice has been heard and considered. We believe that some of the tax proposals which will be released in the June 18 white paper on tax reform will recognize some regional imbalances by maintaining certain preferences in the systems such as flow-through shares and by maintaining the recent change to a tax deduction for housing for northern residents.

Our government's representations have addressed such issues as the impact of a broad-based sales tax, BTT or VAT, on transportation and other services which could affect northern residents disproportionately as well as recommending that taxes such as the excise tax on fuel, airline transportation and communications taxes be repealed. We have also made representations recommending extension of an investment tax credit to exploration companies in the NWT and have recommended that tax credits for low income earners be higher for low income NWT residents.

Status Of NWT Participation

Unfortunately, the Yukon and the NWT are excluded from certain Finance Ministers' discussions and participation at the Minister and deputy minister level meetings is only with observer status. Although I have been invited to make one or two statements at Ministers' meetings, it is not possible for me to participate fully in the discussions. Over the last 10 years I have made numerous strong representations to the Minister of Finance Canada to participate fully in these discussions, particularly as they relate to issues such as tax reform. These issues affect the NWT in exactly the same manner as they do the provinces. My representations have not been successful because of our government's different constitutional status.

Future Action

The federal government's white paper on comprehensive tax reform will be released on June 18, 1987. It will propose changes to personal income tax, corporate income tax and federal sales tax -- multi-stage consumption tax. With the public release of federal proposals on tax reform, the GNWT will work closely with northern groups to identify implications and provide support where there are genuine concerns to northern residents. And here I thank the contribution of the Member for Yellowknife South, urging northerners to become involved in this consultation, and I would hope the MLAs of this House similarly involve their constituents.

Government officials of this government will be undertaking a comprehensive examination of the proposals to determine the implications to northern residents and to the government's own taxation system. At the same time, the government will be examining its own taxation structure to determine if complementary changes will be required. In this connection, the Executive Council will be considering a public consultation process to review a revised taxation regime for the NWT. Taxation options will be considered in relation to their economic implications, tax burden and relationship to the federal proposals.

In recognition that the Government of Canada will likely wish to conclude its consultative process within a few months, after the release of the white paper, there will be very little time to make further representations. I, therefore, recommend to all Members that they examine these proposals carefully but with haste over the next several weeks. I will ensure that I and my officials take the initiative to consult fully with all interested parties in the NWT.

I would like to thank the interpreters for working late yesterday evening to prepare this paper for presentation today so that I could provide it back to back with Mr. Richard's comments.

---Applause

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

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Coppermine's Fire-Fighting Capability

HON. RED PEDERSEN: Thank you, Mr. Speaker. The day before yesterday there was a news item on CBC Yellowknife praising the Coppermine volunteer fire department for their quick and efficient response to a recent fire -- a response which saved the life of a young man trapped in a burning house. Mr. Speaker, I want to express my appreciation for this deserved praise.

Mr. Speaker, fire respects no one and fire kills without discrimination. My community of Coppermine has experienced the tragedy and horror of fires too often in the past. I know of some 15 people who have lost their lives in house fires in Coppermine in recent years. Coppermine's

fire chief, Mr. Stanley Anablak, expressed his satisfaction and appreciation that our community finally has adequate fire-fighting equipment and, because of that, also more and better volunteer firefighters. Mr. Speaker, I want to add my voice in this Legislature to this expression of satisfaction and appreciation and I hope that the Assembly will join me in that. Thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Pedersen. Item 3, Members' statements. Mr. T'Seleie.

Member's Statement On Training Programs And Sahtu Residents

MR. T'SELEIE: Mr. Speaker, I would like to make a statement with respect to the information that was received two days ago regarding in-service trainees, in-service apprentices, training-on-the-job and private sector apprentices in the Inuvik Region. I want to state that out of a total of 75 people in all of these programs in the Inuvik Region, only a total of 12 are from the Sahtu. I view this number of trainees and apprentices from the communities that I represent as unacceptably low.

In looking at the home communities of the individuals on the list that was provided, it is clear that the majority are from the Inuvik area. Of the 12 individuals who are identified as coming from Sahtu communities, none are registered as either in-service trainees nor as in-service apprentices. There is one person, a by-law officer for the hamlet of Fort Franklin, who is registered in the training-on-the-job program. There are 11 people from the Sahtu out of a total of 42 who are registered as private sector apprentices. Of these 11, four are from Norman Wells. There are three from both from Fort Good Hope and Fort Franklin and one from Fort Norman. As to the employers of these 11 people, four work for housing associations; one for a hamlet; three for Esso Resources; and three others work for various other businesses.

The first point I want to make is that perhaps one reason there are not as many people from the Sahtu in these programs is that the people who live in the Inuvik area have easier access to the regional headquarters of advanced education, which is in Inuvik. Sahtu residents have to communicate long distance and often individuals do not even know that programs are available, nor is there an effort to inform them that these programs are available. The second point is that there are too few people who are working for Esso Resources in Norman Wells. This is in spite of the fact that Esso is the largest private sector employer in the Sahtu region and it is also against the background of a possible Polar Gas pipeline.

Mr. Speaker, my constituents, especially aboriginal constituents, have never been satisfied with levels of employment with Esso Resources at Norman Wells nor with respect to training for permanent oil and gas jobs even though it is almost certain that the oil and gas industry will be a major part of the future for Sahtu residents. This situation is one that needs to be changed if Sahtu residents are to feel comfortable about supporting oil and gas projects. Thank you.

MR. SPEAKER: Thank you, Mr. T'Seleie. Members' statements. That appears to conclude this item for today. Returns to oral questions. Mr. Sibbeston.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Question 0251-87(1): Proposals For Operation And Maintenance, North Warning System

HON. NICK SIBBESTON: Mr. Speaker, I have a return to oral question asked by Mr. Richard with respect to our role in the selection of the north warning system O and M contractor. The government's position in selection of a contractor for the operations and maintenance of the north warning system is to maximize benefits for northern residents by ensuring that northerners are given the first opportunity for jobs and business. The Government of the Northwest Territories participated in the development of the request for proposals to which the bidders had to respond. The content of the request for proposals was based on our government's position that bidders must prepare and submit a northern benefits package which adequately addresses the provision for realistic, achievable employment, training and business opportunities.

June 10th was the closing date for filing bids on the contract. Four companies have made submissions. The criteria for the review of the four submissions are based on Canadian benefits, management and technical capabilities, northern benefits and price.

The committee will follow a fairly rigid evaluation process assessing the merits of each component of the proposal. Points assigned for the northern benefits section will be combined with those for the technical and financial aspects. Based on the overall evaluation, the federal government will select the successful bidder. The Government of the Northwest Territories is represented on the technical committee which will evaluate the northern benefits section of the proposals. When a contractor is selected, all items in the proposal of the successful bidder become part of the contract. In contracts such as this, there is usually a financial penalty if the contractor is found to be in violation of the contract. Mahsi.

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

Return To Question 0168-87(1): Social Assistance For Outpost Camps

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. Return to oral Question 0168-87(1) asked by Mr. Erkloo on June 1st, 1987 regarding social assistance for outpost camps. Under the outpost camp policy which is administered by the Department of Renewable Resources, the persons who receive an outpost camp grant are not eligible to receive social assistance. The reason for this, as I understand it, is that the outpost camps are funded in order to live off the land as an alternative to living in local municipal communities.

Outpost camp residents may obtain social assistance for emergency situations, which would be reviewed carefully by the Departments of Renewable Resources and Social Services. Social assistance would not be given merely to supplement the outpost camp grant. Where a person returns to the community after the term of the outpost camp grant has expired, he or she would be eligible for social assistance. However, if a person returned before the term of the outpost camp grant expired, they would not be eligible except for a reason of emergency. Thank you, Mr. Speaker.

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

HON. GORDON WRAY: Thank you, Mr. Speaker. Are we still on returns to oral questions? I have one, Mr. Speaker.

Return To Question 0193-87(1): Dust Control Program In Fort Good Hope

Return to oral Question 0193-87(1) asked by Mr. T'Seleie on 3rd of June, with regard to a dust control program in Fort Good Hope. The current program for dust control in Fort Good Hope includes a supply of calcium chloride and a spreader, to be shipped to the community this summer. Tenders for the supply of this material and equipment closed on the 12th of June and the items are to be shipped by barge from Hay River on the earliest possible sailing. It appears now that this should occur on 15th July, so that the material and spreader should be in the community before the end of July.

Obviously, and this was the the reason for the delay, the reply is that this will not achieve the purpose that the Member wanted and that was to deal with an immediate problem. At the very least it would be another month before we will have equipment in Fort Good Hope. In the meantime, steps have been taken to have a water-bar fabricated and attached to the community's water truck to provide an interim measure of dust control on the community's streets. This will be required in any case to dampen the streets prior to the application of the calcium chloride. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. I wish I had asked you for something for Hay River.

HON. GORDON WRAY: You can ask any time, sir.

MR. SPEAKER: Item 4, returns to oral questions. This appears to conclude this matter for today. Item 5, oral questions. Mr. Richard.

ITEM 5: ORAL QUESTIONS

Question 0252-87(1): GNWT Representations To Senate Committee

MR. RICHARD: Mr. Speaker, a question for the Government Leader. It has been reported in recent days, Mr. Speaker, that the Senate, the federal Senate is establishing a committee to look at the constitutional accord that was signed by the 11 First Ministers a week ago. Is it the intention of the Government of the Northwest Territories to make representations before that Senate committee?

MR. SPEAKER: Mr. Minister.

Return To Question 0252-87(1): GNWT Representations To Senate Committee

HON. NICK SIBBESTON: Mr. Speaker, yes it is.

MR. SPEAKER: Thank you, Mr. Government Leader. Oral questions. Mr. McCallum.

Question 0253-87(1): Response To Question 0240-87(1)

MR. McCALLUM: Thank you, Mr. Speaker. On Wednesday, June 10th, I asked Question 0240-87(1) of the Minister responsible for Personnel. He had indicated to me that he would take the question as notice and promised to return to it during the returns to oral questions following his statement on affirmative action policy on Friday. Well, I note that the Minister did not make a statement but I wonder, do I still wait for the reply to my oral question until such time that he does make a statement on policy or is he prepared to give me an answer to the questions?

MR. SPEAKER: Mr. Minister.

Return To Question 0253-87(1): Response To Question 0240-87(1)

HON. RED PEDERSEN: Thank you, Mr. Speaker. The Member may still wait for his reply until I deliver the policy. Although there was not a direct question to that effect, Mr. Speaker, I would elaborate on that and say to the Member that, yes, I did undertake to deliver a statement on the policy today. However, in reviewing the policy and taking into account comments made by some honourable Members, I found, when reading through the policy, that it does not precisely reflect the spirit and the intent of the policy as we had originally approved it. Mr. Speaker, I want this policy to be the best possible before releasing it and I will be working on it over the weekend. I hope to release it Monday or Tuesday but certainly before we recess the House. Thank you.

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

Question 0254-87(1): Emergency Medical Evacuation Services For Keewatin

MR. CURLEY: Thank you, Mr. Speaker. I have a question to the Minister of Health, Mr. McLaughlin. The Minister is aware of the correspondence which I tabled last week as Tabled Document 75-87(1), with respect to the sudden death of young Donavin Akeralik of Rankin Inlet, sometime in February. The situation involved a young, premature baby who was resuscitated and subsequently evacuated by air to Manitoba. However, he died en route to Winnipeg and the plane returned to Rankin Inlet without setting down in Manitoba. So, Mr. Speaker, my question is, why will the provincial air ambulance service in Manitoba not serve the Keewatin Region, since the Keewatin relies upon the services of Manitoba? That is my first question, Mr. Speaker.

MR. SPEAKER: Mr. Minister.

Return To Question 0254-87(1): Emergency Medical Evacuation Services For Keewatin

HON. BRUCE McLAUGHLIN: Thank you very much, Mr. Speaker. Since this question came to my attention through a letter from one of the doctors involved, officials from my department have been in contact with Health and Welfare Canada. The difficulty is that the Government of Manitoba in fact does not extend its air ambulance service outside of its jurisdiction normally. So this is the problem and it is one of the problems that led to the unfortunate incident involving the prematurely born child. Since then I have undertaken, with my officials, to see, if necessary, if we can get Manitoba to make an exception to this. Failing that we will look to see if there are other jurisdictions. But in the present situation, the difficulty is that Manitoba will not extend its air ambulance service outside of its own jurisdiction. Thank you, Mr. Speaker.

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

Supplementary To Question 0254-87(1): Emergency Medical Evacuation Services For Keewatin

MR. CURLEY: Thank you, Mr. Speaker. Obviously this is the same response that the Minister is indicating now to the House which was expressed in a letter where no one seems to be responsible for establishing policies and procedures for medical evacuations of an emergency nature in the Keewatin. The doctor, Dr. Cameron from Churchill, in a very detailed analysis of this situation expressed to the Members concerned and to the government's attention, that this death could have been prevented if there was a procedure in place between the two provinces and medical services. Aside from passing the report to various Ministers and medical agencies involved, I wonder, what exactly is the Minister doing in an attempt to try and put policy and procedures in place so that there will not be a bureaucratic delay and therefore subsequently cause death to any individual who may be in a situation serious enough to die en route to a medical centre?

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

Further Return To Question 0254-87(1): Emergency Medical Evacuation Services For Keewatin

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. If we are unable to have the province of Manitoba, by some contractual arrangement with Health and Welfare Canada, provide the service, I am going to look to the possibility of Alberta providing the service, because the geographic distance from Edmonton, which has such a service and facility, to the Keewatin is about the same as the air distance from Winnipeg into that area. So we want to undertake that there is a proper medical evacuation service available to the Keewatin out of Manitoba, but failing that we will attempt another province. Thank you, Mr. Speaker.

MR. SPEAKER: Supplementary, Mr. Curley.

Supplementary To Question 0254-87(1): Emergency Medical Evacuation Services For Keewatin

MR. CURLEY: Thank you, Mr. Speaker. Mr. Speaker, one of the doctors involved, Dr. Cameron, did indicate that, "If the Keewatin district of the NWT and Manitoba cannot come to an agreement with regard to the transportation of sick neonates, then the Keewatin Region settlements should consider seeking such assistance from the University of Alberta's facilities in Edmonton. The Edmonton neonatal intensive care unit physician, Mr. David Schiff, has assured me the team would be able and willing to fly to the Keewatin area." In view of that assurance from the University of Alberta, it appears that the parties involved are quite agreeable to provide that service to the people of the Keewatin. Therefore, I am asking the Minister, should the Minister not just be making a policy decision, as Minister responsible, for NWT to make that change in order that there will be no further delays since we have already had a six-month delay since this incident occurred? So lives could be preserved, rather than confusion exist as to where they should go.

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

Further Return To Question 0254-87(1): Emergency Medical Evacuation Services For Keewatin

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. I will undertake to see where this issue is right now. I believe that Health and Welfare Canada just recently has given us their position in writing and that will enable us to take our own measures if we deem that appropriate. I will undertake to make sure that the situation is covered off, if not through Health and Welfare Canada, then through some procedure which we can initiate ourselves and involve Health and Welfare Canada after the fact, if necessary. Thank you, Mr. Speaker.

MR. SPEAKER: Last, final supplementary, Mr. Curley.

Supplementary To Question 0254-87(1): Emergency Medical Evacuation Services For Keewatin

MR. CURLEY: Thank you, Mr. Speaker. I appreciate the Minister's assurances. Since this particular incident has been reported to a number of medical doctors and agencies involved in Manitoba, Health and Welfare Canada and GNWT, there have been a number of questions raised with

respect to the possibility that the death could have been prevented. As a result, I would like to ask the Minister, since this particular incident is being presented to the chief coroner to the Department of Justice, if the Minister would support a coroner's inquest and inquiry into this affair.

MR. SPEAKER: Mr. Minister.

HON. BRUCE McLAUGHLIN: Mr. Speaker, I will have to take notice on that part of the question. I am not really sure what the legal implications are or what my involvement would be in supporting or not supporting a coroner's inquest in this thing. So, I would rather wait until I can seek legal advice from officials in the Department of Justice on that. Thank you.

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

Question 0255-87(1): Consultation Re Extension Of Affirmative Action Policy

MR. RICHARD: Thank you, Mr. Speaker. A question for the Minister of Personnel. It is by way of follow-up to the question asked by my colleague for Slave River regarding the equal employment policy.

It is my understanding, Mr. Speaker, that there was no consultation with two very important groups when the government sought to add women and disabled persons to the target groups of the government's affirmative action policy in hiring. There was no consultation with either the Advisory Council on the Status of Women, or with the Northwest Territories Council for the Disabled. Given the Minister's statement this morning that the fine tuning of this policy is under further review, will the Minister undertake to consult with those two groups prior to making a final decision on the wording of the equal employment policy?

MR. SPEAKER: Mr. Minister.

Return To Question 0255-87(1): Consultation Re Extension Of Affirmative Action Policy

HON. RED PEDERSEN: Thank you, Mr. Speaker. Yes, I will. I would like to state, though, that I have already met with the president of the advisory council, Ms Kathy Peterson, and also that a member of the affirmative action committee is Allana Shore of the NWT Council for the Disabled, so we did have some consultation with that group prior to this. But yes, I will give my assurance.

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

Question 0256-87(1): Reasons For Awarding Resupply Contract To NTCL

MR. MacQUARRIE: Thank you, Mr. Speaker. My question is for the Minister of Government Services who I see is not here but somebody else would be taking questions, I guess.

Mr. Minister, in a letter dated May 25th from the deputy minister of the Department of Government Services to Mr. John Madsen, executive vice-president of Arctic Transportation Limited, the deputy minister indicates that the Executive Council exercised its prerogative in directing the department to award the resupply contract for fuel to Cambridge Bay to Northern Transportation Company Limited even though Arctic Transportation Limited had submitted a lower bid. So, I would ask the Minister to provide the House with the reasons that the Executive Council had for exercising its prerogative in reaching this decision. I will not assume that they are going to take it as notice. I will, perhaps, have a supplementary, Mr. Speaker.

MR. SPEAKER: Mr. Minister.

HON. NICK SIBBESTON: Mr. Speaker, I will take the question as notice.

MR. SPEAKER: The question is being taken as notice. Mr. MacQuarrie.

Supplementary To Question 0256-87(1): Reasons For Awarding Resupply Contract To NTCL

MR. MacQUARRIE: If the Minister could take another as notice as well then. Could I ask the Minister to explain why the government actually invited Arctic Transportation Limited to submit a bid if it did not intend to award the contract on the basis of the lowest bid?

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

Question 0257-87(1): Status Of Northern Accord Discussions

MR. NERYSOO: Thank you, Mr. Speaker. It is a question directed to the Minister responsible for Energy, Mines and Resources. Could the Minister indicate what the status of the northern accord discussions are to date?

MR. SPEAKER: I am sorry, the Chair assumed that that other question was going to be taken as notice. Is that agreed, Mr. Sibbeston, that it will be taken as notice? Mr. Nerysoo's question then, Mr. Minister.

Return To Question 0257-87(1): Status Of Northern Accord Discussions

HON. TOM BUTTERS: Thank you, Mr. Speaker. Mr. Speaker, the northern accord discussions are proceeding with the native claimant groups, the federal government and this government. The federal government has been apprised of these discussions and of general objectives and initiatives that the government will be pursuing. The federal government has been informed of the Executive Council's determination to proceed quickly to develop an agreement between the two governments and the claimant groups which will be satisfactory to all. So the political will of this government has been made known.

Discussions have been carried out with two of the claimant groups, the Dene/Metis and the Inuvialuit, at some length. Preliminary discussions with TFN have occurred and we are expecting that we will have a more extensive discussion with TFN in the very near future. I was on the phone to TFN officials within the last 48 hours to try to set up a meeting. Once that meeting is concluded, I would hope that we could probably get the three claimant groups together with the Government of the Northwest Territories so I could get support for our strategy and approach.

The Minister of Indian Affairs has made it quite clear to this government and to myself that the discussions between this government and the federal government will be government to government and he would expect a very significant involvement of the claimant groups in the position being put by the Government of the Northwest Territories on behalf of the people of the North.

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

Supplementary To Question 0257-87(1): Status Of Northern Accord Discussions

MR. NERYSOO: Thank you, Mr. Speaker. I do not have the type of confidence that the honourable Member has in light of the statements made by the representatives of TFN who are, in fact, opposed to the discussions proceeding. Could the Minister indicate whether or not the government is prepared to pursue discussions with specific aboriginal groups who are prepared to work with the Government of the Northwest Territories in coming to an agreement on the management of oil and gas, particularly in the Mackenzie Valley?

MR. SPEAKER: Mr. Minister.

Further Return To Question 0257-87(1): Status Of Northern Accord Discussions

HON. TOM BUTTERS: I am not aware of the negative statements to which the Member refers. My discussions with the members of TFN and my visit to Ottawa to meet with the TFN board did not lead me to believe that there is a negative attitude on the part of the Inuit. I found a co-operative response to date and I see no reason why that co-operation should not be extended to this government. As I say, I am expecting that there will be a further discussion with TFN representatives in the relatively near future.

The federal government has made it quite clear to me, in fact, the Minister has made it quite clear to me that the federal government would prefer to deal with this government on the basis of a representation on behalf of all native claimant groups in the Northwest Territories. That is what I am attempting to do at the present time. I think that the Member's question at this juncture is hypothetical and I do not have any grounds to believe that there will be a negative response from TFN. If I do receive such response, I will then make a decision and recommend to my Executive colleagues the course of action that we should take.

MR. SPEAKER: Thank you, Mr. Butters. Mr. Nerysoo, supplementary.

Supplementary To Question 0257-87(1): Status Of Northern Accord Discussions

MR. NERYSOO: Thank you, Mr. Speaker. The concern I am expressing is taken from an interview that happened on CBC radio. It is not a hypothetical situation or assessment on my part. Mr. Speaker, could the Minister indicate his timetable for these particular discussions and will they be carried out during the summer? Will the Member within the next month indicate the status of these negotiations and whether or not there is a need to change the strategy?

Further Return To Question 0257-87(1): Status Of Northern Accord Discussions

HON. TOM BUTTERS: Mr. Speaker, my timetable is as immediate as yesterday. I have been in contact with officials of TFN, I think on four occasions over the last 10 days. I was hoping that a meeting of TFN which was scheduled in Ottawa for this week would have gone ahead and we could have used that opportunity to carry out further discussions with regard to the accord but that meeting was not held and, therefore, I cannot make an early arrangement to further the discussion process. I have indicated to my staff that I want them to be in immediate readiness to travel to meet with TFN officials when we receive a date. So, we are onto this immediately. It is a very, very urgent item.

With regard to the 30 days, I think that in that time and in view of the persistence with which I am pursuing that initiative, we will know whether or not they are willing to work co-operatively with this government in addressing the very great opportunity that Mr. McKnight and the federal government have given the Northwest Territories to see the devolution, for managing our resources in the Northwest Territories by the people of the Northwest Territories and I believe that the TFN officials cannot fail to recognize what is being offered us. Time is short and I think that we will all be in on resolving that problem.

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

Item 6, written questions. There do not appear to be any written questions for today. Item 7, returns to written questions. Mr. Clerk.

ITEM 7: RETURNS TO WRITTEN QUESTIONS

CLERK OF THE HOUSE (Mr. Hamilton): Return to written Question W45-87(1), asked by Mrs. Lawrence of the Minister of Municipal and Community Affairs; return to written Question W50-87(1), asked by Mr. Nerysoo of the Minister of Social Services.

Return To Question W45-87(1): Curfew By-Laws

Hon. Gordon Wray's return to Question W45-87(1), asked by Mrs. Lawrence on June 3rd, 1987, regarding curfew by-laws:

The Department of Municipal and Community Affairs has been reviewing and discussing with the Department of Justice the proposed amendments to the Fort Resolution curfew regulations and regulations to the Canadian Charter of Rights and Freedoms. Our legal counsel advises the department that what has to be considered is the right of individual children to be treated in the same manner as children of a similar age in another non-municipal community in the Northwest Territories.

I am naturally anxious that the best interests of the residents of Fort Resolution shall be served and I am hopeful that we can resolve these issues to allow the appropriate amendments to the Fort Resolution curfew regulations to go forward by mid-July. Passing the regulations may not preclude the potential for a challenge under the Charter of Rights and Freedoms. We, of course, would be responsible for defending the regulation and in this situation are prepared for that possibility.

Return To Question W50-87(1): Child Day Care Act

Hon. Bruce McLaughlin's return to Question W50-87(1), asked by Mr. Nerysoo on June 4, 1987, regarding the Child Day Care Act:

1) Twenty-four day care centres and nursery schools in the Northwest Territories were consulted regarding the development of the Child Day Care Act. The majority of these facilities were visited and all centres were asked for input.

2) The following community organizations were consulted in the development of the Child Day Care Act: NWT Metis Association; Native Women's Association; Dene Nation; Tree of Peace; Baffin Women's Association; Keewatin Inuit Association; Kitikmeot Inuit Association; Baffin Regional Inuit Association; NWT Child Care Association. Letters were also sent to all hamlet, band and settlement councils and municipalities requesting input regarding community need, existing levels of service, and recommendations for development of child day care.

3) Prior to the development of the Child Day Care Act, a decision paper was submitted to the Executive Council, which was approved on December 11, 1986. The Department of Social Services was then directed to proceed with preparation of legislation, regulated standards and licensing procedures for day care.

4) As per response to number 1 and number 2, day care centres and community organizations were consulted in the development of the act and standards.

5) Program outlines for the implementation of the Child Day Care Act are now being developed by the Department of Social Services. The first priority is to distribute the proposed child day care regulations, which outline proposed standards, for input and recommended amendments, prior to implementation.

6) An assessment and forecast of the financial implications of the act has been conducted by the department. As most day care centres are already operating within, or close to, the proposed standards, the actual financial implications of the Child Day Care Act are anticipated to be minimal. More funding will, however, be required to upgrade existing facilities, to enable new facilities to open, and to provide training for staff. Present personnel with the Department of Social Services will be implementing the act and regulations and inspecting facilities so no additional government staff will be required.

7) At this time the cost of establishing a board that would be responsible for the implementation of the Child Day Care Act would be prohibitive, but the department is willing to consider the concept of such a territorial board.

8) The person responsible for co-ordinating the implementation of the legislation is the department's day care consultant, Theresa Wilson, in the restructured division of family and children's services.

MR. SPEAKER: Thank you, Mr. Clerk. Item 8, replies to the Opening Address. There do not appear to be any replies this morning.

Item 9, petitions. Item 10, reports of standing and special committees. Mr. Richard.

ITEM 10: REPORTS OF STANDING AND SPECIAL COMMITTEES

Fourth Report Of The Special Committee On Rules, Procedures And Privileges

MR. RICHARD: Thank you, Mr. Speaker. The special committee on rules, procedures and privileges would like to make its fourth report. Mr. Speaker, Members will recall that the special committee's third report was tabled in this Assembly last fall and discussed at length in committee of the whole in February of this year. Arising out of those discussions there were four items which the committee was asked to look at prior to concluding its work, prior to the end of this Assembly. These four issues, Mr. Speaker, very briefly are: Rule 55 which deals with returns to written questions; Rule 56 which deals with petitions; a new provision for a budget address by the Minister of Finance and replies to the budget address; the selection process for the Executive Council and the Government Leader. This report is in written form, Mr. Speaker, and the committee would like the opportunity to discuss it with other Members during the deliberations of the committee of the whole.

Motion To Move Fourth Report Of The Special Committee On Rules, Procedures And Privileges Into Committee Of The Whole, Carried

I would move, Mr. Speaker, seconded by the retiring Member for Slave River, that the special committee's report be moved into committee of the whole.

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

AN HON. MEMBER: Question.

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

---Carried

The document will be moved, Mr. Clerk, into committee of the whole for today. Item 10, reports of standing and special committees. Mr. Nerysoo.

Report Of The Standing Committee On Finance

MR. NERYSOO: Thank you, Mr. Speaker. This is a report of the standing committee on finance to the ninth session of the 10th Assembly. The standing committee on finance has met twice in recent weeks to review the financial implications of several pieces of legislation. Two of these, the Write-off of Assets and Debts Act and the Property Assessment and Taxation Act, have already been approved in the committee of the whole. Today it is expected that three government bills will come forward for debate during committee of the whole.

The standing committee reviewed the Revolving Funds Act, with the Minister of Finance. Several questions were raised that were not answered to the satisfaction of all Members. In particular, there is concern about the source of the two million dollars needed to start the stabilization fund. If the government will operate in a deficit position, it is questionable whether sufficient funds will be available from working capital or from a surplus. Another concern is that no procedures or policy are in place to govern the how or the when the government can, or should, use this fund to make price adjustments.

The third concern is that the proposed limits of the fund would require charging an appropriation only after the deficit totals five million dollars. This allows losses to total seven million dollars before the department acknowledges its responsibility and charges an appropriation. The committee has made no recommendations but expects that satisfactory answers to its concerns will be given during the discussion now in committee of the whole.

With regard to Supplementary Appropriation Act, No. 5, 1986-87, the committee was surprised at what appears to be a new procedure adopted by the government. This supp includes requests for negative appropriations in excess of \$10 million as a result of projects not completed in 1986-87. This is an unusual step as normally this money would simply lapse. The committee is unsure why this process has been introduced in this supp. While this was discussed at the time when the motion for second reading was introduced, Members may want to question the government about this matter again. The only item of new funding is the request for \$100,000 by the Department of Government Services to offset an 1986-87 operating loss of the petroleum products revolving fund.

With regard to Supplementary Appropriation Act, No. 2, 1987-88, in this supplementary request the government seeks \$23,863,000 in O and M and \$12,498,100 in capital funding. The O and M funding requests relate in most part to the transfer of forestry. We were told that these costs are 100 per cent offset by a formula financing base funding increase of \$22,591,000. A new program was implemented by the Executive, the municipal services subsidy program, with over five million dollars in special warrants; \$2.3 million of this is provided through a reduction in the budget of Municipal and Community Affairs; the balance of \$2.7 million is expected to come from increased revenues as a result of this program. The committee suggests that better clarification of the sources of this revenue is required.

The capital funding requests are directly related to the projects which lapsed in 1986-87, totalling \$10,305,100. One new project, which was funded by a special warrant in the amount of \$250,000, is the Gjoa Haven office/warehouse complex. The committee did not get an opportunity to

question the government about this expenditure. The standing committee neither recommends nor rejects these financial bills. Members of the committee still have questions to ask as will other Members of the House.

Appreciation

Mr. Speaker, these are the last bills that will be reviewed by the standing committee on finance. Our work on behalf of this Assembly is concluded. As chairman, I would like to thank the Members of the committee who worked hard to make this committee effective. I would also like to thank the Members of the Executive Council who have always been co-operative in dealing with the committee. Further, I would like to express on behalf of the committee, our appreciation to the Clerk, David Hamilton; the Clerk Assistant, Henry Zoe; Noel Montagano, our researcher; Alice Charlie, our secretary; the interpreters without whose help and efforts in translation it would have been impossible for the Inuktitut-speaking Members to participate, but with their help it allowed the Inuktitut Members to be a part of this important committee. Last, but not least, I would like to express our appreciation to the Hansard staff, who have provided their support whenever it was necessary. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Nerysoo. Item 10, reports of standing and special committees.

Item 11, tabling of documents. Tabling of documents. No documents for today?

Item 12, notices of motion. Notices of motion.

Item 13, notices of motion for first reading of bills. Notices of motion for first reading of bills. Item 14, motions.

ITEM 14: MOTIONS

Motion 31-87(1): Dissolution Of The 10th Assembly

Motion 31-87(1), Dissolution of the 10th Assembly. Mr. Sibbeston.

HON. NICK SIBBESTON: Mr. Speaker.

WHEREAS the term of the 10th Legislative Assembly is due to expire on December 22, 1987;

AND WHEREAS it would be desirable to hold the general election earlier than December 22, 1987;

AND WHEREAS in accordance with section 8(2) of the Northwest Territories Act, the Governor in Council, after consultation, may dissolve the Legislative Assembly and cause a new Legislature to be elected;

NOW THEREFORE, I move, seconded by the honourable Member for Yellowknife South, Mr. Richard, that the Legislative Assembly request the Governor in Council to dissolve the 10th Legislative Assembly of the Northwest Territories on August 17, 1987, to permit a general election on October 5, 1987.

MR. SPEAKER: Thank you, Mr. Sibbeston. Your motion is in order, to the motion.

HON. NICK SIBBESTON: Just to say briefly, Mr. Speaker, that the motion is one of a free vote. It is not a government initiative but, without question, an Assembly initiative. The last election was on November 21, 1983. By the Northwest Territories Act, we are able to continue as an Assembly for four years until December 22, 1987.

Mr. Speaker, the time will come in the future when the Government Leader and the cabinet will have the responsibility of calling its own election but I believe this is down the road, after one or two more Assemblies. The proposal to have an election at this time, October 5, comes from the caucus of the Assembly Members. After due consideration and a number of dates, some earlier, some later, this date was deemed to be the best by the majority of Members.

The date, October 5, I do believe meets the desire to have our next territorial election when most of the people in the Northwest Territories are in the communities. The summer holidays, the period of relaxation when people have not gone on the land, is finished. In the West, the fall hunts for moose are through and it is just before the harsh realities of winter, particularly in the Arctic, set in. It is just before the period of time when the trappers go out for the winter. So, I do believe that the time is the most appropriate for most of the people in the North. I hope all the Members support it.

MR. SPEAKER: Thank you. The seconder, Mr. Richard, to the motion. Does anybody else wish to speak to the motion?

SOME HON. MEMBERS: Question.

Motion 31-87(1), Carried

MR. SPEAKER: Question being called. Mr. Sibbeston, you can have the final wrap up. Question. All those in favour? Opposed, if any? The motion is carried.

---Carried

---Applause

Item 14, motions. Motion 33-87(1), Approval of Amendment to the Formula Financing Agreement. Mr. Butters.

Motion 33-87(1): Approval Of Amendment To The Formula Financing Agreement, Ruled Out Of Order

HON. TOM BUTTERS: Mr. Speaker:

WHEREAS the Financial Agreement Act requires any variation, amendment, extension or termination of the financial agreement with the Government of Canada to be laid before the Legislative Assembly;

AND WHEREAS the Financial Agreement Act provides that the Legislative Assembly shall vote on any variation, amendment, extension or termination of the financial agreement with the Government of Canada;

AND WHEREAS an amendment to the financial agreement with the Government of Canada is required to change the description of the Statistics Canada tables used to calculate the formula financing escalator in accordance with the financial agreement with the Government of Canada;

AND WHEREAS this amendment to the financial agreement with the Government of Canada does not change the underlying components of the formula financing escalator calculation;

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. SPEAKER: Mr. Butters, I have difficulty with your motion. "Whereas" actually has no technical meaning as far as the motion is concerned. The meat of the motion is in the "Now therefore" clause. The "Now therefore" clause is not clear to me. It does not state what the amendment is. So, in my reading of the document, it is very nebulous and I would rule the document out of order. I would ask you to bring another document in.

---Ruled out of order

HON. TOM BUTTERS: Point of privilege.

MR. SPEAKER: Mr. Butters.

HON. TOM BUTTERS: That is your right and privilege, Mr. Speaker, to rule the document out of order but I regret that you bring it to my attention at this time. It has been in your hands and in the hands of your Clerk for the required 48 hours and I think that it is very short-sighted to bring it to my attention at this time.

MR. SPEAKER: I am sorry that the honourable Member feels that way. We do not judge any motion until it is presented and read into this House, because it can be removed at any time by any honourable Member. So decisions relative to motions are not made until they are read within this chamber, and never have been. And if you are going to follow democratic principles of this House, they never should be. Item 14, motions.

Item 15, first reading of bills.

Item 16, second reading of bills. Item 17, consideration in committee of the whole of bills and other matters: Bill 20-87(1), Bill 36-87(1), Bill 37-87(1), Bill 28-87(1), Bill 35-87(1), Bill 19-87(1) and the Fourth Report of the Special Committee on Rules, Procedures and Privileges, with Mr. Gargan in the chair.

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

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 20-87(1), REVOLVING FUNDS ACT; BILL 36-87(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 5, 1986-87; BILL 37-87(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 2, 1987-88

CHAIRMAN (Mr. Gargan): The committee will now come to order. We are dealing with Bill 20-87(1), An Act to Amend the Revolving Funds Act, with Mr. Butters.

HON. TOM BUTTERS: Thank you, Mr. Chairman. Maybe before we get into that particular act, if I could just provide the order that the government would wish to see proceeded with this morning. That would be Bill 20-87(1), Bill 36-87(1), Bill 37-87(1) and if we can conclude those items, that we would like the Fourth Report of the Special Committee on Rules, Procedures and Privileges, which was moved into committee of the whole earlier today. Should that be concluded, we would move to Bill 19-87(1), Residential Tenancies Act, to be followed by Bill 35-87(1) and Bill 28-87(1).

CHAIRMAN (Mr. Gargan): Does the committee agree, then, that we go with the suggestion of Mr. Butters?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 20-87(1): Revolving Funds Act

CHAIRMAN (Mr. Gargan): We will deal now then with Bill 20-87(1). Mr. Butters.

Minister's Opening Remarks

HON. TOM BUTTERS: Mr. Chairman, we are considering Bill 20-87(1), Revolving Funds Act. The legislation was considered by the standing committee on finance and we have heard and had the report of the committee chairman this morning. I would expect that he may wish to enlarge on those remarks when we get into general questions.

The revolving fund stabilization legislation before you is to put the current manner of administering the petroleum products distribution responsibility that this government has on a more business-like footing. It will allow us to contain within one revolving fund the moneys that we receive from that process. It will also remove from our consolidated revenue fund such so-called revenues which the federal government might identify as moneys that they would wish to fail-safe. It would establish what I believe is an embryo, for some future government to determine whether or not a move toward a territorial crown corporation, as was recommended by the chairman of the public accounts committee and his committee Members a few days ago, might occur. So we believe that this is a much desired administrative process and we would like to see it adopted and passed.

The chairman of the standing committee on finance mentioned the concern with regard to the two million dollars required to start the stabilization fund. For as long as I have known and remembered, the method of operation of our petroleum distribution in those communities where there is not a private entrepreneur has been on a break-even basis. We have tried to calculate and project the cost of purchasing that fuel and the selling costs for that fuel, so that they will be in balance and so that at the end of the process it will be a non-profit operation. We feel that a utility of this nature is a public utility and there should be no profit obtained by the government in the cases of those small, remote communities where cash is short.

In the past we have found at the end of the operating year that there has been a deficit or a surplus. In that case we have tried to keep track of that deficit or surplus, so that, when prices are developed in the future, such moneys could be taken into consideration. The two million dollars that we are holding up to put into that fund was identified as a surplus from our operations in the past. And in keeping with our previous unwritten policy, we felt that we could make that available to start off the stabilization fund. There is no need to put any money in at all. If Members feel that it should start off zero-zero, that is up to you. But we feel, as the money has been identified and associated with an operating surplus, that it should be made available for that particular purpose.

I think that covers, generally, the remarks I made to the standing committee on finance when I addressed them some days ago and I believe that if there is something I have overlooked or omitted, I can raise that in the response to questions that the Members may have.

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

Comments From Standing Committee On Finance

MR. NERYSOO: Thank you, Mr. Chairman. During my statement or my report to this House from the standing committee on finance, I raised a number of questions which Mr. Butters has answered. One, in particular, is with regard to the question of where the two million dollars was coming from and I want to indicate that the committee is not in any way opposed to the idea that the Minister and the department identify the two million dollars. What I want to indicate is that the concern committee Members had was with the matter of where that two million dollars was coming from. The other thing was what the cost might be in future if there was a possible deficit. The other issue was, if there was a profit, how that profit was to be used within the stabilization fund or in excess of the five million dollars.

Generally speaking, I do not believe that the standing committee in any way is opposing the idea of the establishment of the revolving fund if it, in fact, approves the quality of service being offered by this government and the ability of the government to respond to the needs of people in the smaller communities in providing petroleum products. Then I can assure you that Members of this standing committee are not opposed to any program or fund that will ensure that that takes place. So, I just wanted the honourable Member to know that some of the questions that we are dealing with are the financial issues and not necessarily with regard to the intent of the program or the fund itself.

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

HON. TOM BUTTERS: Thank you, Mr. Chairman. I am always very careful and I was very careful when I sat before the standing committee recently to use the word "surplus" rather than "profit" as the chairman of the standing committee used. I have never considered it profit in that sense. I believe that the officials in Government Services, whose responsibility it is to determine a price structure which will allow us to break even, do not talk of profit; they look at a surplus or a deficit. While I am on that particular point, I would like to indicate to Members of the committee and Members who are involved in financial projections and in pricing products -- and Members who have had experience in the private enterprise area will especially appreciate this -- how accurate our officials have been over the last two years. In dealing with some \$72 million and projecting prices, they have projected out a surplus of \$25,000. I just wanted to indicate that the officials who are responsible for projecting these surpluses or deficits are very conscious of the fact that it is a break-even program and, I think, have done extremely well to date in their administration of this program.

With regard to the concern raised by the chairman of the standing committee regarding the two million dollar balance, I welcome his statement that he is not seeking to remove that amount. There is a concern relative to our global financial position. It has been suggested that the establishment of the two million dollar balance will allow deficits up to seven million dollars and the establishment of that two million dollar balance is recognized as past over-payments by consumers. The two million dollar draw-down on this balance will bring the stabilization fund to a break-even position, which is consistent with the government's intent. In no case, therefore, will an accumulated deficit of the POL be able to exceed five million dollars. We are trying to administer this in a fiscally responsible manner and I believe our example over the past years has indicated that we have done this and can continue to do this in the future.

Close To Break-Even Point For 1986-87

On the suggestion that the two million dollars might weaken a fiscal framework already weakened by a projected deficit, I would indicate, as I did during second reading of the bill, that the financial results for 1986-87 are close to being finalized and the indications remain that we will be very close to the break-even point for the year. This means that the \$15 million to \$16 million deficit originally anticipated for 1986-87 will not occur. Therefore, our accumulated surplus will remain close to the \$60 million level at which we started 1986-87. I just throw that in again to indicate that by identifying this two million dollars from previous surpluses and putting it into a stabilization revolving fund arrangement, we are confident it will not be damaging to our current and future fiscal position.

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

MR. NERYSOO: Thank you. I wanted to just respond to one particular issue that Mr. Butters raised, and that had to do with my use of the word "profits". I just want to indicate that it is not my word that I am using. In fact, I am taking that word out of the legislation that has been proposed by the government. I just want to also indicate that there were Members of the standing committee on finance that, in fact, suggested the possibility of changing the word "profits" to "surplus", and the suggestion by our financial advisors was to retain the word "profits" and I am just generally quoting those particular words from the bill that is before us and not using words that I have invented in the discussion. I do agree that the word "surplus" would have been a better word to use in the document.

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

HON. TOM BUTTERS: Yes, the chairman of the standing committee on finance is correct and I know that he knows, and I know what we are both trying to do here in terms of developing a break-even program for communities that need such assistance. So I understand that he is repeating the word already contained in our legislation. While I am referring to legislation, I might just mention that during the discussion with his committee, one of his Members, the honourable Member for Yellowknife South, indicated that the act seemed to be delinquent or deficient in one respect and possibly a balancing clause might be added. We took that suggestion under consideration and as a result have an amendment to make which will provide that balance in accordance with the Member's recommendation.

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

MR. RICHARD: Mr. Chairman, I was just going to raise the same issue that I did in committee; but if the Minister is addressing it, I will not comment.

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 1, petroleum products stabilization fund. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 2. Agreed? Mr. Butters.

HON. TOM BUTTERS: Yes, I got lost in the process here. This is where, I believe, I should make the amendment that I indicated earlier that I wish to make.

Motion To Amend Clause 2, Subsection 8.2.(1), Bill 20-87(1), Revolving Funds Act, Carried

Mr. Chairman, I move that clause 2, Bill 20-87(1), An Act to Amend the Revolving Funds Act, be amended by deleting subsection 8.2.(1) and substituting the following: Marginal note, "profits or losses". "8.2.(1) Notwithstanding section 60 of the Financial Administration Act, where at the end of a fiscal year the petroleum products revolving fund makes a profit or incurs a loss, the profit shall be credited or the loss shall be charged to the petroleum products stabilization fund."

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Can we have a copy of your amendment? Mr. Minister, your motion is in order. To the motion.

SOME HON. MEMBERS: Question.

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

---Carried

Thank you. Clause 2. Mr. McCallum.

MR. MCCALLUM: Thank you, Mr. Chairman. In dealing with the establishment of the petroleum products fund and the amendments that are made here, I would like to reiterate what was said in the public accounts report. The recommendations that were made then -- now I recognize that the House just adopted those two or three days ago, and this bill that we have before us does not reflect those recommendations, and understandably so. But I would wonder if the Minister would indicate to us how the government intends to deal with those recommendations, since the bill is before us now, those recommendations that were taken. I just will remind the Minister of the recommendations themselves.

Recommendations Of Public Accounts Report

The first recommendation dealt with an annual audit being conducted by the Office of the Auditor General. A second recommendation is that the government should act upon the suggestion of the Auditor General and charge the petroleum products revolving fund for all its assets. A third one is that the financial statements be audited by the Auditor General or, as audited by the Auditor General, be consolidated.

Now in those, there was a further one, that the government look at things about the viability of a crown corporation. I do not want to deal with that, but I want to deal with the idea of an audit. That it would be there. There may be other concerns with the Revolving Funds Act but I think one of the things that this is really concerned with is, hopefully, that in establishing this stabilization fund, it would take into consideration the concerns that have been raised, and the major concern that was raised is this whole business of the audit.

To my mind, I think it would be better where it was set up differently. But that is not the case. We were told that the establishment of this stabilization fund would be a step in the right direction. We want, as a group, as a committee, to enhance that a little bit by specifically referring to this audit. I would hope that when the reporting is done, the other two recommendations would be there as well. But, I would hope, somehow, that in this stabilization fund there would be some reference to the recommendation that was accepted by the House to conduct the annual audit. I wonder if I could have a comment from the Minister, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the chairman of the public accounts committee knows that we respond to his requests and those of his fellow committee Members as quickly as we can. We have responded, the Executive has already approved recommendations one and three with regard to audit, which he just talked about, the Auditor General and the annual audit. That is already in process. We have done that. He will appreciate that the matter of seeing how the assets might be calculated into the stabilization fund in that equation is going to take a little bit more time. But, that also is being done.

The fourth thing, which he did not want to mention but alluded to, was the review of this whole management operation with the possibility of putting it under a territorial crown. That too, is going ahead. But, again, that will take a little bit longer. We have responded immediately to the two suggestions that are possible and the other ones are in progress.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Clause 2. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Clause 3. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Does the committee agree that Bill 20-87(1) is now ready for third reading as amended?

SOME HON. MEMBERS: Agreed.

---Agreed

Bill 36-87(1): Supplementary Appropriation Act, No. 5, 1986-87

CHAIRMAN (Mr. Gargan): Thank you. We will turn now to Bill 36-87(1), An Act Respecting Supplementary Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1987, with Mr. Butters.

Minister's Opening Remarks

HON. TOM BUTTERS: Mr. Chairman, there has been a number of comments with regard to this bill already on the floor of the House, as occurred during second reading. I will not reiterate my remarks but I just might make a few additional comments regarding that supplementary appropriation. Paragraph 21 of the Financial Administration Act, that is our old act, now provides that the balance of an appropriation authorized for a fiscal year that remains unexpended at the end of the fiscal year shall lapse. This means that the Executive Council is not required by law to obtain Legislative authority to make negative adjustments to the supplementary appropriations. However, as a matter of routine disclosure to the Legislative Assembly, and, I believe, a recommendation of a past standing committee on finance, the Executive Council has been providing information as early as possible to Legislative Assembly Members for major expenditures so that Members will be aware of which projects are not proceeding in the same manner that additional appropriation authority would be sought had those projects required additional funding.

The act before you applies to the fiscal year ending on the 31st day of March, 1987. Therefore, this is just the appropriation for that period. Paragraph four of this act identifies that, notwithstanding the amounts authorized by previous appropriations for the year, the aggregate amount authorized to be expended is reduced; thus the appropriation authority reduced by this act takes effect for the full 1986-87 fiscal year and has the effect of reducing the amount of lapsed appropriation authority at March 31, 1987.

As indicated in my remarks on second reading of this bill, this legislation has no effect on the financial statements of the government. The financial statements of government reflect the original appropriation amount shown in the main estimates and the actual results of revenues and expenditures for the year.

The prime purpose of the bill before you, Mr. Chairman, is to provide early disclosure to Legislative Assembly Members of projects which have not proceeded as rapidly as originally expected. To do this formally in the form of legislation, this parallels the treatment of appropriations for additional expenditures which are deemed as interim appropriations and which receive subsequent Legislative Assembly authorization. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Would the chairman of the standing committee on finance like to make comments? Mr. Nerysoo.

Comments From Standing Committee On Finance

MR. NERYSOO: Thank you. I believe, Mr. Chairman, that I made my comments with regard to this particular supplementary appropriation. While I agree with the Minister that there is a reduction in expenditures for 1986-87, nonetheless those same appropriations will increase the appropriation for the 1987-88 year and it is a matter of a carry-over of those projects to 1987-88. So I agree that the balancing act is done well, but I recognize that there is an increase in this upcoming year's budget. That is being requested, I believe, in supp No. 2.

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

MR. RICHARD: Mr. Chairman, I want to simply repeat what I indicated during the debate on second reading of this bill. I still am of the view that these negative appropriations are unnecessary under the provisions of the Financial Administration Act. I still question why this is being done. That the information is being provided, I think, is to be applauded in the context of Minister Butters' indicating that a request of one of the standing committees earlier had been that there should be early disclosure of substantial items like this. But this is not just an information item in an appropriation bill. It is in the operative part of the bill, not in the information part of the bill. And it is unnecessary and the Minister conceded that from the outset.

Doctoring Figures After The Fact

So, I still ask, why is it being done in the operative part? Why is it not just an information item? I can only conclude, with my limited knowledge of accounting and fiscal matters and of this government's financial statements, that it is altering or doctoring the figures after the fact and I just do not think that is right. I have a concern with it. The money is lapsed. There has been a provision in the Financial Administration Act for years that said that, of course, it lapses, it was not spent on March 31st. If the government is coming forward with this Bill 36-87(1) right beside Bill 37-87(1), and we know by picking up Bill 37-87(1) that we are being asked to approve new expenditures in Bill 37-87(1), which is supp 2 in the current year -- the Minister and his colleagues of the Executive Council, because perhaps we on this side have been critical earlier this year about the total dollars being spent and might resist a request for more expenditures of \$10 million in the current year, the government wants to be able to point to the fact that the net result is no increase because there is \$10 million left over, unspent from last year. Well, that is fine. That is easy to point that out and I appreciate that being pointed out. The \$10 million is simply being moved from one year to another, but again, I say, you could have made that point to even us simpletons on this side without going through this procedure of doctoring or altering the figures after the fact.

Technically, Mr. Chairman, my only other comment is, and I have expressed it to the Minister and certainly to some of his officials, legal and financial people, that I am concerned that if the \$10 million lapsed on March 31st by operation of the statute, the Financial Administration Act, are we reducing the figures by another \$10 million? I am not convinced that there is a double reduction. But greater minds than mine in the Department of Finance and Department of Justice are convinced that there is no real concern there and I will accept -- you know, they work in the field every day of the week and I do not, and if they do not have a concern, then I am content that there is not a double reduction. Those are my comments, Mr. Chairman. I guess it also seems that this entire bill is being processed through the system for one single \$100,000 transaction. The other ones are unnecessary. Thank you.

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

Practice Suggested By Auditor General 10 Years Ago

HON. TOM BUTTERS: Thank you, Mr. Chairman. I note that the remarks of the chairman of the standing committee on finance have already indicated that he feels that this is an unusual step in his opening statement. I suggested that the recommendation to do this was made by a previous standing committee on finance. I seem to think it was, but it was also suggested by the Auditor General some 10 years ago. It is a practice that has been in place for a long, long time, during the time when some of the Members opposite sat on the Executive. So it is not a process that has just been introduced at this time at this place. If Members of the standing committee on finance feel that it is unnecessary, they can so advise us by motion and we would do this. We could do this not only in the last supp of the year but we could do it through all the other supps as well.

But in so doing, I would warn, Mr. Chairman, that we would be removing from the committee of the whole the opportunity to see what government is about. If those funds that cannot be spent are not disclosed to the Assembly as funds that cannot be spent, then they may be spent on other ways. So I think that we are coming very, very clear in attempting to be fully informative to the House and to Members of the standing committee on finance. But if that is not desired, make a motion and suggest that another process be followed, that such disclosure is not necessary.

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

MR. RICHARD: Well, Mr. Chairman, I cannot allow the Minister to misrepresent what I was saying. I am not saying for a moment that this information should not be before the Assembly. The information is welcome. It has been, in fact, demanded in the past. I still have not heard an answer to the question, but I am insisting on it. I am just raising the issue of, why are we doctoring figures after the fact? The crafters of the Financial Administration Act cover reductions for unspent funds.

MR. McCALLUM: That is true.

MR. RICHARD: I think it is an information item that is being provided and it is being provided right alongside the expenditure of equal amounts in the current year. So, I do not want anyone picking up Hansard in the future and reading that I am asking that this information not be brought in. Because I am applauding the government for bringing in the information. I am just asking a legitimate question, I think: Why is it in the operable part of the bill? Why is it not just information being provided? That is the simple point I was trying to make.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Richard. General comments. Are there any further general comments? Does the committee agree, then, that we go through the details of this budget?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Supplementary Appropriation No. 5. Mr. McCallum.

Means Of Giving Information To House

MR. McCALLUM: Thank you, Mr. Chairman. In light of the conversation that has been going back and forth with the Minister, would the Minister consider, then, where there is a situation like this that does occur, that this information should come to us? You know, is he prepared to change the method by which it comes to us? Is it necessary to do this with a supplementary request?

I thought that was the question that was being asked. The question was, why do you use it like this? Is this the means by which the government is going to give us this information? Is this the process by which we are going to get it?

Secondly, according to the Financial Administration Act, the \$10,305,100 lapsed on the 31st day of March, now, what you are wanting us to do here is to say, "Well, look, we are going to reduce it by \$10,305,100." You know, the question was asked again, is that a double one? Is that an additional one? Is there \$10 million more being taken off, other than the lapsed money? I am not sure

whether we have an answer to either one of those questions. I think that is all that is being asked. We are not saying, "Do not bring the information to the Assembly." But, is it the process if, in fact, according to your own Financial Administration Act, the money lapsed on the 31st day of March, the \$10 million, is this a request to further reduce it? I think those are the only questions I am asking. I do not want to hold up things; I would like to know.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the honourable Member has had many years' experience in this House and he knows that we have been doing this for some nine or 10 years. This has been the process. This is the first time it has been questioned. I have given you the answer to the question before, and that is, if you do provide this material by information, then the authority that was granted in the previous budget session has not been removed. I indicated that the appropriation authority reduced by this act takes effect for the full 1986-87 fiscal year and has the effect of reducing the amount of lapsed appropriation authority at March 31, 1987. I think I have said that three or four times now. And if that is not the answer to the question that the Member wants, I do not know what else I can provide him.

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

MR. RICHARD: Mr. Chairman, I do not want to prolong the debate but on reflection I want to withdraw my accusation of misrepresentation. I regret that I used that word about Mr. Butters. I think he was making a legitimate response to what I was saying.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I have just been corrected, the negative supps have been part of our in-year reports. I am told that we have not been doing it at the end of the year. So, just to clarify that.

CHAIRMAN (Mr. Gargan): Thank you. Does the committee agree that we go through the details of the budget?

SOME HON. MEMBERS: Agreed.

---Agreed

Government Services, Petroleum Products, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Government Services, O and M, petroleum products, \$100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Government Services, Petroleum Products, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Government Services, capital, petroleum products, \$236,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$236,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Public Works And Highways, Highway Design And Construction, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Public Works and Highways, capital, highway design and construction, \$604,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Page 6, supp No. 5, total department, \$604,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Municipal And Community Affairs

Community Planning And Development, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Municipal and Community Affairs, capital, community planning and development, \$2,100,100 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Sport And Recreation, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Sport and recreation, \$2,500,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Municipal And Community Affairs, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$4,105,100 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Health, Territorial Hospital Insurance Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Health, capital, Territorial Hospital Insurance Services, \$4,000,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$4,000,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Social Services

Corrections Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Social Services, capital, corrections services, \$340,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Family And Children's Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Family and children's services, \$320,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Social Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$660,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Education, Schools, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Education, capital, schools, \$700,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$700,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): We will turn now to Bill 36-87(1), An Act Respecting Supplementary Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1987, with Mr. Butters.

HON. TOM BUTTERS: Referring to process, Mr. Chairman, on this particular item I would like to defer the request for moneys to carry on the NCPC negotiations until the last item under consideration. I have indicated to the honourable Member for Yellowknife South that I would use this item on the agenda to make a progress report on NCPC discussions with the federal government and also address any questions that may relate or result from the response to his written question which I have tabled yesterday. So, if we would leave this as the last item, because there may be some extensive discussions with regard to NCPC.

The primary purpose, Mr. Chairman, of Supplementary Appropriation No. 2 for 1987-88 is to establish the appropriation of authority for the forestry program transfer. This supplementary appropriation also accommodates interdepartmental transfers associated with the establishment of the Arctic College, the new municipal services subsidy program, completion of projects carried over from 1986-87 and changes to the economic development agreement funding level and additional funding to support continuing NCPC negotiations. As described on the front page of the supplementary appropriation supporting document, there will be no net cost increase to the government for these appropriations and, therefore, there will be no draw-down of...

CHAIRMAN (Mr. Gargan): Mr. Butters, are we on the same music sheet here? We are supposed to do Bill 36-87(1) clause by clause.

HON. TOM BUTTERS: I beg your pardon.

CHAIRMAN (Mr. Gargan): Does the committee agree, then, that we go through clause by clause for Bill 36-87(1). Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Schedule. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Operations and maintenance. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total operations and maintenance, \$100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Capital. Total reduction, \$10,205,100. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Does the committee agree that Bill 36-87(1) is now ready for third reading? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. We will take a short 15 minute coffee break.

---SHORT RECESS

Bill 37-87(1), Supplementary Appropriation Act, No. 2, 1987-88

The committee will come to order. We are on Bill 37-87(1), An Act Respecting Supplementary Appropriations for the Government of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1988, with Mr. Butters.

Minister's Opening Remarks

HON. TOM BUTTERS: Mr. Chairman, I apologize for getting ahead of myself and I suggest that anybody who might be interested in the beginning of my opening remarks for Supplementary Appropriation No. 2 can read them above. I will just carry on where I left off before you indicated that I was in the wrong pew.

There will be no net cost to government for these appropriations, that is Supplementary Appropriation No. 2, and therefore there will be no draw-down of the supplementary reserve. That was identified in the budget for 1987-88. Since funding requirements for 1986-87 were reduced as a result of projects not being completed, this funding will be available for project completion in 1987-88. All other supplementary appropriation expenditures will be more than offset by federal funding transferred with the forestry program and as a result of the revenue increase from the implementation of the municipal services subsidy program. As I advised Members at the time the 1987-88 main estimates were presented, the government estimated that the net supplementary estimate requirement would be six million dollars and I am pleased to advise Members that this net requirement still stands.

I would like to, as that concludes my introductory remarks, use the occasion to thank and commend the chairman of the standing committee for his work over the past year with us and any shortcomings on the part of government, I accept. I have tried to provide his committee and his Members with the response to all the questions that he has asked, and have co-ordinated through my office the responses that his committee has required from other Ministers.

We have taken note of the recommendations of the committee and I think in many cases have responded to the direction given by those recommendations and motions so I trust that the work that we have both embarked on over the last two years will be productive and recognized to be so by the 11th Assembly when it sits down to consider the business of the people of the Northwest Territories at the end of this year.

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

MR. McCALLUM: Thank you, Mr. Chairman. In the debate on second reading of this particular bill I pointed out that there was an increase to the total budget and that the government now intends to spend \$35,621,100. I appreciate that in the base funding increase for forestry and the forestry transfer that the government is going to receive \$24,099,000 and that obviously they have a carry-over of \$10,305,100 and it was indicated then, in the words of my friend Mr. Wray, that we on this side have not been reading our briefing notes.

AN HON. MEMBER: Oh, did he say that!

Revenue Estimated, Not Guaranteed

MR. McCALLUM: The bottom line is that there is over \$50,000 saving and all the money that is here is all offset and the increase in the appropriation is all offset by revenue increases from the federal government. I agree it is all offset on paper and there is no question the figures add up, but the money is not all offset by revenue increases from the federal government. The money that is coming from the federal government amounts to \$24 million. There is a carry-over of about \$10 million from the government that was lapsed the year before and then under the new municipal services subsidy program, the government estimates that they are going to get revenue of \$2.742 million.

Now, that is pretty direct as indicated there but I suggest, Mr. Chairman, that that is an estimate because we have not been told what the formula is. Is there a formula involved that will guarantee that \$2.742 million will come from that municipal services subsidy program in increased revenue? In addition, in the bill it is estimated that the revenue decline associated with the 1987-88 reduction in the anticipated economic development agreement projects will be in the amount of \$1.47 million. But we have heard from the Government Leader that we are not at all sure what is going to happen with the economic development agreement projects. There have been projects approved and some of them may be funded and some of them may not. In his words and I cannot quote the words of the Leader, we had better not get our hopes up too high because there could be some reduction on a proportionate basis across the country, if in fact DRIE is dried up.

So, I suggest to you, Mr. Chairman, that they are estimates and the figures do balance out. In fact they balance so well that they show the government is really going to save another \$55,000. That is commendable. Really! In a budget of \$830 or so million, I think that is fantastic that they are going to save \$55,000. I wish I had known that. I would have made a motion earlier during the budget to get rid of the \$55,000. We could have spent it somewhere else.

However, I just want to point out in all of this that though the figures are correct as placed before us, I suggest that all the revenue is not guaranteed, because I am sure that the Minister of Finance will agree that we really do not know what is going to happen with these economic development projects. The revenue decline may be even greater than the \$1.47 million. In fact it may include that extra \$55,000 possibly. Maybe it will include more; it may not be as much. And as for the revenue increase associated with the implementation of the MSSP, the municipal services subsidy program, I would like to know personally how this figure was arrived at. The figure is there for us. It is indicated to us as being a figure, but I am not sure that I have had an explanation of how that comes about and I will be more than willing to listen to it, to find that that increase is there. If it is, then I do not have any quarrel with it.

Request For Approval

In addition, Mr. Chairman, it should be noted that in this Supplementary Estimate No. 2, as I had indicated before, there is a considerable amount of money that was spent with the use of special warrants and we were to approve it now, after the fact, in both O and M and capital. In fact it is over \$17.5 million. These were given just two weeks or more before we came to this continued session. In some cases it may very well have been necessary, but again I am not convinced they all necessarily had to be done during the time that we were in recess.

So I just want to make those comments. To suggest that we have guaranteed moneys to offset these expenditures -- in some instances, yes, there are guarantees. The transfer money, the \$10.3 million that was lapsed last year and now would be used to continue the projects. I have no quarrel with that. I would not want to see a capital project that was begun, stopped, and not continued to completion. But I do not think it is correct to say that these funds are all guaranteed. There are two estimates. At least, that is my reading of it. If the Minister can

indicate to me that that is not so, then all well and good. I am not going to hold up the passage of this particular bill and supplementary appropriation, but I simply want to indicate that to say that the funds are guaranteed for all \$35,621,100 of expenditure is not so, unless those estimates are hard figures. Thank you.

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

HON. TOM BUTTERS: Mr. McCallum indicated that he was making a comment although there was a question at the end of his comment and that was whether the estimates provided were hard figures. Well, I do not know that any estimate can be described as being a hard figure. These are government's best projections on the information and the cash flow that we are aware of at the current time. It is an honest estimate and we provide such estimates to the House as our best estimate. By way of example, I indicated a few minutes ago when we were discussing the pricing for petroleum products that the Department of Government Services there makes its best estimate for pricing. In the case of that department, its best estimate was only \$25,000 out for an item of \$72 million. I am only including that to point out that sometimes you are right on and sometimes you are off. So it is our best estimate.

By way of process, if the specifics of Members' questions relative to the item such as the water subsidy programs, economic development assistance grants; might be made at the time we reach that particular section in the supp itself, then Ministers responsible may answer the questions directly, because I do not have first-hand knowledge to provide answers to these questions. I would expect that my ministerial colleagues will answer the questions asked by Members satisfactorily.

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

MR. RICHARD: Thank you, Mr. Chairman. Just to indicate my appreciation of the government's extra information here on the first page -- this summary of funding of the extra expenditures we are being asked to approve. That is sort of a breakdown I do not believe we have seen before and I think it is very useful in the context of the Minister of Finance's promise back in February or March about the six million dollar supp reserve. As critical as I was of his projections then, this page confirms what he said back then and I hope that when we see supp No. 3 and supp No. 4 that we will get an update on this page and I will eventually be proven right but so far he is not only right, he is \$55,000 more than right.

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

Inclusion Of Supplementary Estimate No. 1 In Funding Summary

MR. RICHARD: I am sorry, Mr. Chairman. I meant to ask a question on that page though. On the bottom it indicates the \$55,000 gain on supp No. 2 but there is a blank which I take to be zero for supp No. 1. I just cannot recall, I had thought we had approved expenditures in supp No. 1. It was the young offenders stuff, maybe it was offset with revenues in that document.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, there was only one item on supp No. 1, as Members will recall, and that was to do with the Young Offenders Act. I do not remember exactly, maybe the Minister does. Mr. McLaughlin, do you?

CHAIRMAN (Mr. Gargan): Mr. McLaughlin.

HON. BRUCE McLAUGHLIN: I cannot remember offhand. I do not have the figures here for the total funding for young offenders but I believe it was in the four million dollar area, O and M and capital, and it gave us the amount of money required for the full fiscal year.

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

MR. RICHARD: Well, in that respect then, maybe I should take back what I said earlier. I am not sure of the accuracy of that entry then. My best recollection of supp No. 1 was that we were asked to approve an expenditure of funds for the young offenders programs and that the government's information at that time was that they had not yet received confirmation of federal funding so the

net figure on supp No. 1 would have been to the plus, that we were spending money. Whatever that figure was, it should be entered on the bottom of this page here unless, in the meantime, we have in fact got the federal revenues to pay for supp No. 1 and that is the information I am asking for now.

CHAIRMAN (Mr. Gargan): Mr. McLaughlin.

HON. BRUCE McLAUGHLIN: Thank you, Mr. Chairman. The responsibility for the young offenders program funding in the country has been transferred from the Solicitor General's office to the department of the federal Minister of Justice and when that was done, coincidentally, our government and the Solicitor General and the Minister of Indian and Northern Affairs had come to an agreement on the amount of dollars which is required for the young offenders program in the Northwest Territories and that Treasury Board submission, jointly submitted by the Minister of Indian and Northern Affairs and the Hon. Ray Hnatyshyn, the Minister of Justice who now has that responsibility, recognizes the amount of money which we required in our current fiscal year and that is what went to the Treasury Board for their consideration. We expect to hear literally any day now formal notification that the Treasury Board submission was approved for the amount that we required. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Richard.

MR. RICHARD: Mr. Chairman, I was not asking the Minister to explain why we do not have the federal funding. I was asking him to acknowledge or admit that we do not have it. If that is so, then would Mr. Butters and his officials not agree that maybe that is why this thing is blank, as opposed to zero? I cannot say it is wrong if there is nothing there, there is no entry opposite supp No. 1 but at the time we approved supp No. 1, whatever the amount was, and the government has just taken our copy of supp No. 1...

---Laughter

MR. McCALLUM: We have not even looked at it yet.

---Laughter

MR. RICHARD: God, we are helpful; we are awfully helpful to those people! Perhaps Mr. Butters could address that then, Mr. Chairman, if you give him an opportunity to look at the supp No. 1 document that the government has borrowed from us. That that bottom line figure should not be six million dollars but something less. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. BRUCE McLAUGHLIN: Thank you, Mr. Chairman. The total supp was for \$6,198,000 and the Social Services operation and maintenance part of that was \$5,978,000. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Richard.

MR. RICHARD: So, the figure of \$6,198,000 should in fact be entered in the third last line on the opening page?

MR. McCALLUM: You are \$138,000 in the hole rather than being six million dollars above.

MR. RICHARD: And I withdraw my kudos of a few minutes ago because the bottom line is not correct, I do not think.

HON. TOM BUTTERS: Well, Mr. Chairman, my understanding is that we are expecting to be reimbursed by the federal government and therefore it is not our expenditure.

CHAIRMAN (Mr. Gargan): Mr. McLaughlin.

HON. BRUCE McLAUGHLIN: Mr. Chairman, what Members should understand is that there are two areas covering off the young offenders amount of money. If you want to talk, just in round figures, if the Young Offenders Act program would cost us in a year, seven million dollars, four million dollars would come out of our base -- which is what the Treasury Board submission is after, to put

four million dollars into our base -- we would spend seven million and then three million of that would be covered off by a cost sharing agreement, like every province has, with the federal government.

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

MR. McCALLUM: Thank you, Mr. Chairman. I just want to correct the Minister so that the minute Mr. McLaughlin's remarks go on they are not wrong. He said that the total appropriation under supp No. 1 was for \$6.198 million of which Social Services' share was \$5.978 million. In point of fact, Mr. Minister, Social Services was responsible for the other \$220,000 as well under capital. The total figure was all for young offenders. Just so it is correct.

CHAIRMAN (Mr. Gargan): Thank you. General comments. Does the committee agree we go through the details of Supplementary Appropriation No. 2, 1987-88?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Gargan): Mr. Butters, are we deferring...

HON. TOM BUTTERS: To the end.

CHAIRMAN (Mr. Gargan): ...Energy, Mines and Resources, then? Okay, we are on page five, Northwest Territories Housing Corporation.

Northwest Territories Housing Corporation, Total 0 And M, Agreed

NWT Housing Corporation, 0 and M, \$3,954,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$3,954,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Finance, Comptrollership, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Finance, 0 and M. Comptrollership, \$50,000; special warrants, \$17,600. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department: \$50,000, special warrants; \$17,600 not previously authorized. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Personnel, Regional Operations, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Personnel, 0 and M, regional operations, \$136,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): \$434,800 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$136,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): \$434,800 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Justice, Safety Division, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Justice, 0 and M, safety division, \$59,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$59,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Government Services, Directorate, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Government Services, 0 and M, directorate, \$29,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Surplus \$120,500, not previously authorized. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Government Services, Supply Services, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Supply Services, \$167,400, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$137,300. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Government Services, Telecommunications, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Telecommunications, \$33,600, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): \$12,600 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Government Services, Freight, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Freight, \$40,500 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$230,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): \$36,300 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Government Services, Directorate, Total Capital, Agreed

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

SOME HON. MEMBERS: Agreed.

---Agreed

Government Services, Petroleum Products, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Petroleum products, \$236,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$221,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Public Works And Highways

Directorate, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Public Works and Highways, 0 and M, directorate, \$71,500, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$71,500. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Project Management, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Project management, \$28,500, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$28,500. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Accommodation Services, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Accommodation services, \$25,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): \$573,700 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Buildings and works, \$345,500, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): \$240,500 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Vehicles And Equipment, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Vehicles and equipment, \$68,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): \$40,100 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Utilities, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Utilities, \$687,500, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): \$1,615,100 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$1,226,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): \$2,369,400 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Highways, Design And Construction, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Public Works and Highways, capital, highway design and construction, \$604,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$604,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Renewable Resources

Directorate, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Renewable Resources, 0 and M, directorate, \$175,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Wildlife Management, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Wildlife management, \$16,600 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Field Services, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Field services, \$24,900 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): I am sorry, I missed \$1,777,000, special warrants, field services. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Policy And Planning, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Policy and planning, \$40,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Pollution Control, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Pollution control, \$3500 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Fire Operations, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Fire operations, \$7,991,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Mr. Richard.

MR. RICHARD: Mr. Chairman, that special warrant for the \$7.9 million, was that just to set up the authority because of the coming fire season? Surely that money has not been spent or was not required. Was it just to set up a fund?

CHAIRMAN (Mr. Gargan): Mr. Pedersen.

HON. RED PEDERSEN: Thank you, Mr. Chairman. It was primarily to set up the spending authority to operate the forestry transfer that we received effective as of April 1st until June 30th. The majority of the forestry funding is spent during the spring setting up the fire-fighting operation and during the summertime when it is carried out. A much smaller percentage is spent after the fire season is over. The special warrant did set up part of the fund needed for the fire-fighting and the operational expenses. It is a combination of both.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Fire operations, \$10,279,000 not previously authorized. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Forest Management, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Forest management, \$297,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Total department: \$10,280,000, special warrants; \$10,234,000 not previously authorized. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Field Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Renewable Resources, capital, field services, \$250,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$24,900. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Wildlife Management, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Wildlife management, \$16,600. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Pollution Control, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Pollution control, \$3500. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Fire Operations, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Fire operations, \$1,031,700, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$476,300. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$1,281,700, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$521,300. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Municipal And Community Affairs

Directorate, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Municipal and community affairs, operations and maintenance, directorate, \$149,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Municipal Affairs, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Municipal affairs, \$2,329,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$2,180,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Directorate, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Municipal and community affairs, capital, directorate, \$15,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Community Works And Capital Planning, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Community works and capital planning, \$390,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$2,100,100. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Sport And Recreation, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Sport and recreation, \$2,005,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total department, \$390,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$4,120,100. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Health, Administration, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Department of Health, operations and maintenance; administration, \$59,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Health, Territorial Hospital Insurance Services, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Territorial Hospital Insurance Services, \$35,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$35,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$59,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Health, Territorial Hospital Insurance Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Health, capital, Territorial Hospital Insurance Services, \$4,000,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$4,000,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Social Services, Correction Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Social Services, capital, correction services, \$340,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Social Services, Family And Children's Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Family and children's services, \$320,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$660,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Economic Development And Tourism, Business Development, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Economic Development and Tourism, operations and maintenance, business development, \$200,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Economic Development And Tourism, Economic Development Agreement, Agreed

CHAIRMAN (Mr. Gargan): Economic development agreement, \$2,100,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$2,300,000 surplus. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Education, Schools, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Education, operations and maintenance, schools, \$67,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Education, Arctic College, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Arctic College, \$3,888,900. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$67,000, special warrants. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Not previously authorized, \$3,888,900. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Education, Schools, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Education, capital, schools, \$700,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department, \$700,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): We will go back to page four. Energy, Mines and Resources Secretariat with Mr. Butters.

Status Report On NCPC Negotiations

HON. TOM BUTTERS: Mr. Chairman, before we go to the detail on page four, if I might just provide a brief update on the NCPC transfer negotiations as recently as yesterday. At the last sitting of the Legislative Assembly, Mr. Chairman, I advised Members I would provide a status report on negotiations for the transfer of NCPC to the Government of the Northwest Territories. Since I last briefed Members in March, our negotiators have met with officials of DIAND three times. The central issues discussed to date have been financial in nature. The prime purpose of discussions to date has been to determine whether there is common ground for an agreement. As I noted at the last session, the NWT government's proposal for transfer of NCPC was forwarded to Canada in mid-December. Over two months transpired before a response was received, and I think Members recollect that that response was not acceptable. And they had still not obtained a mandate to enter into meaningful discussions with this government.

Negotiations were further delayed when the senior federal negotiator, Neil Faulkner, resigned his position and left the department. Finally, federal officials were not prepared to meet with the GNWT until the Yukon transfer agreement was concluded, which, as Members are probably aware, was

not accomplished until April 1, 1987. Indeed, it was not until March 31, 1987, a gap of three and a half months since our initial proposal was discussed with DIAND, that the GNWT was finally able to meet to begin meaningful negotiations. Since the date of the last meeting, May 7, 1987, DIAND officials have been preparing a document for consideration by the federal cabinet. The federal cabinet direction should provide or, I am quite sure, will provide, federal negotiators with a mandate for entering into productive discussions with this government and a timely resolution of the main outstanding financial negotiating issues. I have personally taken every opportunity to expedite negotiations in meetings with Mr. McKnight and, more recently, with the Hon. Barbara McDougall, the Minister responsible for privatization. I have attempted as best as I am able to ensure that the information received by the federal cabinet fairly represents the GNWT's position. I am hopeful that the cabinet committee will be looking at that package no later than the 24th of this month.

It is expected that the federal cabinet will be reviewing the various options -- devolution to the GNWT of NCPCNWT, the privatization option, or a restructuring of the commission on the basis of a single Territory, as well as the federal mandate for negotiations when it meets on June the 24th. In the meantime, the GNWT officials are continuing with detailed financial and economic analysis of transfer issues. Analysts from DIAND, NCPC and GNWT have been meeting regularly to resolve outstanding issues.

Asset Appraisal Of NCPC

More recently, the GNWT received the results of an asset appraisal of the NCPC plant and equipment performed by Northland Utilities on our behalf. As I noted to Members at the last session, there was a concern by the Executive Council regarding the condition of NCPC equipment in the NWT and this was one of the major motivations in ensuring that we carried out not a full asset review but at least a comprehensive asset appraisal. I am pleased to report that on the whole, on the basis of that study, most plants and equipment were found to be in reasonably good working order and to be very well run by the current NCPC staff.

On the other hand, the study found that performance on the Snare Yellowknife system was unacceptable and the Talston system was poor by Canadian standards. So despite the best efforts of NCPC staff, on the Yellowknife Snare hydro system, for example, there were 33 system disturbances in 1986. So, while power rates for NWT customers are the highest in Canada, reliability of hydro is generally near the lowest in Canada. As a result of that study and those findings I did communicate to the Minister the concern which is expressed here and indicated to him that in the interim I would hope that the NCPC management would be addressing those concerns.

Further, the asset study indicates that the cost of upgrading plants and equipment in the NWT to a reasonable standard is about \$25 million. Finally, the study pointed out that the Yellowknife Snare hydro system is short capacity, although this would be shortly rectified with the installation of additional diesel capacity. Incremental demand on the system is provided by diesel power. As we all know, diesel-generated power is a very expensive power. As Yellowknife and other communities served by this system grow, it may soon become economical to seek and construct another hydro generating system. It is estimated that the cost of doing that could amount to over some \$80 million. The large amounts of capital required by the NWT utility corporation must be recognized in the transfer cost to the utility. Our negotiators have been attempting to emphasize this point in the intergovernmental discussions that have occurred.

Location Of Headquarters Of New NWT Utility Corporation

The uncertainty of the transfer process to this point in time has precluded the Executive Council from making a commitment regarding the location of the head office of the new NWT utility corporation. The location of the headquarters and the economic benefits which would accrue to the community hosting the headquarters is undoubtedly an item of interest to many Members. However, as I noted to you in March, I do not want to raise expectations of communities prior to receiving assurances that the chances of a successful agreement are beginning to look very good.

Similarly, Mr. Chairman, I have approached the PSAC and the gentleman who is responsible for, and ensuring that, the union interests of our NCPC operators are maintained and that communication is made to them with regard to our progress and have given him a report of the same nature, that being that we still have not got to the point where we would have expectations that the road to developing an agreement with the federal government, or an agreement in principle with the federal government, has been cleared of all roadblocks.

Now, that concludes the status report and briefing on the current situation and I would be pleased to answer any supplementary or any other questions related to that particular exercise.

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

MR. McCALLUM: Thank you, Mr. Chairman. In relation to the request for additional funding to cover off work to be done this year, I note that it is made up of consultant fees, staff travel, legal support, asset appraisal and executive search, totalling \$325,000. Can I ask the Minister in relation to the asset approval -- in response to a question asked by Mr. Richard, the government has already spent \$235,000 in appraising the assets of NCPC or what is left of NCPC because you are certainly not looking at it in relation to the Yukon. What else do you have to appraise? How long does it take you to appraise the assets of what is left of NCPC, since you have already spent over \$235,000 last year? Are there that many assets left of NCPC that it is going to require additional appraisal?

I note as well -- and I might as well continue, Mr. Chairman, because the numbers are there, if he does not mind -- the executive search; that you are going to spend \$30,000 searching for an executive. I take it that is the person who is going to be the number one honcho or honchess for whatever is going to happen here, whatever the set-up will be. And, again, legal support, \$150,000. I wonder if I could get a clarification of what support that is. Do we not use our own legal people within the House? And the \$70,000, I expect that this is a full year's salary for this consultant as opposed to last year's and they only had him for part of the time. I wonder if I could have some response to that because that is what makes up the \$325,000 in this supplementary request.

CHAIRMAN (Mr. Gargan): Mr. Butters.

Only One NCPC Asset Appraisal

HON. TOM BUTTERS: Mr. Chairman, with regard to the NCPC asset appraisal, this is the one and the same asset appraisal which I referred to in my opening briefing. It is the money required to conclude payment to the company for that study. There was insufficient money identified in the previous year to pay for that particular requirement so it is nothing new. There is no additional asset appraisal required. We feel we have a very good asset appraisal though. I must admit I was quite surprised at the amount of money such an appraisal costs, but I believe that we know very well exactly what is out there. This was something that was not done in the case of the Yukon. I feel that the asset appraisal which we have had carried forward has indicated to us faults in the system which I have brought to the attention of the federal Minister even while negotiations are going on. I feel we have received value for money. But the money required is to pay for the one asset appraisal which has already been carried out.

With regard to the legal requirement of Ladner Downs, \$150,000. This is a very technical area and the expertise is not available within our own government. The Minister of Justice is here and I may have to call on him, but what we are looking at is not only the devolution or transfer of a number of assets but we are also looking at the devolution and transfer of a number of rights to use of water, use of land adjacent to that water, options to use land, things of this type which have to be researched in some depth. Arrangements which NCPC has entered into with the federal government over many years -- and obviously, if we are talking about additional energy requirements that this Territory may have to become involved in, then we may have to know what land rights we do have and what authorities we have to see further developments carried out. That is my understanding. It is related in part to the rights and authorities that NCPC currently has under the act for providing its current function. I would believe that it is probably mainly in the area of hydro but maybe Mr. Ballantyne might be able to assist me on that. I have not investigated it specifically.

HON. MICHAEL BALLANTYNE: Mr. Chairman, our department was involved in a fairly extensive search to find the proper law firm with the right kind of experience. It is a very specialized field and the particular firm that we chose has a lot of experience with these sorts of transfers. I think that the agreement itself could encompass 100 pages. It is very technical; it is something for which we thought we needed some outside expertise and our department is providing support to the law firm that we hired.

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

HON. TOM BUTTERS: I asked for help from my learned colleague, which he has provided. I understand that it is a specialized area. In the case of the Yukon which, as Members know, have their agreement in place, I think the legal fees were somewhere between \$300,000 and \$400,000.

Search For New Utility President

The other question asked me by the Member related to the executive search for a new utility president. Well, we are not looking necessarily for a new utility president per se. It is a narrow field of expertise and we are just attempting to determine the number of individuals out there who might be available should we conclude a successful agreement with the federal government.

It is too late in the day to conclude an agreement and then start scrabbling around to determine how to manage the operation. We are looking at the possibility of management function at arm's length and we would like to know what is available. Obviously, there are other options open to us, which I indicated last year. There is the Yukon public-private option, there is a pure crown, pure privatization, there are a number of options but we would like to know what is out there rather than receiving the utility and having to manage without expertise available to us.

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

MR. RICHARD: Thank you, Mr. Chairman. I wanted to make some comments on this. I have an increasing concern about where we are and where we are going with this whole NCPC question. When I saw a request in this supplementary appropriation for another \$325,000, that led to my asking the question last week of the Minister, or a summary of these various requests in recent years for money for this project -- it now appears from that response that if this \$325,000 is approved it is upwards of one million dollars and this is excluding the time of our salaried staff.

Now, Mr. Chairman, one of my concerns is not just the one million dollars but if we back, let us say, two years ago, in the year 1985-86, saw the magnitude of this problem and saw that over the course of two years it was going to cost us funds of a magnitude of one million dollars, we would plan that in the budgetary process -- and I appreciate that this project is unique. We do not have other problems in our \$800 million government like this one.

But even given that uniqueness, what concerns me is all this ad hocery. It is a quarter million here and \$300,000 there and to me there does not seem to be any overall plan or direction on this thing. If the Minister, Mr. Chairman, could just briefly refer to the written answer he gave me the other day, it appears that there was in the 1985-86 year in the main estimates on the normal budget process a plan to expend \$148,000 on this project, and that is fine. But then when we get to the next two years, the normal budgetary process -- now that we have a strong chairperson in the chair, Madam Chairman could you get the noise reduced over here so I can hear myself speak?

CHAIRMAN (Mrs. Lawrence): Order, please. Mr. Ballantyne, order please.

HON. MICHAEL BALLANTYNE: Sorry, Madam Chairman.

CHAIRMAN (Mrs. Lawrence): Mr. Richard.

Involvement In Major Project

MR. RICHARD: Thank you, Madam Chairman. It is good to have a chairperson with authority. Madam Chairman, the point I am trying to make here is that when we came to year 1986-87, surely we knew then that we were involved in a major project and in the budgetary process, instead of asking for authority to spend \$9000, a small figure, why was there not then a request to spend a more reasonable figure? We are looking at it from hindsight; I appreciate that, but then there was \$240,000 that came in by way of supplementary appropriation. Sometime during that year there was an even more immediate reaction to some event and through the special warrant process, which is an unusual process, another \$235,000 was approved. And we come to the beginning of this fiscal year and again the budgetary process is in place for these things and there was no request for funding in the main estimates. And yet, the year is hardly opened when we are being asked, on a special occasion, which is what a supplementary appropriation is, for another \$325,000.

That, Madam Chairman, is what I am trying to indicate is what I see, is this ad hocery to the thing. Even with the Minister's explanation I cannot understand what is taking so long. This issue has been, supposedly, on the front burner for this government and the people of the

Territories for some years. The Minister indicates that the discussions have been financial to date and that initially there was an attempt to determine whether there was common ground for the discussions between the senior government and our government. I would hope that it would not have taken long to determine this common ground. If the federal government is not going to virtually give us these assets, we know we cannot afford, with our 50,000 people, to take this thing over.

I guess I would like to know if that option is still open. The Yukon has broken away so we now have a federal crown corporation that deals only with providing power to the Northwest Territories. I am wondering, Madam Chairman, if it is still not possible for us to take the option of changing the board of directors of NCPCC with the blessing of the federal government and, through that mechanism, insisting that the federal crown corporation address the energy issues as we want them to. We are spending a million dollars and I guess what I want to know is, how close are we? How much closer are we than we were two years ago before we spent the million dollars? Are we an inch closer to a resolution of this issue? Those are the sorts of concerns that I have. We now know we are going to finish our business next week. The 11th Assembly is going to meet for the first time in late 1987 or early 1988. What is going to happen between now and then?

It appears from the categories of expenditures that we are being asked to approve, \$30,000 is included for an executive search. Given the history of the negotiations or the progress to date, by asking for this \$30,000 is the government saying that we are that close to resolving it; that we are going to go out and start looking for the people to run the new corporation? What is going to happen in the summer months? This is a major decision. Is this the last day that this group of people is going to hear about this topic, and therefore the public, before the first session of the 11th Assembly? So, those are some concerns that I have, Madam Chairman. I would ask the Minister responsible for this secretariat to address them in turn: The ad hocery of approval of these funds over the last two years. What is taking so long? What is realistically likely to happen in the next four months?

CHAIRMAN (Mrs. Lawrence): Thank you. Mr. Minister, do you want to respond to that?

HON. TOM BUTTERS: Thank you, Madam Chairman. I was sure that the Member for Yellowknife South was in his seat when I gave my opening remarks. I thought I had answered a number of the questions then but maybe I was not clear enough.

Territorial Government Does Not Control Pace Of NCPCC Negotiations

We do not control the pace of negotiations. I indicated in my opening remarks that we put on the table a position and we have informed the federal government if we cannot afford it, we are not going to pay. I agree with what the Member says about being able to afford it. We put our position on the table on December 11th of 1986. On December the 15th we were told that they would get back to us, that they would get a cabinet mandate and they wanted a little bit of a rest from the Yukon negotiations. On February the 13th, we found out that they had not accepted our proposal. It is now almost six months since we first put our proposal on the table on December the 11th. We are now seeing the situation where the federal government is putting the mandate to cabinet on the 24th of this month. Six months have gone by. That is not our timetable, that is the federal timetable.

I have been really concerned about what I consider a lack of political will on the part of the federal government. I have suggested this to the Minister, that after pushing us as he did when he was in Whitehorse in September last with Mr. Penikett to move on this, there has been a delay on the part of the federal government. However, so saying that, if you look at the experience of the Yukon it has been very similar. They put their position on the table in December of 1985. Negotiations did not start seriously until June of 1986, Mr. Penikett from Whitehorse and Mr. McKnight, said we are going to do this thing by October 31st of 1986. They still did not have anything, they still did not have an agreement in principle until some five months later, April 1st.

We have been operating under the expectation that this government and the Government of Canada could meet a March 31st, 1987 deadline to achieve an agreement in principle. That is why it was not in the budget. We expected, and it was not until well into this year that I began to see that the March 31st expectation for an agreement in principle was being too optimistic. So I am just telling you that the ad hocery is not on our part. We are dealing with a machine that moves at its own pace.

The Member also indicated expenditures that were made in 1985-86 and 1986-87, if you look at those, \$200,000 plus were related to a Peat Marwick study which was rejected by this Assembly last year. In fact, it was torn apart and thrown out the window. This was money spent which was obviously not taking us in the direction we want to go. I would say that every expenditure in place today is, on our part, a productive and progressive step toward the resolution of this matter and a responsible resolution of this opportunity. And I do think it is an opportunity. We have been very satisfied with the work being done by Norman Olsen. Also we are satisfied that the legal assistance we now have in place will allow us to move to the agreement in principle. And with an executive search in place, we will have management expertise if we are successful in conducting our discussions. I admit that I have been very down, from time to time, very pessimistic and I have communicated this to the Minister.

Comparison With Yukon Negotiations

People who know and are able to compare the negotiations and discussions that occurred between the Yukon and the federal government, and have an opportunity to audit the discussions that are occurring between the GNWT and the federal government saying that our discussions are proceeding at an orderly pace and in an orderly manner. So, it would appear that we are making all the progress that we can reasonably expect under the conditions in which we operate. The Yukon, I believe, got a very good deal and I think that if we can cut a deal close to that obtained by the Yukon then the consumer of the Northwest Territories will be very well off.

Our negotiators have used the NEB position. In fact, if you remember in the examination of the Yukon assets, the federal government I believe was more generous than even the NEB when it wrote down debt on the assets of NCPG in the Yukon. So, we have on every opportunity in meeting with the federal government indicated two things: First of all, we want to be treated in the same manner as the Yukon was treated and similarly we want the federal government negotiator to recognize that just because our balance sheet has shown a profit on this side of the mountains for the last five or six years, does not mean to say that we are a going concern. We have pointed out to the federal negotiators, to the federal Minister, to the Hon. Barbara McDougall that there are some hitches in that equation which could put us in a disadvantageous position in an economic sense.

The other thing was the federal negotiator. I tried to get someone besides Neil Faulkner to carry out our negotiations back in November of 1986. It was apparent to me then that Mr. Faulkner could not juggle both negotiation processes. I asked the Minister, in fact I even phoned Robin Glass, who is now the federal negotiator, to see whether he might be available, because I had had dealings with him before. I tried to get another negotiator and was unsuccessful. I am quite convinced that we lost four or five months because of the priority of concluding the Yukon negotiations. I believe the first meeting we have had with Robin Glass was on March 31st. There have been three very, I think, productive meetings to date. There will be another one next week. Mr. McKnight is going to cabinet soon, so I do feel progress is being made. I do not think that we are culpable of ad hocery here. I think that we are doing things in a practical manner and that we can be justified in our expenditures. After all, although we may have blown \$200,000 on Peat Marwick, we are looking at a utility and a business that is worth \$100 million plus. We are going to ensure that we are getting value for money. We have got to know exactly what we are buying in terms of assets, in terms of debt, in terms of staff or our staff commitments and this research has been done. I think we have done reasonably everything that it is possible to do by prudent management and we can justify the expenditures that we have put before you in the past and are putting before you now.

The last question I think that was pertinent was what is going to happen in the summer months? The only answer I can provide to that question relates to the Yukon experience. The Yukon did not really begin to negotiate until probably August or September of last year. It took them seven months to reach an agreement-in-principle stage. I feel that we are looking at probably the same time frame. I would believe that probably and without damaging the process any or diminishing the process that the new Assembly, that the 11th Assembly, would have a proposal for them to examine and to look at. Again, that is based on the Yukon practice.

Three Options

I would just like to make one other comment which is outside of the ambit of the Member's questions, but the Minister has made it quite clear to me that he has three options open and he will proceed first on -- and I gather that this is his desire -- his first hope and expectation is

that he can effect a mutually satisfactory devolution and transfer of this very important utility to the people of the NWT, under whichever management regime we choose. The other option he has is privatization and we know that the company is not without woovers. There are companies out there that are looking at NCPC, its assets and its productivity and its potential and are very interested in that utility. While those interests have not yet impinged themselves on the federal government's consciousness, they are there and they are known to be there by both the Hon. Barbara McDougall and the Hon. Bill McKnight.

The third option that the Minister has, and this was alluded to by the honourable Member, is a restructuring arrangement. As far as the Minister is concerned, that is one of the options that he has. So I do not know whether I have answered the Member's question or not, but I have tried to cover all the points which he raised.

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

MR. RICHARD: Thank you, Madam Chairman. I appreciate the Minister's responses. I had those concerns and I felt that there should be some discussion on them. I am hoping that the Minister's optimism is going to result in some of the movements that he is hoping for in a timely fashion. I hope that we get an agreement in principle, but I hope that this group gets to look at it and we have an open discussion about it. I guess I am convinced that the current Executive Council probably would not sign anything that did not make sense for the long-term consumers of the power in future years, but I still, given the background of the last two years, would really like to see the thing discussed by a group such as this, prior to any final decision. It is ironic that I was one of the people, as long as 12 or 15 months ago, expressing some concern about where the government was going to put the headquarters. That used up a few question periods in this Assembly back last June of 1985 or even earlier, February or March 1985. I suppose with hindsight, we should not have even been talking about those things back then, we were so far from deciding to take over NCPC, let alone where we were going to run it from.

So I appreciate Mr. Butters' giving this additional information, but since he raised the Peat Marwick study, and I had forgotten about that gem, he said we blew \$200,000 on the Peat Marwick study. Could he show that on this financial breakdown he gave me? I do not see that item here, unless it is broken down in component parts. Or is it possible that it is \$200,000 in addition to what we have in front of us?

CHAIRMAN (Mrs. Lawrence): Mr. Minister.

HON. TOM BUTTERS: Madam Chairman, the Member is correct, he does not have the information in his hand in the detail to which I have responded. I would provide him with another piece of information, or circulate to all Members something that would give them that detail. So maybe if I could get it photocopied and circulated. I welcome the discussion and I welcome the honourable Member's concern and his desire for a full and rolling debate on the subject.

Depressed At Lack Of Progress

While I express optimism, I must say that I have been very depressed at the lack of progress. And I have shared the honourable Member's concern that we did not seem to be moving as quickly as I felt we could move but I had really believed that the March 31st date was attainable. I have delayed this response as long as possible in this session in the hope that something productive might go before cabinet, that we might get a mandate. But in saying that, I would point out that the negotiations and discussions will continue without abatement throughout the summer. I will personally do everything I can to further these initiatives, to try to bring it to some kind of a conclusion. I may not be realistic but, in view of the interest of the Member and if it is realistic, then we might even consider the convening of the House for a day to examine a possible package. I do not know if that is realistic but I would like to see it resolved before this House disappears on August 17th and not have to leave it hanging over to somebody in the 11th Assembly to address and resolve.

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

MR. CURLEY: Thank you, Madam Chairman. I think there are a lot of issues that could be raised with respect to the transfer of NCPC. As far as I am concerned there are internal problems that have been created too, that have contributed to the delay in the negotiations in progress toward devolution of NCPC.

The Members on the other side of the chamber here tend to blame this government that, you know, we are so far behind Yukon. I think if you were to consider Yukon, you know, Yukon was not actively having a political disagreement with the structure of the proposed corporation. Although they established the crown agency for the management responsibility of the government, they contracted with the existing utility company which is providing energy or power to many residents and providing service to the consumers in Yukon. So that was relatively, I suppose, a safe political route to go because although it was a socialist government, it was much more in support of the private sector groups contracting with the government to carry out this service. So that was not a problem. The issue of headquarters, as far as I am concerned, was not a problem with Yukon. But here we have still not resolved the problem of the headquarters and I think it is one area that we should resolve.

Motion To Announce Location Of NCPC Headquarters Before End Of Ninth Session Of 10th Assembly

So, I have a motion, Madam Chairman. I move that this Assembly recommend to the Minister responsible for devolution of NCPC that the permanent headquarters and operational centre of the NWT energy corporation be announced by the Minister before the end of the ninth session of the 10th Assembly.

CHAIRMAN (Mrs. Lawrence): Thank you. May I have a copy of your motion, please? Your motion is in order. To the motion. Mr. Curley.

MR. CURLEY: Thank you, Madam Chairman. I think it is important that this Assembly resolve the impediments toward the full devolution of NCPC. Obviously the governments are not the only ones that have to prepare and get ready to serve and to provide a base and headquarters and staffing requirements, the necessary deployment of the headquarters and other major tasks. I would think that it should be a priority of this Assembly that we are not part of the problem, that we not bicker with where the headquarters should be. Ever since the issue of devolution came about, we have been part of the problem by not being able to agree as to where the headquarters of the NWT energy corporation should be based. Yukon did not have that problem. Sure, it is a small territory but their politicians did not bicker as to how the energy corporation should be structured. Their socialist government were much more interested in contracting with the private sector to give the utility company the experience to manage it as opposed to forming a whole new board of directors and staff which this government has chosen to opt for. In my view the excess spending of public funds will likely be felt by the consumer in the early years.

As far as I am concerned the headquarters should be decided and if the Members can not decide, you should agree that it should be moved to a neutral place like Rankin Inlet, or Yellowknife for all that I care, because I do not think it would be wise to move it any farther away from the other regions of the Northwest Territories since it will be responsible to serve the whole of the Northwest Territories. It is going to take time for the private sector to build a facility which is required, to set up lands and everything else, so I think it is important that the Minister make that announcement before this Assembly is prorogued. Thank you.

CHAIRMAN (Mrs. Lawrence): Thank you, Mr. Curley. To the motion. Mr. Butters.

HON. TOM BUTTERS: May I have a copy of the motion, Madam Chairman? While I am waiting for a copy of the motion I would just like to indicate that, the Member's belief notwithstanding, this government has not made a determination of the management mode that would occur were we to obtain the successful devolution of the NCPC utility. There are a number of options out there and no decision has been made as yet on that mode and I would think that there would be an interim period of examination anyway.

With regard to the naming of the headquarters, I will accept whatever advice the motion may give me but I think to name a community at the present time -- and we have all the information available, would be irresponsible. It would create expectations in that community that may or may not be realized if we were not able to conclude the deal. We could see speculation occurring in that community. We might even see the supply and demand situation falsely applied in that community because of an announcement that this government had made. I think it would be not only irresponsible but premature to make it until we are sure that we are going ahead. Once we are going ahead, then the decision should be made concurrently with our decision to buy NCPC.

CHAIRMAN (Mrs. Lawrence): Thank you. To the motion.

AN HON. MEMBER: Question.

Motion To Announce Location Of NCPC Headquarters Before End Of Ninth Session Of 10th Assembly, Defeated

CHAIRMAN (Mrs. Lawrence): Question has been called. All those in favour? Opposed, if any? The motion is defeated.

---Defeated

Mr. Butters.

HON. TOM BUTTERS: Madam Chairman, there is one aspect that I did not mention and it is one which I neglected to raise in caucus, I believe there will be a caucus next week. At that time I would like to indicate to you my recommendations with regard to some memberships of the current Public Utilities Board. Obviously the role of our Public Utilities Board could change drastically and dramatically with the devolution and transfer of that utility. At the present time that board is not called upon to act on too many occasions throughout the year but I think with the devolution of NCPC to the Northwest Territories the Public Utilities Board would become a much more important board for protecting the interests of consumers and ensuring that the companies are getting a fair and adequate return.

So what I was intending to do was to recommend to the House that three members of that board would have their terms extended for one more year, at which time we would have a better idea just what would occur with regard to NCPC and leave to the incoming government and the Minister responsible for that board the determination of how he or she might staff it in the future.

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

MR. McCALLUM: Thank you, Madam Chairman. I do not have any difficulty personally with what the Minister has said but since he raises this business of boards, I wonder if he could indicate to me the status of the board of directors of NCPC. It is my understanding now that there are three people left on it. One from the Northwest Territories, Mr. Robertson; Mrs. Hilda Watson who used to be in the Yukon but is not now and I suspect the chairman. There is no chairman -- I beg your pardon, there are only two people on it. I do not know when and how they meet. But since that board of directors now does not even involve the Yukon, it is dealing only with the NWT, has the government done anything about approaching the Minister? I guess it is Mr. McKnight who has the responsibility. Has the government done anything about trying to bring that board up to the proper number?

I think here would be an ideal time to now go to the Minister with names of northern people and have these people from the Northwest Territories on it. Now, as much as I admire Mrs. Watson, I am not sure what she does now in relation to the North because to my knowledge she is not even in the North at all, either the Yukon or the Northwest Territories. I do not know whether it should be the Minister or whether it should be the Government Leader, but what is going on in the minds of the government about taking over and having the NCPC board truly made up now of Northwest Territorians, rather than having people from somewhere else. And if there are only two members, surely the government must be thinking some way along the line to deal with it. As he says, it is a big business. So I wonder if I could get some information from the Minister.

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

Recommendation Of Northerners For Appointment To NCPC Board Of Directors

HON. TOM BUTTERS: Yes, Madam Chairman, the government is aware of the situation the Member describes and the government has acted to fill the vacuum that exists on the board. Representations have been made to the Minister. I made them orally to him some 15 or 16 days ago and latterly by telex. So the answer to the question is, we are attempting to fill any vacancies on the board with people from the NWT.

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

MR. McCALLUM: Thank you, Mrs. Chairman. Chairperson does not sound right to me. Anyway, Madam Chairman. I wonder if I just might ask the Minister how many people have been recommended? Or how many did you on behalf of the Government Leader recommend for this board? I am not sure I want to get into the business of who, but surely we would know. It seems to me that used to be the way things were done -- recommendations were made for people on the board. How many have been acted upon? How many positions are you looking for?

CHAIRMAN (Mrs. Lawrence): Mr. Minister.

HON. TOM BUTTERS: My understanding and that is my understanding of some three weeks ago, before we sat, is that there was one position now and there would be one position later on. To date I recommended two names, one name specifically and particularly which I put to the Minister and I still have not had a satisfactory response from the Minister. I do not wish to indicate it in public, because the situation is so much in flux, but I do not mind advising the Member at another time.

CHAIRMAN (Mrs. Lawrence): Thank you. Energy, Mines and Resources. Mr. McCallum.

MR. McCALLUM: Thank you, Madam Chairperson. You have recommended two. Was one of those recommendations for the chairmanship and another for just a person on the board? Without giving the names of the people that were put forward, is it possible for us to know whether they were your recommendations or were they recommendations of the Executive Council?

CHAIRMAN (Mrs. Lawrence): Mr. Minister.

HON. TOM BUTTERS: Nothing wrong with Madam Chairman, it sounds pretty good. Madam Chairman, no, I would not recommend any name that has not been put before the Executive Council, so the Executive Council is aware of the recommendation. As recently as yesterday, I indicated that I was not receiving a positive response and again got concurrence from my colleagues to ask the Minister to make a decision on the name that I provided him. On the second question, I do not know that the chairman is no longer serving the board. I know the chairman has been ill and that he may not be able to travel but I had not heard that the chairman is no longer serving. The first I heard was when Mr. Richard indicated so now.

CHAIRMAN (Mrs. Lawrence): Thank you, Mr. Minister. Any further questions. Energy, Mines and Resources Secretariat, \$325,000. Mr. MacQuarrie.

MR. MacQUARRIE: Just to clarify what the Minister said in his last response. He said that the Executive Council was aware of the recommendation. The question was, was it the Minister's recommendation or was it the Executive Council's recommendation? In other words, was it endorsed by the Executive Council?

CHAIRMAN (Mrs. Lawrence): Thank you. It is two o'clock and I rise to report progress.

MR. SPEAKER: Order, please, in the House. Mrs. Lawrence.

ITEM 18: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 20-87(1), REVOLVING FUNDS ACT; BILL 36-87(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 5, 1986-87; BILL 37-87(1), SUPPLEMENTARY APPROPRIATION ACT, NO. 2, 1987-88

MRS. LAWRENCE: Mr. Speaker, your committee has been considering Bills 20-87(1), 36-87(1) and 37-87(1) and wishes to report that Bill 36-87(1) is now ready for third reading and that Bill 20-87(1) is now ready for third reading, as amended.

Motion To Accept Report Of Committee Of The Whole, Carried

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

MR. SPEAKER: Thank you, Mrs. Lawrence. 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. Immediately after recess today there will be a caucus briefing and a visit to the new Stanton Yellowknife Health Centre. Monday morning at 9:30 a.m., there will be a caucus meeting.

ITEM 20: ORDERS OF THE DAY

Orders of the day for Monday, June 15th 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: Bill 37-87(1): Fourth Report of the Special Committee on Rules, Procedures and Privileges; Bills 19-87(1), 35-87(1), 28-87(1)
18. Report of Committee of the Whole
19. Third Reading of Bills
20. Assent to Bills
21. Orders of the Day

MR. SPEAKER: This House stands adjourned until Monday, June 15th at 1:00 p.m.

---ADJOURNMENT

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