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

# LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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TABLE OF CONTENTS

MONDAY, FEBRUARY 13, 1984

	<u>PAGE</u>
Prayer	229
Oral Questions	229
Returns	233
Tabling of Documents	234
Notices of Motion	234
Motions	234
Consideration in Committee of the Whole of:	
- Bill 1-84(1) Appropriation Ordinance, 1984-85	
- Department of Government Services	239
- Tabled Document 4-84(1) 1984-85 Main Estimates	239
Report of Committee of the Whole of:	
- Bill 1-84(1) Appropriation Ordinance, 1984-85	273
- Tabled Document 4-84(1) 1984-85 Main Estimates	273
Orders of the Day	274

YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 13, 1984

MEMBERS PRESENT

Mr. Angottitauruq, Mr. Appaqaq, Mr. Arlooktoo, Mr. Ballantyne, Hon. Tom Butters, Hon. Nellie Cournoyea, Hon. Tagak Curley, Mr. Erkloo, Mr. Gargan, Mrs. Lawrence, Mr. MacQuarrie, Mr. McCallum, Hon. Bruce McLaughlin, Mr. Paniloo, Mr. Pedersen, Mr. Pudluk, Hon. Nick Sibbeston, Mr. T'Seleie, Mr. Wah-Shee, Hon. Gordon Wray

ITEM 1: PRAYER

---Prayer

CLERK OF THE HOUSE (Mr. Hamilton): Please be seated. I am required to inform the House of the unavoidable absence of the Speaker and request the Deputy Speaker to take the chair.

SOME HON. MEMBERS: Agreed.

---Agreed

DEPUTY SPEAKER (Mr. Wah-Shee): I wish to inform the House that our Speaker, the Hon. Don Stewart, is presently under doctor's orders to remain off his feet for the next few days. I hope that the Speaker will be with us as soon as possible, and I am sure Members wish him a quick recovery.

Item 2, Members' replies. There do not appear to be any Members' replies.

Item 3, Ministers' statements. There do not appear to be any Ministers' statements. Item 4, oral questions. Mr. McCallum.

ITEM 4: ORAL QUESTIONS

Question 60-84(1): Return To Question 10-84(1), Review Of List Of Chronic Diseases

MR. MCCALLUM: Mr. Speaker, I wonder if the Minister of Health and Social Services is able to reply to Question 10-84(1), the oral questions I asked, about the supplementary health programs and whether in fact he has met with his departmental people about adding to the list of various long-term disease conditions as I suggested to him, I think it was last Tuesday?

MR. DEPUTY SPEAKER: Honourable Mr. McLaughlin.

Return To Question 60-84(1): Return To Question 10-84(1), Review Of List Of Chronic Diseases

HON. BRUCE McLAUGHLIN: Thank you, Mr. Speaker. No, I have not been able to deal in detail with this. Such an item would have to go before the Executive Council first for its approval before we could make such a change anyway, but I did ask for any Members who would like to have something added to that list to contact me or people in my department.

MR. DEPUTY SPEAKER: Thank you, Mr. Minister. Any further oral questions? Mr. Paniloo.

Question 61-84(1): Increased Funding For Hunters And Trappers Associations

MR. PANILOO: (Translation) Thank you, Mr. Speaker. My question is related to something that I heard when I got here. It was a question from three communities. The hunters and trappers associations in communities usually get funded, in the amount of \$3000 a year, but the HTA, when they have to look after polar bear and walrus, would have to get more funding than \$3000 a year. The \$3000 that they get is not enough. My question is, could that amount of money given in a year to the hunters and trappers association be increased? Thank you.

MR. DEPUTY SPEAKER: Thank you. Ms Cournoyea.

HON. NELLIE COURNOYEA: Mr. Speaker, in regard to the \$3000 a year, that is indeed correct. All the hunters and trappers associations do receive that for whatever purpose they wish to expend that amount of money. In regard to polar bear, I would assume that what the Member is speaking about is the organization of the polar bear sport hunt and I would like to have some clarification. If that is exactly what he means, then I can proceed to answer that question as well.

MR. DEPUTY SPEAKER: Thank you. Clarification to your question, Mr. Paniloo.

MR. PANILOO: (Translation) Thank you, Mr. Speaker. It goes like this. In the communities there are hardly any wildlife officers and when there is no wildlife officer in the community the HTA looks after the different quotas and they do a lot of work in that respect when we do not have a community wildlife officer. When the wildlife officer is in there doing his paperwork in the office, he lets the members of the HTA go out onto the land and see the people do not overkill or go past their quota. Sometimes they go out to inspect to see that people do not leave meat lying around after they hunt, but the income from hunting is very small for those people and sometimes the HTA do not get an honorarium for doing all those extra things that they have to do. If you do not understand, I could tell you some more about it. Thank you.

MR. DEPUTY SPEAKER: Thank you. Ms Cournoyea.

Return To Question 61-84(1): Increased Funding For Hunters And Trappers Associations

HON. NELLIE COURNOYEA: Mr. Speaker, the reason I wanted clarification on that is that in many of the communities there is a sport hunting program and generally out of the sport hunting program a certain amount of money goes to the hunters and trappers to carry out the administration. The reason I asked the question was simply to clarify what Mr. Paniloo was speaking about in general.

What I can say is, I have already discussed this issue with the deputy minister and we are working on how the community can be better funded. At this time, in the present budget, there is still only the allocation of \$3000 going to the HTAs. In fact, when you look at the other set-up of committees such as the education committee, social services committee, they do get honorariums to attend meetings and be available to take care of these matters. As well, I believe in some places where there are not game wardens available there is a program for a person who would take a guardian position. However, to date, the intention of this department is to review all the funding that goes to hunters and trappers from various different agencies to see if we can enhance the operation of HTAs that operate within the community. We have had several requests from the hunters and trappers associations making a case that there has been more and more activity for representatives of their membership in their community. I certainly intend to come back with some kind of policy that can be dealt with at this Legislative Assembly. Thank you.

MR. DEPUTY SPEAKER: Thank you, Madam Minister. Oral questions? Mr. McCallum.

Question 62-84(1): Report On Treasury Board Meeting

MR. MCCALLUM: Mr. Speaker, I wonder if the Minister of Finance would be able to report to the House on his trip to Ottawa in the past week. I appreciate, as I am sure all Members on this side of the House do, his indication that he would not be in the House last week. I wonder if he would be able to give any kind of report to the House on the success of his trip to Ottawa.

MR. DEPUTY SPEAKER: Mr. Butters.

Return To Question 62-84(1): Report On Treasury Board Meeting

HON. TOM BUTTERS: Mr. Speaker, I wish to thank the honourable Member for giving me notice of his question. The Member, and I think all Members of the House, realize this government has, before Treasury Board, three items of a supplementary estimate requirement, one in the amount of \$1.1 million dealing with the Department of Justice and Public Services and two items related to cost overruns in Health for 1982-83 and for 1983-84.

While I was not successful in seeing those items go forward at the Treasury Board meeting last Thursday, there is a special meeting to be convened this coming week at which Mr. Gray and his Treasury Board colleagues, as well as the Minister of Indian Affairs and Northern Development, will discuss those particular requests alone and separately. So while, as I say, I was not successful in seeing them go forward last week there is a special meeting to be convened. I have briefed the Minister very thoroughly on our grounds for seeking supplementary funding and I am very hopeful that they will receive full consideration by the Treasury Board and I hope support for our request for some additional \$13 million.

MR. DEPUTY SPEAKER: Thank you, Mr. Minister. Oral questions. Supplementary Mr. McCallum.

Supplementary To Question 62-84(1): Report On Treasury Board Meeting

MR. McCALLUM: Mr. Speaker, I do indeed have a supplementary question. I wonder if the Minister would indicate to the House his concept of the consequences of this government not receiving that additional supplementary funding of \$13 million.

MR. DEPUTY SPEAKER: Mr. Minister.

Further Return To Question 62-84(1): Report On Treasury Board Meeting

HON. TOM BUTTERS: Possibly the question is hypothetical but I will respond in that I believe that the Treasury Board secretariat is recommending approval of one and rejection of two of our requests. If the Treasury Board secretariat's recommendations are accepted and adopted by the board then we are looking at about seven million dollars that we are going to have to find in our own reserves. So, it would be quite a serious requirement for us if the Treasury Board were to reject the police services request and the health requirement for 1982-83.

MR. DEPUTY SPEAKER: Thank you, Mr. Minister. Oral questions? Mr. McCallum.

Question 63-84(1): Review Of Housing Needs, Hall Beach

MR. McCALLUM: Mr. Speaker, I have a question to the Minister of Housing. On Friday, while the Minister was away, I queried the Government Leader about the issue of the Hall Beach housing association turning over one of its new houses to the RCMP. Now, I indicated to the Government Leader at that time, if he would redirect my question to the Minister and have the Minister look into the needs that have been determined for housing in Hall Beach. Would the Minister of Housing now indicate to the House whether Hall Beach needs these five units and if it does not, would he then take that house from it rather than have the house given directly to the RCMP which I know is against CMHC procedures and then have that one house redirected to another community?

MR. DEPUTY SPEAKER: Thank you. Hon. Gordon Wray.

Return To Question 63-84(1): Review Of Housing Needs, Hall Beach

HON. GORDON WRAY: Thank you, Mr. Speaker. I have reviewed the situation and the honourable Member is correct inasmuch as CMHC rules do not allow us to use public housing for other government departments, but I would point out that this practice has happened in the past with both Government of the NWT and federal government positions where housing associations have in fact given up one of their houses. It is not a situation that is particularly satisfactory to me as we are having a hard enough time providing housing for local people without having to provide housing for government agencies. However, the situation in Hall Beach is that there is a definite need for those houses and what the community has said is that they are willing to sacrifice one family's needs to get an RCMP officer into that community. So it is not a question of them not having a need. They have had to make a very difficult decision and sacrifice a family's housing needs.

No decision has yet been made and I am still reviewing the circumstances but I can assure the Member that this situation does cause me much distress because, as I said earlier, I do not think the Housing Corporation should be in the business of supplying housing to government departments. If the government departments cannot look after their own housing needs, they should not be coming to the Housing Corporation because we do not have any houses to start with. Thank you.

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

Question 64-84(1): Accuracy Of Surveys, Beverly/Kaminuriak Caribou Herds

MR. McCALLUM: Mr. Speaker, I apologize to the Minister of Renewable Resources for not being able to indicate to her a question that I would like to pose, so I would expect the Minister would take it as notice. I read an article in the Globe and Mail and although I, as well as a number of other people, are not too tied up with the reports that are in the media, whether they be local or whether they be national, there is an article in today's Globe and Mail concerning overhunting that threatens the Beverly/Kaminuriak herds of caribou. I have a question of the Minister of Renewable Resources in this regard wherein an individual, a biologist from Prince Albert, Saskatchewan, questions the validity of estimates made from aerial surveys conducted or contracted out by the territorial government over the past several years about the number or the great decline, if you like, of the caribou herds in which, the article indicates, there has been overhunting that is threatening those herds. I wonder if the Minister or her officials would check out the validity of that particular statement that it was the territorial government aerial surveys that were at fault in determining whether there was a decline in either or both of these herds.

Supplementary To Question 64-84(1): Accuracy Of Surveys, Beverly/Kaminuriak Caribou Herds

I have a supplementary question that I would like to include with it, Mr. Speaker, because I expect the Minister, as I say, would take it as notice. This coming April at a meeting there will be a decision made whether or not to attach radio collars to some of the caribou of those two herds, to determine how far south they go, what their range is and the extent of the numbers of that herd. I wonder if I could pose those two questions to the Minister.

MR. DEPUTY SPEAKER: Thank you. Ms Cournoyea.

HON. NELLIE COURNOYEA: Mr. Speaker, I too have received a copy from Mr. Curley about the allegations that are being expressed in the article. Because of the situation arising, I will take the question under advisement as I believe the answer to that question will have to relate to the allegations that have been thrust at our department of not doing the job or questioning the validity of the job that was done on the specific counts. I will be dealing with that and thank you for bringing it to my attention.

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

Question 65-84(1): Involvement Of Caribou Management Board

MR. McCALLUM: Mr. Speaker, I apologize to the Minister again. I should have included with that the question that comes into play now, of what the caribou management board has been doing. I would hope that the Minister would then involve that group as well, because it is my understanding or my knowledge they had had meetings with people within Saskatchewan from which this concern has been raised and possibly within Manitoba as well. I would hope that the Minister would involve that caribou management group that has been set up -- I think it is made up of territorial and provincial people -- just to try to get to the bottom of this because allegations such as that cast aspersions on the character or the conduct of people who hunt for a living in the Northwest Territories. Statements such as were made in this particular article -- the Beverly herd, for example, is estimated to range between 150,000 and 240,000 while the Kaminuriak herd is estimated to number between 180,000 and 280,000 -- that is quite a spread to get that kind of article in the paper. I would hope that the Minister would be able to utilize the information and experience of the people within that management group to come up with a reply that would not cast aspersions against people who use that herd for their livelihood.

MR. DEPUTY SPEAKER: Thank you. Ms Cournoyea.

HON. NELLIE COURNOYEA: Mr. Speaker, certainly I will be going to the caribou management board members. All Members of this House, or past Members certainly, remember the debate that took place the last time and I believe that in not breaking forward too quickly on the article, certainly some biologists are not beyond gaining some fame for themselves by trying to get in the headlines of papers and not really taking into consideration how many people's lives depend upon the hunting of caribou. Perhaps we may be just dealing with a biologist who does not get very far outside of his own office. However, I will try to do my best as Minister of Renewable Resources and on behalf of the many people of the Northwest Territories who have often been criticized without much hope of replying, I will do my best as Minister to reply properly and involve the people who are affected, particularly the management board.

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

Question 66-84(1): Caribou Study, Baffin Region

MR. PANILOO: (Translation) Mr. Speaker, I have a question directed to Renewable Resources. We have had taggings on the caribou in the Baffin Region. What is the purpose of doing that, knowing that we are going to sell the caribou meat that is killed from the island and we are not able to sell them, but there are markings put on the caribou near Pangnirtung on one of the legs? What is the purpose of doing that?

MR. DEPUTY SPEAKER: Thank you, Mr. Paniloo. Ms Cournoyca.

HON. NELLIE COURNOYEA: Mr. Speaker, the particular markings that the Member has brought forward I am not familiar with. I am familiar with some techniques to keep track of where the caribou are going and I would like to take that question under advisement so I may give a complete answer, because I am not familiar with the particular markings that are being done on the caribou.

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

MR. PANILOO: (Translation) Mr. Speaker, in regard to the caribou, when you are looking into that, I would like you to know that in central Baffin Island we do not get any of these caribou that have markings on them. They tend to go toward south Baffin Island, toward Frobisher Bay. So I do not see the importance of that. I think maybe you can look into that as to why they are tagging the caribou and what is the purpose of their study.

MR. DEPUTY SPEAKER: Thank you, Mr. Paniloo. Ms Cournoyca.

HON. NELLIE COURNOYEA: Mr. Speaker, I will do the necessary work that Mr. Paniloo suggests in terms of finding out why there are markings and what relevance they have to that particular herd.

MR. DEPUTY SPEAKER: Thank you, Madam Minister. Oral questions. Any further oral questions? There do not appear to be any further oral questions.

Item 5, written questions. There do not appear to be any written questions today. Item 6, are there any returns? Mr. Wray.

ITEM 6: RETURNS

Return To Question 3-84(1): Delay Of Housing, Arctic Bay

HON. GORDON WRAY: Thank you, Mr. Speaker. I have a return to oral Question 3-84(1), asked by Mr. Pudluk on February 3 with regard to Arctic Bay housing. In the 1982-83 housing allocation process, Arctic Bay was allocated six public housing units. Construction contract was awarded to Ritchie Arctic of Yellowknife. Material for the six housing units arrived by sealift at Arctic Bay in October, 1983, and construction commenced immediately. In mid-December, 1983, Ritchie Arctic Ltd. experienced severe problems with the construction crew working on the Grise Fiord housing project. The crew working in Arctic Bay was reallocated temporarily to Grise Fiord to alleviate the problems. The contractual completion for the Arctic Bay project is May 31, 1984. The contractor has requested an extension to June 31, 1984. It should be noted that sealift to Arctic Bay was delayed almost a month and one half by severe high arctic ice conditions. This subsequently delayed our construction start. Current status on the Arctic Bay project is the unit on lot one is 60 per cent complete, shell erected, siding installed and stained. Interior partitions are in and



electrical work started. Roof is insulated, chimneys installed. The unit on lot two is 70 per cent complete. This unit has received vapour barrier inspection; exterior siding, staining and trim complete; electrical rough-in complete, roof insulation installed, chimney installed. The unit on lot three is 65 per cent complete. This unit is at the same stage as unit on lot one. However, exterior trim work is complete. The unit on lot 93 is 30 per cent complete. First floor is up with joists, and sheathing for second floor is in place. Interior partitions for the first floor are in place. The unit on lots 91 and 92 is 20 per cent complete. Foundations are in place and framing for the first floor is complete. All work done to date is reported to be of good quality. It is expected that all of the houses will be completed by June of this year.

MR. DEPUTY SPEAKER: Thank you, Mr. Minister. Are there any further returns? There do not appear to be any further returns.

Item 7, petitions. There do not appear to be any petitions.

Item 8, reports of standing and special committees. Item 9, tabling of documents. Mr. Butters.

ITEM 9: TABELING OF DOCUMENTS

HON. TOM BUTTERS: Mr. Speaker, I wish to table Tabled Document 14-84(1), 29th Annual Report of the Northwest Territories Liquor Control System and Liquor Licensing Board for April 1st, 1982 to March 31st, 1983.

MR. DEPUTY SPEAKER: Thank you, Mr. Minister. Tabling of documents. Item 10, notices of motion. Mr. Sibbeston.

ITEM 10: NOTICES OF MOTION

Notice Of Motion 18-84(1): Pope John Paul II Visit To Canada

HON. NICK SIBBESTON: Mr. Speaker, I wish to give notice that on February 15th, Wednesday, I will move the following motion: I hereby move, seconded by the Member for Sahtu, that the Legislative Assembly of the Northwest Territories extend a formal invitation to Pope John Paul to visit the Northwest Territories and the Speaker of the Assembly communicate this to the Roman Catholic church officials in Ottawa who are responsible for co-ordinating the tour in Canada.

MR. DEPUTY SPEAKER: Thank you. Any further notices of motion?

Item 11, notices of motion for first reading of bills. Item 12, motions, Motion 16-84(1), Tabled Document 10-84(1) to Committee of Whole. Mr. MacQuarrie.

ITEM 12: MOTIONS

Motion 16-84(1): Tabled Document 10-84(1) To Committee Of Whole

MR. MacQUARRIE: Thank you, Mr. Speaker. I have yourself, Mr. Speaker, as the seconder but of course as you are in the chair you will not be able to, so I have the agreement of the honourable Member for Slave River to second the motion. I move, seconded by the honourable Member for Slave River, is it?

I MOVE, seconded by the honourable Member for Slave River, that the Ministerial statement on the signing of the COPE agreement tabled on February 9th, 1984 by the Minister of Aboriginal Rights and Constitutional Development be moved into committee of the whole for discussion as the first item of business on Tuesday, February 14th, 1984.

MR. DEPUTY SPEAKER: Mr. MacQuarrie, your motion is in order. Proceed.

MR. MacQUARRIE: Thank you, Mr. Speaker. I believe, and I think the majority of Members also believe that it is important that matters which have major implications for the people of the Northwest Territories should be discussed in the Assembly. In fact, under normal circumstances, they should be discussed in the Assembly prior to the Executive Council adopting any position with respect to them. I recognize that with the special nature of the agreement between the federal government and the Committee for Original Peoples Entitlement and by that special nature I mean

that I recognize that constitutionally the matter of such an agreement is under federal government jurisdiction. It is a matter between the federal government and the native peoples of Canada generally, in this case between the federal government and the Inuvialuit. Nevertheless, it is true that any such agreement has potential implications for other people in the NWT. In this case it has implications for Dene/Metis, perhaps for Kitikmeot peoples. It has implications for communities, community governments. It has implications for established businesses. It does appear that some of the implications which brought about concern in some segments of our society have been resolved since I first gave notice of this motion, or at least partly resolved. But, nevertheless, where there are concerns the people who hold them are our constituents and I think we in the Assembly have the obligation to represent their interests and to speak on their behalf about their concerns.

Since we do not have access to the agreement itself while the Executive Council does have such access, and since the Executive Council has put forward a position based on its reading of the agreement, then the next best thing, from the Assembly's point of view, would be to have the chance to discuss the Executive Council's position paper and that is precisely what my motion asks. I would like to be very clear about that. I am not asking by this motion for discussion of the COPE agreement but only asking for discussion of the Executive Council's tabled position paper. If we were to have such a discussion it might help enable Members of the Assembly to clarify the terms and nature of the agreement. It would give Members an opportunity to express any concerns that we might have on behalf of our constituents and indeed, thirdly, it would be a way of lending support to the Executive Council's position to the extent that that appears possible for Members to do.

So I think that the whole discussion would be very worth while. When I originally gave notice of my motion I asked that it be moved into committee of the whole as the first item for discussion tomorrow. Since that time I have learned that both the Government Leader and the Minister of Aboriginal Rights and Constitutional Development will be away. The Leader particularly, in a verbal communication, asked me if I would consider deferring until his return later this week and I told him that I would consider that. So, I would ask Members if you can support the principle at all to vote for this motion today and I give the undertaking that when it comes up in committee of the whole tomorrow, I will ask that it be deferred until the Government Leader or the Minister of Aboriginal Rights and Constitutional Development return to Yellowknife a little later in the week. Thank you, Mr. Speaker.

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

MR. MCCALLUM: Mr. Speaker, I heartily endorse the motion to have a Ministerial statement on the signing of the COPE agreement tabled in the House moved into committee of the whole to have, as the mover has suggested, a discussion and hopefully that the House then can be of an opinion that will aid the Minister and the government to put forth an even stronger position on this particular agreement. I would want to indicate my support for this particular motion and that there are a number of things that we would like to discuss within the statement. I appreciate the Minister of Aboriginal Rights, the Hon. Dennis Patterson's statement on Friday regarding the coming together of the Dene and the Metis on several issues. Nevertheless, I think it would be of great value for the House to discuss the Ministerial statement. I concur with the mover of the motion that we should wait until the Minister and the Government Leader come back but as the motion indicates, it should be on Tuesday. I would again support the mover of the motion to have it delayed until the return of both those gentlemen.

MR. DEPUTY SPEAKER: Thank you, Mr. McCallum. To the motion? Mr. Sibbeston.

Document Should Remain Confidential

HON. NICK SIBBESTON: Mr. Speaker, unfortunately, I have to vote against this motion and urge other Members also to vote against it. I say, unfortunately, because I know that Members are interested in getting to know about the provisions of the COPE final agreement. It is the first land claims agreement in the Northwest Territories that is very near completion. I appreciate that Members are interested in it but I urge you to vote against it primarily because we were given the document by the federal government and COPE on the basis that the document would remain confidential. This is a condition that was placed on this government receiving copies. If we go ahead with the motion that we support it then the statement that is made by Mr. Patterson will come into the House and it is very difficult to deal with the statement that Mr. Patterson made without going into detail. So, on that basis, I urge you to vote against it. I remind Members that we are not an independent

third party to the agreement that we are talking about. It is essentially an agreement between COPE and the federal government. The territorial government was involved but only as part of the federal government team. It is not as if we had a great deal of say or that without our signatures the agreement would not come to fruition.

The statement to the House made by my colleague, Mr. Patterson, on February 9th and then adding to it on Friday, spoke to the major concerns of this government and provided some genuine information for the benefit of Members. I say, in fact, the statement made by Mr. Patterson took some liberty with the condition of confidentiality in saying as much as he did. However, we felt justified in doing so because we essentially dealt with those subjects that the territorial government was interested in.

My concern is that we cannot debate the Ministerial statement without getting into details of the agreement. The statement itself is general in describing a specific provision and the Members will need more detail than we are permitted to give. Mr. Speaker, I sense that most of the Members here are generally satisfied with the position taken by the Executive Council, particularly in those matters that directly affect the territorial government. I may even go further to say that most of the Members are satisfied with our position with respect to the 10 per cent preference and also on the overlap matter. With respect to the overlap matter which was of great concern to many of us, and many of you, I am sure, were pleased that the Dene/Metis and COPE have come to an agreement. So generally I do feel there is satisfaction with this agreement.

MR. BALLANTYNE: Point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: Mr. Ballantyne, what is your point of order?

MR. BALLANTYNE: I understand the Speaker last week made a ruling that an assumption on behalf of a Member was not in order and I take it the Minister is making a presumption.

MR. DEPUTY SPEAKER: I would like to take a moment to look at the honourable Member's point of order. With regard to your point of order, Mr. Ballantyne, the point that the Speaker made in regard to the assumption was in regard to the oral question, but in this case it is dealing with the motion and I believe that the Minister can proceed.

HON. NICK SIBBESTON: Mr. Speaker, just to conclude by saying that Mr. Patterson has offered to provide a briefing to Members in caucus and I urge Members to accept this as an interim measure. I feel that it will not be long before the confidential status will be lifted and copies will be made available to Members in due course, so I do urge Members to understand and have some sympathy for our predicament. We simply cannot provide more information about the COPE claim than we have already provided. Bear with us and in a matter of days or weeks we will hopefully be able to provide Members with copies of the COPE agreement.

MR. DEPUTY SPEAKER: Thank you, Mr. Minister. Mr. Butters.

HON. TOM BUTTERS: I will defer my comments.

MR. DEPUTY SPEAKER: Thank you. Mr. Erklou.

#### Support For Briefing In Caucus

MR. ERKLOO: (Translation) Thank you, Mr. Speaker. Regarding the COPE agreement, the subject that was brought up, it has been mentioned in the House that COPE and the federal government have not made their final agreement yet. It is just in the process of being finalized. Maybe we have been elected by the people in the Northwest Territories and we have that responsibility and also regarding Nunavut we are going to be trying to form our own government. I am sure a lot of things are going to appear that are not going to be pleasing to everybody. I think, for example, the ITC is pretty close to finalizing their agreement regarding their land claims. If we are going to talk about some of these things that have not been finalized regarding confidentiality, I think that we are just going to tear each other apart coming into arguments and whatnot.

If we really want to see the results, I think it would be better if we would not talk about this while we are sitting. We can talk about it when we are having a caucus meeting instead of talking about it publicly.

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

MR. PEDERSEN: Mr. Speaker, I would like to support the viewpoint on the motion expressed by Mr. Erkloo. I sympathize with the Executive's position on confidentiality but as an ordinary Member of this House I would also like to have the briefing which has been offered to us. I do not feel that I could intelligently comment on any agreement, be it official or unofficial at the moment. I am one of those who have not yet seen the agreement. I do not know what it contains and until I have been briefed on it I would not be prepared to discuss it in this House. So I would intend to vote against the motion. Thank you.

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

MR. BALLANTYNE: Speaking in support of the motion, I would like to clarify one thing. We are not talking about the actual COPE document. We are talking about the Minister's statement which he tabled in this House. I am a little bit confused myself as to what is confidential and what is not. It seems to me that if the Minister made some statements I think we could discuss those in committee of the whole. We are not asking for the complete document at this point in time. So I am favouring the motion.

MR. DEPUTY SPEAKER: To the motion. Mr. Curley.

Third Party Would Complicate Agreement Procedure

HON. TAGAK CURLEY: Thank you, Mr. Speaker. Very briefly I think I should also express my support for the Associate Minister's position. We are talking here about the Minister's statement but I think I can safely say that the honourable Member for Yellowknife North is not confused at all. I believe he just wants an opportunity to find a way to try and complicate the tangible truth that has been arrived at by the interest groups, native organizations in trying to resolve the problem. I appreciate their stand that they have come to terms with a process that they can work within, within a month or so, to try and resolve that. I believe that when each new party is negotiating, for instance, a union and a government, that we in ordinary life do not try to get involved and interfere in the process because, if we do, we are never going to have an opportunity to come to an agreement. I appreciate the concerns the Members in the West expressed with respect to the COPE claims and the other interest groups, but I must say I have to declare my support to the position that has been arrived at because in the first place it does not take away the sovereignty of this government. I believe before too long we are going to have to come to terms with this settlement and the longer we allow a third party to try and completely come to terms with all the details I do not think we are ever going to solve these very complicated land claims issues that are facing us. (Translation) I do not think that we will ever come to an agreement regarding all the facts that we have been talking about. They are going to appear once they have been finalized and they will be publicized anyway. Thank you.

MR. DEPUTY SPEAKER: To the motion. Mr. Gargan.

MR. GARGAN: Thank you, Mr. Speaker. I just wanted to address that old question again about the COPE agreement in principle and as a representative of communities that mostly have native people I am very, very curious about the contents of the agreement in principle. It is ultimately my people that are going to be affected by the COPE agreement, although it is not a Dene agreement with the government. But whatever is contained in that document is going to affect the Dene people too and certainly I want to find out what is in it. I would have to go in support of the Member and say I support that motion.

SOME HON. MEMBERS: Hear, hear!

---Applause

MR. DEPUTY SPEAKER: Mr. Wray.

HON. GORDON WRAY: Thank you, Mr. Speaker. It is interesting to note the reaction of the honourable gentleman to the left corner's comments because he just finished saying he did not want to talk about the agreement in principle. He only wanted to talk about the statement. They are obviously trying to run an end run around us to get the statement in the House to talk about the agreement which we cannot talk about. I am going to have to vote against the motion because he first made the intention clear that is what they intend to do.

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

SOME HON. MEMBERS: Question.

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

MR. MacQUARRIE: Thank you, Mr. Speaker. I must say that I find the position adopted by the Minister of Local Government to be outrageous.

SOME HON. MEMBERS: Hear, hear!

MR. MacQUARRIE: I am frankly shocked if that is the attitude of the Government of the Northwest Territories.

MR. McCALLUM: Hear, hear!

MR. MacQUARRIE: It is outrageous and intolerable and I am also shocked that other Members who have the duty of trying to represent the interests of their people to the best of their ability would allow the government to get away with something like that. The fact is that in his speech against my motion, the Associate Minister of Aboriginal Rights and Constitutional Development, admitted that there are items in that agreement which are of concern to many people in the NWT because he said in fact some of those were addressed in the Minister's statement. If that is the case, then all of us have an obligation to try to clarify as much as we can what kinds of concerns our constituents have so that we can represent their interests in the best possible way.

The government -- apparently it is the government, from the way the speeches have come out of those Members who did speak -- is taking a position which presumably represents the will of the people of the NWT and yet it has not heard in its fullness what that will is and it is taking a substantive position. A Member of the government saying that he "senses" there is support, that has been a statement that has been made by dictators throughout history. "Papa Doc" Duvalier, the lifetime President of Haiti "sensed" that his people wanted him to be the leader for life and so he was.

MR. DEPUTY SPEAKER: Mr. MacQuarrie, a point of order. Ms Cournoyea.

HON. NELLIE COURNOYEA: Mr. Speaker, it seems we are straying from the motion and it is a very serious matter that is being discussed. I believe that the allegations thrown by the honourable Member across the way are straying from the motion. I am sure we are not talking about a communistic state. I personally do not know much about that but maybe he does.

MR. DEPUTY SPEAKER: In regard to the point of order, I think that is acceptable to make statements in regard to the motion. So proceed, Mr. MacQuarrie.

#### Assembly Has A Right To Discuss Government Position

MR. MacQUARRIE: Thank you very much, Mr. Speaker, for upholding the right of a Member to speak to a motion. It is not that I am straying from the motion, some of the things I am saying are hitting too close to home. That is why that kind of reaction. You need "sense". The only time you need sense is when you do not have the opportunity to find out clearly, while I am saying that the Minister and the government have the chance to find clearly how people feel about it in the Territories so there is not any need to sense how they feel. There is no point, we are told to wait, we may get copies later, but there is no point in waiting if we are only going to get copies after the matter is signed, sealed and delivered. I have said that I am willing to wait, await the discussion in committee of the whole until the time that the Government Leader returns in the hope that we would have more substance to deal with.

Members, I believe, should simply not go along with the idea that this government takes positions, and please remember that that is what I wish to discuss. This government has taken a substantive position with respect to that agreement. I do not wish to discuss, at this time, the agreement but I do wish to discuss the position that our government took and surely the Assembly has the right to do that. If it is denied that right it is being denied a very fundamental right of any Assembly.

If we do not have the right to question that fundamental position in this Assembly, it is very questionable whether the government itself should have taken a substantive position with respect to that agreement and for that in the Assembly because it is doing something which it then denies us

the right to do as we ought to have that right. So I would urge Members, even those that said they wished to vote against the motion, to reconsider and support the motion and have nothing at all to do with trying to prevent this Assembly from doing what is its proper business. Mr. Speaker, I would ask for a recorded vote.

Motion 16-84(1), Defeated

MR. DEPUTY SPEAKER: A recorded vote has been requested. All those in favour, would you please stand?

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Paniloo, Mr. Gargan, Mr. McCallum, Mr. Ballantyne, Mr. MacQuarrie.

MR. DEPUTY SPEAKER: All those opposed, if any?

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Erkloo, Mr. Pudluk, Mr. Appaqaq, Mr. Arlooktoo, Mr. T'Seleie, Mr. Wray, Mr. McLaughlin, Mr. Curley, Mr. Butters, Ms Cournoyea, Mr. Sibbeston, Mr. Angottitauruq, Mr. Pedersen.

SOME HON. MEMBERS: Shame!

MR. DEPUTY SPEAKER: Abstentions?

CLERK OF THE HOUSE (Mr. Hamilton): Mrs. Lawrence.

MR. DEPUTY SPEAKER: Thank you. The motion has been defeated 13 to five with one abstention.

---Defeated

Motion 17-84(1), PWA Board of Directors. Mrs. Sorensen. Mrs. Sorensen is not in the House at this time and the motion will remain on the orders of the day for tomorrow.

Item 13, first reading of bills. There does not appear to be any first reading of bills.

Item 14, second reading of bills. Item 15, consideration in committee of the whole of bills and other matters: Bill 1-84(1), Appropriation Ordinance, 1984-85 and Tabled Document 4-84(1); Bills 2-84(1), 3-84(1), 4-84(1), with Mr. Gargan in the chair.

ITEM 15: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 1-84(1), APPROPRIATION ORDINANCE, 1984-85; TABLED DOCUMENT 4-84(1), 1984-85 MAIN ESTIMATES

Department Of Government Services

CHAIRMAN (Mr. Gargan): The committee will now come to order. We are doing the main estimates on Government Services and it is on page 9.01. Would the Minister of Finance, Mr. Butters, care to make his opening remarks?

HON. TOM BUTTERS: Mr. Chairman, before I move to that item, I would like to suggest to the committee of the whole that the department to follow Government Services might be the NWT Housing Corporation which is currently listed at the end of the schedule of departments to be heard by the committee. I have approached the chairman of the standing committee on finance and I understand that there would not be any problem if that occurred. The reason, sir, why I would be asking for this courtesy is that the Minister for Housing may not be present during the time that that department is discussed. So, I would like to see the order changed so that it follows Government Services and would be on the order paper for tomorrow, Thursday and Friday.

The second item I have, I would like to move to the witness table but in so doing I would like to have, before I go, the consent of the House to invite before you my deputy minister, John Quirke. At least we will get him in the House now and it will save me asking for that permission later on.

CHAIRMAN (Mr. Gargan): I guess the first issue would be the Housing Corporation being moved up following Government Services. Is there agreement within the committee on that?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): With regard to the second question, is there agreement in the committee that the Minister of Finance brings his deputy minister? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Okay, Mr. Butters. Does the Minister wish to make an opening statement?

HON. TOM BUTTERS: Yes, Mr. Chairman. The Department of Government Services operations and maintenance budget for the fiscal year 1984-85 is \$11,365,000, an increase of four per cent over last years budget. These are due to non-discretionary costs for communications and for salaries. The department received an increase of four person years, two in both records management and the directorate. However, the reduction of three person years in policy planning and computer development results in an overall increase of one person year. The capital plan of the department is \$5,916,000, a 35 per cent reduction from 1983-84; \$3,881,000 of this budget is for the construction and upgrading of fuel tank farms.

On the revenue side, the department is forecasting it will collect \$1.5 million from the sale of motor vehicle licences and permits and \$8,963,000 from the sale of liquor. The department also operates revolving funds totalling \$41,675,000 which provides working capital for the warehouse operations of some \$1,175,000; for petroleum products some \$35 million and for the liquor distribution some \$5.5 million. The sum of \$2,315,000 is received on a charge-back basis from other government departments for computer services provided by the department at headquarters.

#### Directorate

Mr. Chairman, I now wish to speak about the various sections of the Government Services department, the directorate, the division of supply services, office services, systems and computer services, motor vehicles, petroleum products and the liquor commission. The directorate as well as co-ordinating the activities of the department is responsible for the department's finance function. One of its key responsibilities is the payment for all goods and services contracted through the Department of Government Services on behalf of the government. The timely payment for these goods and services minimizes the payment of interest to suppliers. Planning is proceeding to strengthen the finance function through a consolidation of various financial services.

#### Supply Services

The supply services division is responsible for purchasing, transportation and warehousing services including the disposal of assets for all government departments. The value of purchases made from northern suppliers will approach \$15 million this fiscal year compared to \$7,105,000 for the previous year. Mr. Chairman, the northern preference policy is now being examined this January by an interdepartmental committee whose recommendations will be reviewed by the Executive Council in the near future. The department is also in the process of completing a public information booklet outlining how goods can be sold to the government.

The transportation assistance program was implemented to accommodate special needs of Pelly Bay and Snare Lake. A similar program serving Fort Franklin appears no longer necessary. Trucking contractors hauling groceries and other dry cargo to Fort Franklin are providing service at unit costs lower than the expected barge rate had Northern Transportation Company Limited continued to provide service on the Bear River. Consequently, I have asked the Highway Transport Board to consider applications from interested contractors to provide unit toll service to that area.

A new aircraft charter directive was implemented in 1983. This directive established the basis by which aircraft charter services are allocated, namely, on a rotational basis related to the size and type of a company's fleet of aircraft. Complementing this directive, an improved aviation safety program was developed by formalizing standards of safety and maintenance to assess charter carriers doing business with the government. This program has gained the acceptance and support of the civil aviation authorities and the Northern Air Transportation Association.

In the area of warehousing, inventory management has been successfully computerized in Yellowknife. This system will be implemented in the regions within the next two years. In the next fiscal year computer technology will be used to improve the response time in the purchase of goods. The department has had increased communications with the Canadian Transport Commission. Representatives of this government, in support of the commercial airline industry, contributed significantly to encourage the Air Transport Committee to hold hearings on the use of corporate aircraft. Dome Petroleum has withdrawn its application for a commercial aviation licence and that issue remains basically unresolved. The department, responding to Minister of Transport, Hon. Lloyd Axworthy's initiative for public input to address the cost of air travel in Canada, has encouraged the Air Transport Committee to hold hearings in Yellowknife and Whitehorse as well as southern regional centres. The Air Transport Committee is scheduled to visit Yellowknife on March 26. In fact, representation by this government resulted in the committee's decision to hold a second set of hearings to address service to Canada's more remote areas. This set of hearings is expected to occur in the late spring or early summer in various communities of the NWT.

#### Office Services

The division of office services provides mail, telecommunication services, records and forms management. The successful implementation of the provisions of the Archives Ordinance has permitted over the past six months the destruction of more than 2000 cubic feet of public records no longer required for administrative or historical reasons. In 1984, centralizing existing storage areas and the opening of the new records centre will speed up the scheduling and disposal of government records. Forms management is responsible for the design and format of some 3000 forms used by government departments. By evaluating a complete set of forms with methods analysis it is often possible to suggest changes and reduce the number of forms required. Well-designed forms communicate an image of effectiveness and promote efficiency in government. Over the past year the main sections of the office furniture specifications manual and standards was developed. On the acceptance of these standards and specifications, the ordering of new furniture and replacement of disposal furniture will be more readily accomplished. In 1984-85, the capital budget for office furniture and equipment for all departments is one-half million dollars.

#### Communications Services

Over the past year communications services has prepared documentation of NorthwesTel service shortfalls for submission by my office to the Canadian Radio-Television and Telecommunications Commission. The response from the chairman when acknowledging receipt of our material indicated it will be used as a basis of examining NorthwesTel's service. In addition, both the Commissioner and I met with Mr. R.C. Franklin, chairman of the board of directors for NorthwesTel on February 7 and were apprized by Mr. Franklin and members of his staff of the steps the company is taking to improve the service. Communications services participated in the federal-provincial working group on satellite service for mobile communication in remote areas and is presently co-ordinating proposals from departments for presentation to the federal department of communications to be included in their submission to cabinet in October of 1984. Liaison with the federal Department of Communications has resulted in the department preparing a decision paper for presentation to the Executive Council in order to define this government's future role in communication matters, not solely for the administration, but for all residents of the NWT. Through negotiations with Canada Post Corporation, communications services was successful in arranging provision of postal service to Keewatin communities through the Rankin Inlet post office. Service to these communities was previously routed through Edmonton, Winnipeg and Churchill. Inter-regional mail now no longer leaves the NWT for sorting in a southern centre.

#### Systems And Computer Services

The systems and computer services division is responsible for the delivery of computing resources and the related information processing, systems development and support services. Systems such as FIS, Health, Social Services, POLARIS, property taxation, student records, Personnel and payroll run on eight Hewlett-Packard computers, four in Yellowknife and four in the regions. Last year the delivery of computing hardware resources and facilities management services was funded on a partial cost recovery basis for the first time. The increased awareness of computer operations costs throughout the government has resulted in a significant easing in the demand for computing services. In fact, there will be an overall reduction in the total computing resources consumed in 1983-84 when compared with 1982-83. We expect that the services required in 1984-85 will be at approximately the same levels experienced in 1983-84.



New systems development activity, the primary means by which new computer technology is introduced within the government, continues at very low levels. In fact departments plan to spend only \$185,000 on this activity in 1984-85. This represents less than one third of the activity experienced in previous years. The department is examining the reasons for this reduced activity. The department is increasing its emphasis on training northerners to meet the government need for experienced computer professionals and to this end has applied for two programmer trainee positions for the 1984-85 fiscal year.

#### Motor Vehicles Division

Mr. Chairman, the motor vehicles division is responsible for driver testing, driver licensing and vehicle registration services to the public, as provided for in the Vehicles Ordinance. In addition, a major responsibility of this division is the enforcement through its weigh scale operations and patrol activities of the Public Service Vehicles Ordinance and regulations pertaining to the trucking industry. Increased trucking activity has resulted from the opening of the Dempster and Liard highways and the Norman Wells pipeline project. The division is responding to the need for increased enforcement generated by these activities by planning for new weigh scales, increasing the patrol fleet and identifying person years including trainee requirements to handle the additional facilities both now and over the next five years. A new weigh scale facility in Inuvik will be built and funds are available for planning the construction of a similar facility near Fort Liard. An informational program will be developed outlining the NWT requirements and regulations affecting the trucking industry. The division is currently redrafting the Vehicles Ordinance for presentation at a session in the 1984-85 fiscal year. It will represent a significant updating, bringing it more into line with the needs of territorial residents and the standards of other jurisdictions.

#### Petroleum Products

Mr. Chairman, the petroleum products division is continuing its initiative to update and improve the manner in which it provides fuel to over 40 communities not served by the private sector. Despite increases in product costs, higher freight rates and operating expenses, the 1983-84 price increase was held to five per cent. Based on the assumption that our sales this year will be the same as last year, this five per cent price increase is expected to produce a break-even operation by March 31, 1984. Late last year the Executive Council rejected a proposal from Petro-Canada to take over the entire petroleum products operation throughout the Territories.

The Executive Council has directed the department to develop guidelines that would make it possible to establish bulk agency operations in communities where feasible. Last summer the balance of the bulk storage tanks were measured and corrections have been made where necessary to the petroleum products master files. This action has assured our contractors that the physical size of all storage tanks matches the petroleum products division files on these tanks. A contractor training program was initiated last fall and since then all contractors have received detailed training in all aspects of the functions for which they are responsible. The success of this exercise has been very tangible in that the overall accuracy and timeliness of contractor reporting has shown significant improvement. This training program will be repeated either when contractors change or when necessary. Mr. Chairman, a new pricing formula has been developed to facilitate a more equitable pricing structure for all our customers. It proposes a zonal pricing concept that will provide more uniform prices within that zone. For example, prices in Baffin communities would differ only to the extent that commission rates paid to our contractors are dissimilar.

Work on the computerized POLARIS enhancement project is nearing completion. The work being done will provide improved controls and procedures as recommended by the territorial Audit Bureau, the Auditor General of Canada and Government Services officials. Forecast cost for the project, \$354,000 is to be recovered by a fractional increase in the price of fuels. The petroleum products division finances its entire operation with a \$35 million revolving fund. The price of fuels continues to increase each year and this year the forecast purchase price for the 1984 resupply season is expected to exceed \$35.5 million. Therefore, a request will be made to this Assembly for an increase to the revolving fund during the spring session.

Petroleum products 1984-85 capital plan is \$4,119,000 providing for the completion of a certified aviation fuel facility in Pond Inlet this year as well as the first phase of a similar facility in Spence Bay. In addition, new tank farm projects will be completed this year in Tuktoyaktuk and Rae Lakes. There will be the start up of a new construction program in Hall Beach and Eskimo Point.

The final phase of the upgrading program for the Norman Wells natural gas system will be completed this year. When finished, the distribution system will comply with the most current natural gas codes and standards.

#### Liquor Commission

Mr. Chairman, the liquor commission is responsible for the purchase, distribution and sale of alcoholic beverages to the residents and licensees of the Northwest Territories through three government stores, six agencies and two warehouses. With the passing of the new Liquor Ordinance the responsibility of the Liquor Licensing Board was transferred to the Department of Justice and Public Services.

In Yellowknife the retail liquor agency contract which is currently ending is being retendered. The new contract seeks to provide two retail outlets offering more spacious self-serve facilities, easily accessible with adequate parking and storage. At the present time purchasing restrictions are in place at the liquor stores in Fort Simpson, Norman Wells and the beer outlet in Cambridge Bay. Purchases from the Frobisher Bay warehouse are limited to licensees only and mail order for persons not resident in the community. The operations of the liquor commission within the Northwest Territories is complex. The vast distances and availability of transportation make necessary both retail and back-up inventory at all locations. The 1983 gross sales increased by 13.8 per cent although the litres of liquor sold only increased by 5.3 per cent. The net income for 1982-83 was \$8.2 million.

Mr. Chairman, I am now ready to accept questions Members will have to direct to myself.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister, we will take a 15 minute coffee break.

---SHORT RECESS

We do have a quorum, and the committee will come to order. Mr. Minister.

HON. TOM BUTTERS: Thank you, Mr. Chairman. I made an incorrect statement in my opening remarks. I think that I said 200 cubic feet of space had been saved, it is really 2000 cubic feet of space in records management.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. General comments from the committee. Mr. Ballantyne.

MR. BALLANTYNE: Thank you, Mr. Chairman. Mr. Minister, as a point of clarification you brought out the concept that your department was doing some study about communications which will have ramifications outside the government. I have never heard of that before. Maybe for all Members you could explain what you meant by that.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, it is a very interesting concept. It requires the putting up of a satellite in 1988 and it is called the M-SAT program. It relates to mobile satellite telecommunications services and it is an exciting new leap in northern communications. Using the satellite you can communicate with a pilot in an aircraft, a person with a mobile unit in his car or a truck or also somebody with a mobile unit in a boat. So that it is quite a new concept. It would provide effective and reliable two-way radio and radiotelephone services to all parts of Canada without restriction on distance and can be used for communications by those travelling on foot, by land vehicle, by airplane or by ship and supplementing today's short-range mobile communications services.

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

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. My question is the small petroleum containers, are you responsible for packaging of small amounts of, say, naphtha gas in small containers? Are you responsible for those? This is not bulk storage of fuels. This is small containers.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: No, Mr. Chairman. These containers are those in which the fuel is purchased from a supplier by this government.

CHAIRMAN (Mr. Gargan): Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I am concerned about this. For instance in Cape Dorset they are out of naphtha. If you are responsible for that, I think you have to increase the bulk storage that the community is supplied with. So that is why I asked, because some communities were out. I would just like to know if Cape Dorset is going to be assisted to get naphtha? They have absolutely none left in that community.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, I am aware of the problem in Cape Dorset as a result of the question raised by the honourable Member last week. I would have responded to him this afternoon during replies, but I did not have a satisfactory reply to provide him with at that time. I still do not have a satisfactory reply to address that question, but I will be responding as soon as it is available to me and we look at the situation.

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

Dismantling Of Storage Tanks, Cape Dorset

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. My second question is in regard to the bulk oil storage tanks in Cape Dorset. There is one of those units. You say they are going to be replaced. Is the hamlet or local labour going to be used to dismantle the old storage tanks?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, as the Member correctly identifies, there is an amount in the budget on page 9.16 relative to the dismantling of old tanks at Cape Dorset for some \$30,000. The procedure would be that the contract will go to tender and our hope and expectation would be that it would be won by a contracting firm which is northern and does employ northern labour.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Do you mind shutting your mike off when you are not using it? Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. In 1982 a tank was dismantled in Lake Harbour. It was the community itself that handled that. We did not have to bring anybody in to dismantle the storage tank. So if you wanted someone who knows how to dismantle it, perhaps you can find someone from Cape Dorset or Lake Harbour if you so wish. There are very few jobs in the communities. I think that can be done through local labour. Also those tanks are very low, they are not too dangerous. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the Member's suggestion is very welcome. The situation he has described in the past was carried out in that manner. We would be restricting the tender to the community in which the tanks exist, so that the local employment that he so keenly desires can be achieved.

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

MR. BALLANTYNE: Mr. Chairman, as a supplementary to my original question about the communications study, what would be the nature of the Government of the Northwest Territories involvement with putting up some sort of a satellite? Are we talking about the government putting up a satellite themselves?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I do not understand that we would be required to provide any funds for the satellite. The Department of Government Services is now meeting with representatives of this government and this information will be presented to the Department of Communications to be

incorporated into the cabinet document. This action will just ensure that we have been consulted and the type of facility which we feel is important to us is described in that document, but there will be no costs to this government associated with it of which I am aware.

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

MR. BALLANTYNE: Mr. Chairman, I would like to remind the Minister that the last two satellites the Americans attempted to put up on behalf of Indonesia are only partially working so we may be able to get a deal there.

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

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. Regarding the oil tanks in the settlement over at Sanikiluaq, when I was talking with the agents there at Sanikiluaq they mentioned to me that we are being -- we buy our gas from Shell Canada and the contract will be completed in perhaps two years. When that contract is completed in Sanikiluaq the hunters and trappers were wanting to take over that area. This is my information. Concerning the gasoline and oil, they have nobody to talk to and they were wondering if they could be the ones to be running the gas instead of Shell Canada after the completion of the contract. I do not know what you think, Mr. Minister. Perhaps you can reply to this question.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the Member is correct. The tanks and the fuel in the community currently are the property of Shell Canada and they provide the distribution services. If we were to look at changing that arrangement at the time the contract is to be renewed I guess there would be a requirement that we buy Shell Canada out. I would be willing to take the Member's question as a request to look into that possibility and just see what implications such an approach might have and what it would cost this government were we to follow that course of action.

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

#### Freight Costs, Sanikiluaq

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman, for elaborating on this. Thank you very much. I want to put this into consideration and also another item. The sealift of groceries and food just recently last month and the price of cargo on groceries even on airplanes, has gone up so drastically and I do not really know why the prices have gone up. Air Inuit passed through Sanikiluaq and they go to Fort Chimo and I think that is the reason why the prices of cargo have drastically gone up. Last year it was 25 cents per pound, but in one day it changed to 46 cents per pound. It made the prices go up really higher. Air Inuit advised us that they will not be putting the prices up but they have not been telling the truth. I want you to look into this and also, for example, one envelope stamp for one year it was \$13 and now it seems like it changed overnight up to \$16. There are lots of problems due to this inflation. This is the way I have heard it. I want you to look into this more clearly. We all want you to look into this. Meanwhile, maybe all the airplanes Air Inuit have are Twin Otters and perhaps that is why the prices have gone up. Mr. Minister, I would like you to look into this. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, I will have my department examine the increase in costs that have been described to us by the Member for Sanikiluaq. I would suggest also that I can see nothing remiss if he would suggest to members of his community to raise their concern and the complaint that he has just laid before us with the Air Transport Commission when it comes to Yellowknife. I mention this because I happened to hear a broadcast from Frobisher Bay this morning in which, I believe, a member of the Commission indicated that they would welcome hearing on March 26th from the smaller communities, concerns with regard to service that is currently being experienced by those communities. He said that he recognized that while it was not expected that people could travel to Yellowknife to make a presentation, he would be very interested in receiving a letter from interested communities. I suggest this as a second approach because the Government of the Northwest Territories will be making a presentation at that time and the Member's concerns with regard to costs of air freight into Sanikiluaq will be examined and brought to the attention of the committee.

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

MR. ANGOTTITAUURUQ: Thank you, Mr. Chairman. There was some talk about a transportation assistance program here for Pelly Bay and Snare Lake and it is totalling \$248,000, I believe, for the fiscal year of 1984-85 for subsidies. Is that divided between the two settlements equally, or is one of them larger?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Thank you, Mr. Chairman. I think it would be not equal division because obviously the cost of resupplying Pelly Bay by air four times would be much more than assisting in the resupply at Snare Lake. We will try to get that figure for the Member. The resupply costs in the case of Snare Lake, Mr. Chairman, for 11 trips of some 3500 pounds has been \$13,000 and in the case of Pelly Bay, some \$99,308.44 for 199,500 pounds.

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

Price Of Naphtha In Communities

MR. ERKLOO: (Translation) Thank you, Mr. Chairman. My question is in regard to the naphtha we were requesting recently in the remote settlements. We used to buy one gallon of naphtha. Last year I was visiting, I went over to Spence Bay and when I was touring through at Pond Inlet it is \$11 per gallon, at Igloodik it is \$17 per gallon and it ranged from \$14 to what I had just mentioned. Has the Government of the Northwest Territories ever considered why the price of naphtha ranges differently in each settlement? Would they be able to consider this?

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

HON. TOM BUTTERS: Thank you, Mr. Chairman. I think I will ask my deputy to respond to that. It deals with economics of supply and relates to the suppliers.

MR. QUIRKE: Thank you, Mr. Chairman. In relationship to naphtha in the Baffin Region, the high cost of that product is really directly related to the cost of freight and warehousing that is incurred by the private sector. The Government of the NWT petroleum products division does not any longer supply that type of product in that region. So now what you see is the private enterprise forces at work in terms of economics, supply and demand. We have been out of that product for many, many years and have let the private sector take over. What you are seeing is the cost of really maintaining that type of inventory in those small communities.

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

MR. BALLANTYNE: Mr. Chairman, a supplementary to the last question. There are two problems here with the supply of naphtha gas in small communities. One is the cost because it is sold in very small quantities. I think it would be possible if the government handled that to be able to order it in bulk to cut down some of the cost.

The other problem is, I understand from a number of my colleagues, that in some communities they might run out of naphtha gas halfway through the year or three quarters of the way through the year so it is a real problem. Does the government see the possibility of perhaps the government taking that over again and supplying the communities in larger bulk so they would be able to first, guarantee supply and second, bring down the cost?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I was not aware of the extremely high costs that have been indicated to this committee by Mr. Erkloo. In answer to Mr. Ballantyne's question, yes, I will ask the department to look at this whole matter of naphtha supply and see whether or not it might be possible to ease the burden on the people in the smaller communities by taking this over again in view of the very great importance of that type of fuel to hunters and trappers and people on the land.

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

HON. GORDON WRAY: Mr. Chairman, I would like to point out to the Minister that this seems to be a very common problem. The cost in Baker Lake is \$11 a gallon for naphtha. I understand that is the common price in about all of the communities so I would indicate to him that I think the problem is in nearly every community as opposed to just one or two. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I thank the Member for his comments but we will certainly look into this matter of naphtha pricing across the North and just see where the cost elements lie.

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

#### Evaluation Of Northern Preference Policy

MR. BALLANTYNE: Thank you, Mr. Chairman. I have a question under the activity of directorate, the evaluation of the northern preference policy. I have a copy and I think all Members of the committee also have a copy of the policy. One of the requirements for a northern contractor is that he maintains a bona fide office in the NWT with a resident manager, and provides goods or services to people of the NWT. In response to another question the Government Leader said there in fact has already been a change in this policy to prevent people that only have a telephone answering service from taking advantage of the policy. I wonder, first, has the department received this change in policy and second, if we could have a little better description of the change in policy that the Government Leader referred to.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I saw in the Debates the question and the response that occurred I think on Wednesday last on this matter. The change in policy has not yet come into effect. Now what occurred was that in December, I believe, the previous Executive Council recommended that a committee of the four departments examine this matter and make recommendations for amendments to the policy. I believe the Executive Council at that time indicated that when the original policy was drafted there was no intent to provide a preference to somebody that might be running a telephone business and not have the goods and services and inventory on the ground. So, while the committee that had received that direction is developing changes to meet those concerns, the policy has not been examined by the new Executive Council. It is not yet in place. So not only would we be seeing a change in policy along the lines possibly suggested by the Member but also a change in name of the program.

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

MR. BALLANTYNE: So I take it that the Government Leader is mistaken in this statement that he made, that in fact this change had already taken place? Do I understand that to be right, Mr. Minister?

HON. TOM BUTTERS: The committee of government received instructions as to what the policy should be. I think the Government Leader correctly identified those instructions. What has not occurred is that changes and formalizing of the policy has not caught up with the intent of the Executive Council. I know instructions went out prior to Christmas, prior to the end of the year, with regard to the type of contractor that should be considered as a bona fide contractor.

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

MR. BALLANTYNE: Two supplementary questions. One is when is it expected that this evaluation by the departmental committee will take place? When will it be completed? Then second, has input been sought from private contractors and people in the private sector?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I expect that the proposed amendments will be considered in the very near future. In fact, were this session not going ahead now I feel it would have been put before the Executive Council last month so they will be considered in the very near future. With regard to consulting on the definition, there has been no decision on that. The committee is recommending a certain procedure for such consultation but until the Executive Council examines that it is pretty difficult to say what it will be or how it will take place.

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

MR. BALLANTYNE: It is my feeling for one, that the private sector should be consulted. We have run into so many problems where the policy comes from the bureaucratic level, is implemented and it does not meet with the understanding of the private sector. I think it would be very helpful if they looked at it. We could skip some of the problems that we have had in the past with trying to implement a policy like that.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I thank the Member for his comments and contribution.

CHAIRMAN (Mr. Gargan): Thank you. General comments? Mr. Ballantyne.

Freight Costs Included In Tenders

MR. BALLANTYNE: Thank you, Mr. Chairman. It is another question concerning the northern preference policy. Again it is a matter of clarification. It is my understanding that if a northern supplier tenders for a contract the price of freight is included in the tender and can use up a goodly portion of his northern preference. On the other hand, if the Department of Government Services goes directly to a supplier or deals directly with another department that price is not included. In fact it is covered from the overhead of the department. Is that correct?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: As the question deals with current practice I would ask Mr. Quirke to respond.

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

MR. QUIRKE: Thank you, Mr. Chairman. When the Department of Government Services tenders for goods and services the so-called f.o.b. point, free on board, is not a determining factor really in the cost. All tenders are evaluated on the final cost of the product into that particular community no matter where the goods originated from. Where the department has picked up some freight costs, the net result does not really change the decision. We do look at it from apples to apples and oranges to oranges, the freight component is not a key part in the evaluation of the actual goods. It does not really matter if we do f.o.b. Edmonton or f.o.b. Yellowknife. It is not a significant factor. We look at the value of the goods.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Deputy Minister. Mr. Ballantyne.

MR. BALLANTYNE: To try to put it in clearer terms, using just as an example, a northern supplier bids on a contract, we will say worth \$1000. His freight costs are \$100 for a net cost of \$1100 f.o.b. Yellowknife. If the department itself wants to compare apples with oranges then our concern is from many contractors that if that is what is happening, apples are being compared with oranges, is that the department can get a price quoted f.o.b. Edmonton and actually carry the transportation costs in departmental overhead. We have had a number of complaints about this matter. I wonder if the deputy minister can assure me that this indeed is not happening.

CHAIRMAN (Mr. Gargan): Mr. Minister or Mr. Deputy Minister?

MR. QUIRKE: Thank you, Mr. Chairman. The tender call or the specifications of the tender call would be equal in all cases. If we were to ask for a quote based on f.o.b. Yellowknife it would apply to all suppliers. We would not, in the process of evaluation, decide to change the f.o.b. point because we could see an advantage of one company over another. The specifications dictate that if we call f.o.b. Yellowknife or f.o.b. Edmonton or Winnipeg, the evaluation is based on the tender specification. I would appreciate receiving those types of examples where it is felt that this is not happening. But really we are changing the rules of the game if we evaluate on two different sets of criteria when the specification says we use one set only. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Just to reinforce what Mr. Quirke said. If, as it would appear, the Member is basing his questions on an actual situation that he is familiar with I would be most interested in hearing from him, not in this forum, but at a more convenient time, the details of this matter and I would investigate it thoroughly.

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

MR. BALLANTYNE: Mr. Chairman, I am quite prepared to do that. Mr. Minister, just to clarify again what I am saying is not the department comparing two tenders from northern bidders. I am saying it is my information that the department is going at times directly to southern suppliers, justifying it that the cost is cheaper to do that, using the fact that the overhead of transportation can be hidden in their costs so that on paper it appears it is cheaper for the department to go directly to suppliers in the South.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: While the northern preference policy as it presently exists is obviously discretionary one of the elements that is taken into consideration at all times is the "value for money". The value for money element of the type the honourable Member has described is not to my knowledge a part of that policy. I will certainly examine past actions, purchases of the department to ensure that we are not putting the northern contractor or the supplier at a disadvantage because that is not the intent of the policy. It is to be an incentive to northern contractors and suppliers to assist them in supplying us with goods. You will remember, as you noticed in my opening remarks, the amount of goods and services purchased locally has increased, doubled, increased from seven million dollars plus to \$15 million so the desire of the government is to increase the money spent in the Territories.

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

MR. BALLANTYNE: I have quite a few general comments to make, but I am prepared to hold off if anybody else would like to make any comments at this time.

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

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. My question is I wonder if your department -- I do not see anything to do with aircraft.

CHAIRMAN (Mr. Gargan): Mr. Minister.

#### Involvement Of Department In Aviation Industry

HON. TOM BUTTERS: Mr. Chairman, I think that the section that the Member is probably seeking would be found in Local Government with regard to airports. The two aspects of the aviation industry which this department is involved in are that we examine safety standards of charterers offering themselves to government and to the public as carriers and we have put into place a policy for, in effect, allocating work among smaller operators so that we ensure that the aircraft charterers who serve small communities do receive a portion of government business. That is one aspect of our responsibility. The second aspect with regard to aircraft is, of late we have been increasingly active in developing positions and recommendations to the Air Transport Committee, as we will do on March 26th in Yellowknife and possibly in the smaller communities when the committee meets in communities throughout the North.

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

#### Problems With Scheduled Air Service In Sanikiluaq

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I was trying to ask about scheduled aircraft that go to the communities to pick up passengers. In Sanikiluaq, as usual we have been having a problem, especially the people that have to go out on medical leave have to overnight at Great Whale River. When Air Inuit started they had two aircraft running. Sometimes they have a problem even though it is very close to Sanikiluaq because they have to overnight or stay over on a weekend, although it only takes 20 minutes to get to Sanikiluaq. That is the problem that we have been having and we would like somebody to look into it, maybe Austin Airways or Air Inuit. I do not know which is better, Air Inuit or Austin Airways. Maybe they could just reschedule their timetable. I think that is what they should do. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.



HON. TOM BUTTERS: Yes, Mr. Chairman, the question is correctly addressed to this department. We will do some research on the scheduled service that is currently operating into Sanikiluaq. I would probably ask Mr. Quirke or one of his staff members to sit with the Member and go over the details with regard to the problems so that we can address it by letter initially.

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

MR. BALLANTYNE: Thank you, Mr. Chairman. The objective under supply services "Publication of a northern business directory". I wonder if the Minister could give a brief explanation of what this directory will contain and a date when it will actually be published.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I am not exactly sure when it will be published, but we would like to get it out as soon as reasonably possible. What it will contain are the names and addresses of various local contractors and provisioners of goods and services. The current list contains about 200 names of local construction contractors, about 300 names of service contractors and some 250 names of goods contractors who are considered to be northern suppliers.

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

MR. BALLANTYNE: I would ask the same question on the "information pamphlet to the general public on services required by the Government of the Northwest Territories and how to bid for supply of them". I would say during the finance committee meetings we were given April as a target date for both of these publications. Number one, is that date a reasonable date? Number two, once the two pamphlets are published how would they be distributed?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I believe, Mr. Chairman, that an April date is a reasonable date. It is possible that we might even have it out before that time. Has the translation been done? It will still require translation. It looks to me as if it would be about a thousand words. I would assume distribution would be through our Government Services offices in the various regions and I would expect the contents of the document would be published in newspapers and also, obviously, we would provide the document to chambers of commerce, business organizations or groups and the NWT Chamber of Commerce.

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

MR. PANILOO: (Translation) Thank you, Mr. Chairman. My first question is regarding page 9.08 at the top. It says "communications". Is that something to do with radio stations in the communities? That is my first question. Are you dealing with radio stations in the communities? I will ask the second question after you answer this question.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: No, Mr. Chairman. That item would come up in the Department of Information budget.

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

Request For Air Freight Subsidy For High Arctic

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I have some questions to do with freight. I think there are three communities that are subsidized, Pelly Bay, Snare Lake and Fort Franklin. In my constituency the goods they receive are very expensive. For example, if I buy food in Yellowknife, T-bone steaks here are about \$4.10 but in my community if I bought the same T-bone steak, same size, it would be \$10. So for that reason I think my constituency should be entitled to a subsidy, especially Grise Fiord, because they pay twice for freight, double for freight -- to go through Nordair plus to go by Kenn Borek Air -- because they have to go through two different airlines to get to Grise Fiord. I think those communities should be subsidized because they are similar to the communities that I just mentioned. We are trying to help out the people that have their own business so for that reason, if we are not going to subsidize the high cost of freight,

it is going to be hard to assist them. It is not much of a problem for the people who work for the government because they are paid for travel assistance and stuff like that. But the people with their own business are having a hard time so for that reason I would like your department to look into the subsidy assistance. Thank you.

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

HON. TOM BUTTERS: Mr. Chairman, the two communities currently receiving assistance are Pelly Bay and Snare Lake. Fort Franklin is no longer in the same category because it is now able to be supplied by winter road. In fact, we believe with this additional medium of supply that it will probably be cheaper than the cost experienced when the food was brought in by NTCL. The criterion for providing assistance to NWT communities is to those communities that are totally dependent on resupply by air. That was the criterion that was used when a number of the more isolated communities did receive consideration by a committee who looked into that some two years ago. So, the major element of the assistance policy at the present time is the communities who are not on road or sealift and as you know, Pelly Bay requires all of its goods to be resupplied by air as does Snare Lake.

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

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. Perhaps I will give you a further example. During the winter we are resupplied only by air. In the summer we order things like dry goods and canned goods only by sealift, but those things that are frozen goods and fresh food, fresh fruits and vegetables, all have to come in by air. We cannot order them through sealift. If you, too, ordered a steak in August through sealift last summer, you know it would be dry and not much good to eat by springtime. Therefore we have to order those in by air. We do not order them by sealift. So therefore I think we need air freight subsidy in those communities. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Thank you, Mr. Chairman. I have nothing to add to what I indicated originally, regarding the policy that is currently in effect. I have heard the Member's comments. I think, as all Members realize, the cost of living throughout the communities north and east of Yellowknife is much higher than is experienced in this community. It might be of some value, possibly, to make these costs known to the Air Transport Committee when they meet. I do not know that they will be able to do anything but at least it would indicate to the federal government, through a federal government agency, some of the very high costs experienced both with living and operating in the Northwest Territories.

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

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. You are being allotted over two million dollars for 1984-85; that is a lot. So I would like to ask you, even though you should be telling me what your responsibilities are, if this is not your responsibility. Perhaps you should be looking into the matter of there being big differences between communities in costs of goods supplied in the communities even though they are still in the same territory. Can you look into that matter, why there are such differences? Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, if we could take the question as notice and get the matter reviewed again. The policy that I have described to you has been developed by the Executive Council based on information and research done by the Department of Economic Development. I can take the question as notice and look at it again and advise the Executive Council of the Member's concern and comments.

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

Request For Copy Of Policy Directive On Transportation Assistance

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. If you could do that I will appreciate it. In regard to the policy that you are referring to I would like to see a copy of that policy directive. Thank you.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the policy I referred to is internal policy. I cannot see that there would be any problem of providing the Member with a copy.

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

MR. T'SELEIE: Thank you, Mr. Chairman. This department is the one that is responsible for such things as office supplies. I was wondering about office equipment like telexes and Xerox machines. In a couple of communities in my area, the hamlet office does not have those kinds of facilities. I am wondering what the policy is about that. How is it determined which places get this kind of equipment?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: As it is a capital item, I would expect that it would be developed in consultation and conjunction with the capital requirements of each region, but I will ask Mr. Quirke to respond to the question.

MR. QUIRKE: Thank you, Mr. Chairman. To obtain, for example, a telex facility or Xerox equipment, if you are just talking about how the hamlet office obtains one, it is usually just a matter of that particular council inquiring through the representative here in Yellowknife, of Xerox for example, to install a piece of machinery in their office. In terms of a telex machine, we in our department, on behalf of the government, rent our telex facilities from NorthwTel. So a request for a telex machine would just go through the normal channels of that particular company.

The capital budget that we have for office equipment and office furniture just basically looks after chairs, typewriters and desks for the civil service. When it comes to the requirements of a local government office such as the hamlet office, if they require that type of facility they would obtain the funding from Local Government. The actual acquisition of that piece of equipment would be between the community affected and the supplier, whether it be Xerox or NorthwTel, whatever the type of telex. Does that answer the question?

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

MR. McCALLUM: Mr. Chairman, I may have missed the Minister's opening remarks. I heard him talk about the tender for new outlets, liquor outlets in Yellowknife. Would the Minister, if he has already -- would he reiterate the status of that concept for the two outlets or tenders that have been put out?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the tenders close on March the 4th so that there has been no determination as to who will be the successful tenderer or what will be put in place. If the Member would wish to see a copy of that tender, I guess we could provide it to him.

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

Transfer Of Contract For Sale Of Liquor

MR. McCALLUM: My question was not to get -- I will get a copy of it, Mr. Chairman, but the question was simply to get the status on it. May I ask a further question of a more general nature in regard to liquor outlets? If one is successful in responding to a tender call and being awarded that particular responsibility for the sale of liquor in a community, can a successful tenderer transfer that contract, or is the contract such that it would be void and it would have to be retendered?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I believe the tender is looking in terms of five years or 10 years and then such an agreement resulting from such a tender would not include a transferral provision.

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

MR. McCALLUM: Mr. Chairman, then, that particular contract for the distribution or sale of liquor, or as a liquor outlet, would have to be retendered for somebody else if the contract was broken. Is that the case?

HON. TOM BUTTERS: That is my understanding, Mr. Chairman.

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

MR. McCALLUM: On another topic, again more general, I noticed that there is a considerable tank farm construction program underway within the department this year. The Minister had indicated there are a number of new tank farms being constructed. There is a considerable amount of money in future years for tank farm construction and I notice that there are at least three in the Baffin that are being dismantled. When can one expect to see that we have reached the end of providing new or upgraded tank farm construction? I refer the Minister to the new tank farms in Tuktoyaktuk, in Hall Beach, in Spence Bay. There is a further one in future years, I am not too sure of the year, but in Rankin Inlet, in Broughton Island, etc. There are a number of them. Can the Minister see, or his department see a time when tank farm construction itself is going to be completed? Is there a schedule for it?

CHAIRMAN (Mr. Gargan): Mr. Minister.

#### Program Of Tank Farm Construction Is Ongoing

HON. TOM BUTTERS: No, Mr. Chairman. We expect that it will be an ongoing program as it has been in the past. As population increases in the smaller communities, more tankage will be required to service that population so it will be an ongoing program. The cost of providing capital facilities may vary from year to year but it is an ongoing program of government at the present time.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. We will take a 15 minute coffee break and then we will get into the budget summary.

---SHORT RECESS

We have a quorum now. The committee will now come to order. I just want to remind the Members that when using the mike, could you turn off your receiver so we do not get feedback? We will get into the budget summary now and we will start off on page 9.04. Mr. Ballantyne.

MR. BALLANTYNE: I still have a couple of general questions, general comments.

CHAIRMAN (Mr. Gargan): All right.

MR. BALLANTYNE: I will just ask one and then we can move on. Under your objectives under petroleum products, you have "develop 'agency' type proposals to enable privatization of petroleum products distribution system". I wonder if we could have a brief explanation of what you are trying to achieve with this particular objective. How realistic is it and how far along are you with the implementation of this objective?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the objective is the result of a motion made in the Assembly on March 1st of 1980 and we have been examining the privatization of some specific areas. As the Member knows, at the present time we are serving about 40 settlements. The concern is and the decision that will be required to be made by the Executive Council, when the report is finally tendered for a decision, is that if you privatize those communities that probably could operate a viable distribution franchise or industry, then the remaining communities will experience higher costs and a higher cost per unit for fuel provided in those communities. So this is what we are looking at now, whether privatization in a few communities might increase the costs in the remaining communities to the point that it would be almost unbearable. But the report is not in as yet. We have looked at Petro-Canada's proposal and rejected that for almost the same reason, that it would appear that the Petro-Canada proposal would be very costly, not only to this government which purchases some 75 per cent of the fuel in that particular area but also to the private consumer.

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

MR. BALLANTYNE: Well, it would seem to me that I understand now that you have some sort of averaging throughout the system to bring some of the costs in line in different communities. It would seem to me that you would almost have to privatize the whole system. What is going to happen is the few profitable components of the system can be privatized and the government will be stuck with the non-profitable parts of it. Have you rejected, now, the concept of privatizing the whole system?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, yes, that concept has been rejected and the Member's summary of the particular difficulty which the government is facing when it examines this problem is very aptly done.

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

Pricing Structure For Liquor

MR. BALLANTYNE: Just one more and this is my last one. Maybe it is my last one. Under the liquor commission, I see we have "review of present pricing structure and feasibility of a price list publication". What sort of details or what sort of things is the department looking at in reviewing the present pricing structure, what are the criteria for that review, number one? Number two, what is the problem with putting out a price list publication? Why could it possibly be not feasible?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I would ask my deputy minister to respond to that question with regard to the pricing policy.

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

MR. QUIRKE: Thank you, Mr. Chairman. Basically, as a matter of course we have just decided to examine the whole pricing structure of the price of liquor because the pricing mark-up structures we do have in place date back to 1978. We are just going to look at how our prices compare, relatively, to other jurisdictions. I can make the statement that, for example, our present pricing structure discriminates against the use of domestic wines and this is the type of thing we would like to look at. In terms of the price list publication, it is because we seem to have developed into a mode of only changing our prices once a year. That price list publication would become a very real thing, but I would not expect it to be issued until maybe the summertime. What we have issued to date has been an information pamphlet that explains all the various wines we sell at the stores. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Deputy Minister. Mr. Ballantyne.

MR. BALLANTYNE: So, I take it the review then is going to look at individual products, for instance, the cost of scotch, gin, rye, etc., vis-a-vis those same products in the South or is it an overall look at the pricing policy? I think scotch is far too high.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, while it would be an overall look, I would imagine that the major area for consideration would be the prices we currently assign to Canadian wines. We feel that we probably are discriminating against our own product.

MR. McCALLUM: Hear, hear!

HON. TOM BUTTERS: There is a belief that the Northwest Territories prices are very much higher than other jurisdictions.

MR. McCALLUM: Agreed.

HON. TOM BUTTERS: I said there is a belief but that belief is not necessarily true. The problem, I think, mainly is that people compare prices with Alberta, but if you look at Manitoba and Saskatchewan and compare those prices across the board you find in some cases those provincial jurisdictions charge more than is being charged in the Territories. Crown Royal, for example, is \$20.55 in the NWT and \$21 in Manitoba and \$20.45 in Saskatchewan. Beefeaters is \$14.65 in the NWT and \$15.55 in Manitoba and \$15.10 in Saskatchewan. So we are comparable with some of the provinces.

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

MR. BALLANTYNE: It has been my experience that when a very nice wine comes in the liquor store at a reasonable price it sells out immediately and they never order it again or double the price the next week.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Ballantyne. Can we get into the budget summary? Mr. MacQuarrie.

#### Inventory Control

MR. MacQUARRIE: I just have one matter of concern. During the past year, I think it was in the last budget session, I indicated that I felt there was some evidence that the Government of the Northwest Territories inventory control system was not what it should be and the Minister at that time seemed to agree that the government itself was not satisfied with the system. I would just ask whether that matter has been addressed during the past year and, if so, in what way?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, yes, the Member did pose the question a year ago and we indicated at that time that we were moving to put our inventory on line and that at the present time we have a manual system for inventory control in the Department of Government Services. I may have misled him when I responded previously, but the responsibility for inventory control devolves upon each deputy minister separately. For the Department of Government Services we are looking for a place in the near future in the computerized system which will be carried on in a minicomputer. If other departments wish this program we could make it available to them. I will ask Mr. Quirke to maybe respond in any additional way that he might to clarify the answer.

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

MR. QUIRKE: Thank you, Mr. Chairman. What we hope to achieve in the next couple of months is the transferring of our manual records of all our capital inventory which is basically desks, chairs, typewriters, computer equipment into a computerized system. It will be operational in our micom word processors which is basically the standard piece of equipment in the government. The Micom company is aware of the request of our needs because when you talk about inventory, for most systems you are talking of a system that is geared toward the private sector on a profit-oriented basis. They are interested in their inventory, the number of units they have for manufacturing, the number of units for sale. To get an inventory system where you want to just keep track of the number of desks and chairs, it is not available. Micom, recognizing our problem, is developing a package for us. If this is very successful on our machine we will be able to provide that type of package to all government departments and leave it up to them to administer. If it is successful on our machine I see no reason why other departments would not adopt it. Thank you.

#### Directorate, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Deputy Minister. General comments. Okay then turn to page 9.04. That is on directorate. Total O and M is \$435,000. Agreed? Mr. Ballantyne.

MR. BALLANTYNE: I have a question. Under the activity, directorate, task one is to "plan, co-ordinate and direct departmental programs and services. Advise and counsel the Executive on sensitive matters arising from services and programs." I wonder if we could have a brief explanation of what constitutes a sensitive matter.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: As far as I am concerned we have heard a number of sensitive matters raised in the committee of the whole this afternoon. They are all related to public expectations and to responses to the service this department is providing. So I would say we have heard a number of sensitive matters today and those would be examples of what the Member is seeking.

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

MR. BALLANTYNE: As opposed to earlier today they were sensitive but not confidential?

---Laughter

CHAIRMAN (Mr. Gargan): Total O and M for directorate, \$435,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Office Services, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Page 9.05, office services. Total O and M is \$913,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Systems And Computer Services, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Page 9.06, systems and computer services. Total O and M, \$972,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Supply Services, Total O And M

CHAIRMAN (Mr. Gargan): Page 9.07, supply services. Total O and M, \$3,197,000. Agreed? Mr. McCallum.

MR. MCCALLUM: This supply and services centralizes the purchasing warehousing transportation and disposal services. This department then looks after all transportation within the government. There had been some talk about a transportation division by itself or a department. Is the Minister able to indicate to us whether there is any follow-up to that suggestion of a while back? I understand that we are talking transportation here, we are not talking just about the transportation of goods and services but transportation of the government in general.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I think the responsibility that has been identified by the Member is much larger and broader than anything that falls within this department's mandate. If I recollect, the proposal that was being studied to develop a department of transportation has in effect been shelved during the time of restraint, although I do believe that such a general approach does exist and one of the other Ministers might be able to respond to it. The responsibility that this department does have in the area of transportation in which we are receiving an increasing demand is that for the developing of positions with regard to airline services into and within the NWT. In the last year we have been very hard pressed to deal with some of these requests. In fact, the official that carries the responsibilities out has left Yellowknife today to familiarize himself with the anticipated work of the Air Transport Committee when it makes its tour of regional centres this month and next month.

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

Air Charters For Government Personnel

MR. McCALLUM: Mr. Chairman, I am sure that the Minister will recognize the concern that I have had, with others, about the business of air charters. Now, I would like to indicate that I believe that there are times when it would be better off for government personnel to charter aircraft rather than to use the existing airline. For example, if I may Mr. Chairman, leaving Fort Smith at 9:05 any morning, gets government personnel here to Yellowknife for whatever business they have to conduct at about 10:30. Given the state of the Yellowknife airport to get luggage off the track that they have, means by and large, that government personnel get into town with their luggage about 11:00 or 11:15, sometimes 11:30. So in point of fact when one travels from the region south of the lake, including Hay River, people travelling on PWA lose that particular time. In other words they have lost a mornings work of doing whatever business they have. That is government personnel. In this particular division of the department the standards and rules for air chartering are set and enforced. I have a concern that there are often times when the government would better avail itself of charter services to come here across the lake which from Fort Smith and region is about 199 air miles. One could make that in a charter service, either out of Fort Smith or out of Hay River, in less time than it takes now the airline service to get government personnel here. So we are not only paying for the cost of transporting these people to carry on government business but in point of fact while they are coming here they have lost, to all intents and purposes a mornings work. My question here is to the Minister and or his deputy minister, about the standards and rules for air chartering government personnel. What are these rules or standards? What are they? Is there a set policy, something that can be done in order to have government personnel who move from south of the lake to Yellowknife to conduct business with the government, to have them here so that, first we are not faced with the cost of transportation and second, we are not faced with the loss of time on the job during a particular morning? What are the standards and rules relating to that?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I would ask Mr. Quirke to respond in a moment or so but I would suggest that in making any decision with regard to the use of charter aircraft over scheduled aircraft the criterion of value for money would apply to this discretionary decision, as it does to any other decision we make within the government when purchasing goods and services. With regard to the specific standards and rules I cannot respond to that and I would ask Mr. Quirke to respond.

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

MR. QUIRKE: Thank you, Mr. Chairman. The department does not dictate how the employee travels. It is an individual manager's discretion whether he wants to use the mainliner or to get from A to B by charter. That is a management decision by that client department. However, once a manager has decided that the best way to get from A to B is by chartering, then the rules that apply are basically just the tender process that we have established in our policy; that from the supply services point of view we recognize the investment that an airline company will have in its fleet by type of aircraft and we will try to rotate the business amongst those carriers in that particular community. In terms of standards when it comes to safety we ask no more than that provided by the standards established by the Minister of Transport and will probably add one or two of our own. For example we would like to see in the summer our airplanes equipped with emergency supplies. If you go down in the bush one of the first things we would like to find is some bug spray. That is a real problem. Or in the wintertime some survival gear. But basically our standards are in complete compliance with the Ministry of Transport.

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

MR. McCALLUM: Mr. Chairman, I am not talking about the safety of a flight. I am talking primarily about the business of having four or five people from the regional office having to come to Yellowknife or having to use Yellowknife as a stopover point for a short period of time, for example, to go to Fort Simpson. They would have to come into Yellowknife, arrive here at 10:30 or 10:45 and I forget what time the flight then takes off to Fort Simpson, for example, but they have to be here. Now they have travelled the whole morning to get there. I suggest to you, Mr. Chairman, that since the standards and rules for air chartering are in force for the movement of people and material that there are times when it would better avail the government to use a charter service regardless of where the charter is, where these people originate. It would be better to use a charter service than it would be to pay \$172.80 from Fort Smith return trip, to come in and



provide service to the government, provide the service to the people. There are times when it would better avail people, that is, people who are on salary to the government, to use an air charter service rather than to use the existing carriers.

What I am concerned about is, is there any kind of procedure, is there any kind of regulation in place whereby a manager would take a look at this cost deal and say, "We would be better off moving four or five people by an air charter rather than by the public airline, to come here, because the loss of time on the job would be more than compensated by a wee few dollars above the cost of an airline ticket versus a charter service"? It is a situation that, as I say, the Minister knows I have been concerned about for some time; especially for people coming from regions south of the lake, because the flights are not direct and because of the time which an individual who is within the government bureaucracy has to spend in an airport, when they could be chartered directly, get in and be working on whatever problem or project they have, rather than by public air service.

CHAIRMAN (Mr. Gargan): Mr. Minister.

#### Chartering Is A Managerial Decision

HON. TOM BUTTERS: Mr. Chairman, the point made by the Member is a very valid one and I would say that its wisdom hopefully would be self-evident. As Mr. Quirke pointed out a few moments ago, it is a managerial decision and I would assume that the regional administration does look at its flying requirements and take that point into account when it considers the process and procedures for serving communities within the region. We will as a government ensure that a charter is hired and proper procedures are carried out in so doing to ensure fairness and support for our local aviation industry, but I would suggest the decision initially has to be a management one, based as I said originally, on value for money.

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

MR. McCALLUM: One final comment, Mr. Chairman, I appreciate the Minister's comment and that is simply the point that I am making. I recognize as well that, were one to keep using chartered services, then other people within a community would have to take the risk of having particular scheduled lines curtailed to some degree if there is not enough movement of people back and forth, but if we are talking about time and money and service to people, I think there have been times when it would have been to the better use of personnel for the money expended to have people travel via a chartered service. I am not pushing for the use of any one charter company. I think there are times or have been times when it would have been to the best advantage of the government to have people travel by charter service rather than use the public airlines. I should not say the public airlines -- Pacific Western.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I will take the comments and act on them through the medium of a letter to regional administrations to ensure that the Member's recommendation is examined and adhered to whenever possible.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. We are on page 9.07, supply services, total O and M. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. My question concerns the procedure for purchasing, not whether we have a procedure set down but whether there are provisions in that policy for certain areas which potentially meet emergency situations. An example would be the operation of the ferries during the summer. It can be anticipated that there may be some urgent need for parts and this kind of thing. Does our purchasing policy make allowances for that? Are there other areas of that nature where allowances might be made or does the procedure apply throughout?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, it does make allowances. The question has been raised with me at times when the House has not been sitting and I would like to ask the deputy minister to describe what the department did to acquire a very important piece of equipment, that was to be used in the Peel River ferry. We expedited that and I would like the deputy minister to just use that example to assure the Member that there is special consideration given to urgently required items.

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

Flexibility In Purchasing System

MR. QUIRKE: Thank you, Mr. Chairman. The purchasing system is very flexible, especially if there is an emergency. In particular, the case at the Peel River where I believe the engine broke down or seized up, whatever happened, something drastic happened. On the advice from a telephone call from Arctic Red River within days we had made contact with the supplier in Tennessee, USA, gone through customs -- very quickly got through customs -- and had it back in the community within, I imagine, 14 days which was darned good for that because the engine was a pretty old engine and by the time we did all the searching we still got it within two weeks. So the system is very flexible and the contract regulations do allow the deputy minister of Government Services the right to waive the formal tendering procedures for any type of commodity that is in the best interest of the public and must be obtained right away. It is in law. So by law, I can do those types of things.

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

MR. MacQUARRIE: I have another question with respect to the obligation to purchase locally on certain items. I am aware that schools, for example, find that under this system they are sometimes met with what they would consider to be excessive prices and it consumes whatever budget they have very rapidly. After an inquiry at one point I believe the matter was being looked at. Could I just ask the Minister whether there is some modification intended with respect to that policy?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Policy On Local Purchase

HON. TOM BUTTERS: Mr. Chairman, in a general sense the review is looking at that particular concern. In a particular sense there was a concern raised with regard to purchases for students at Thebacha College and I think some four or five months ago a special amendment was made to the northern preference policy to exclude purchases made for Thebacha College from the implementation of this policy, especially where you are purchasing for third parties.

I would just like also to clarify that the policy is a discretionary one. I think the Member suggested there is an obligation on the part of government to purchase under a certain amount. There is not an obligation to purchase goods that are inordinately highly priced. We will attempt to purchase goods locally, but if it appears that the government is being taken for a long ride by a local supplier, then buyers in the regions are instructed to use their discretion and ensure that we are getting value for money.

Supply Services, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Page 9.07 again, supply services. Total O and M is \$3,197,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Communications, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Page 9.08, communications, total O and M, \$2,156,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Freight, Total O And M

CHAIRMAN (Mr. Gargan): Thank you. Page 9.09, freight, total O and M, \$2,953,000. Mr. Ballantyne.

MR. BALLANTYNE: This is the only place in the budget where I saw a certain point could be brought out. There has always been a feeling among local contractors and local suppliers that they could provide goods and services equally with a lot of southern companies. If you look under the very end of your little activity report it says, "Increased local purchasing, improved road networks and less government acquisition of goods have reduced the expenditure for freight costs." I wonder, has the government ever evaluated the savings of local purchasing vis-a-vis reduced freight costs to see if indeed there is a break-even point or in fact that the government saves on the process?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, no we have not examined that particular aspect of it.

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

MR. BALLANTYNE: I wonder if it would be something for the Minister of Finance to consider, look at overall cost savings to the government by using a local preference policy in freight costs, storage costs, other O and M costs and then compare it to extra costs paid to local suppliers to see what the effect is through the whole system.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, we could certainly look at the comparison that the Member has suggested. It will not be done very quickly. It will require, I would say, a significant portion of a man year but certainly we can look at it and just see if we can determine any readily ascertainable savings that have resulted from this policy.

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

MR. McCALLUM: Mr. Chairman, we have had some information about the increased local purchasing or northern purchasing in relation to Housing and Public Works over the last while. How we make use of local, northern businesses. At the risk of not moving a motion for this, would the Minister provide us with an indication for a year back or two years back of how local purchasing has been improved for the acquisition of goods so that we can be informed as to how northern businesses have benefited from a northern preference policy in relation to Government Services.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: As I mentioned in my opening remarks, we have seen a doubling from seven-plus million dollars to \$15 million in 1982-83. So it has had an effect. I do not know what other breakdown the Member may wish to have. But if he could identify that I would see whether such figures are available and provide it to the committee.

CHAIRMAN (Mr. Gargan): Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I would like some breakdown in terms of regions, if that would be the easiest way to get it, a breakdown as to the increase in the use of northern businesses by regions. I am not looking for it in terms of communities but I am sure the department should be able to provide it in terms of regions, how there has been an increase in local purchasing so that the acquisition of goods by the government has been reduced over the last year or two.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, we can provide figures relevant to those items which this department purchases and if the Member wishes total government basis we would have to go to the Housing Corporation -- he shakes his head -- he just wishes it from Government Services. Yes, we can provide that, Mr. Chairman and I will do so.

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

MR. McCALLUM: I am trying to give you accolades.

Freight, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Page 9.09 again, freight. Total O and M, \$2,953,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Motor Vehicles, Total O And M

CHAIRMAN (Mr. Gargan): Motor vehicles, total O and M, \$739,000. Mr. McCallum.

MR. MCCALLUM: Mr. Chairman, in motor vehicles it talks about the installation of new weigh scales. I thought we had made a deal that we were going to keep these positions open, Mr. Minister. There may be requirements to look for, if you are going to set up weigh scales in new areas. I thought we had made a deal that we would keep these positions open and you are going to do that. I am being facetious, Mr. Chairman. Nevertheless, I think this is an area that the Minister talked about earlier, given the increased traffic of goods and materials throughout our Territories, that the setting up of weigh scales on both the highways that are there, the Dempster and the Liard, as well as an increase in the kind of supervision, if you like, of traffic coming in and out of the Territories. There has been a great increase in that traffic. I would hope that the Minister would note that there has been some concern by the Highway Transport Board and by carriers, northern carriers in and out of the Territories, that there is a great need for more of this kind of thing on our highways not only because of what has occurred in the past but what would be anticipated in the future. A classic example, Mr. Chairman, would be in relation to the transport of goods and materials should there be any kind of movement by the Alberta government on the Slave River. There will be an added increase to transport goods and materials across our highways. Unless we have some kind of supervision and strict supervision over a period of time on the Mackenzie highway, there will be an ever-increasing number of people, carriers, in and out of the Territories without this government getting its proper share of fees. So I would hope that the expansion, if you like, of putting new weigh scales on our highways would continue so that we would, as a government, get what is coming to us. I want to make that as a comment, Mr. Chairman, but nevertheless I would ask that the Minister continue to look at what is required in this respect.

CHAIRMAN (Mr. Gargan): Mr. Minister.

Infractions Re Highway Use

HON. TOM BUTTERS: Mr. Chairman, I realize it was a comment by the Member. He is absolutely correct in identifying this area as one of great concern to our motor vehicles section. We are moving in the coming year to correct the lack on the Dempster. Obviously the Liard is a problem area also and in fact through the use of unmarked vehicles some people have been caught who have been running our highways without proper authority. There is an increased enforcement occurring with regard to these types of infractions. We are moving to correct that situation. Obviously, not only is this government interested in an increase in revenue that would accrue from ensuring that people are properly registered or authorized to travel on our highways but there is the other concern that vehicles that are travelling too heavy, beat the hell out of our roads and our bridges and it becomes an indirect cost to this government. So we are attempting to address the concern that has been identified by the Member.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Page 9.10, motor vehicles. Mr. Ballantyne.

MR. BALLANTYNE: Yes, I have a question as a supplementary to Mr. McCallum's. I notice that under the activity of motor vehicles, task three, person year and funding for a weigh scale operator position is \$47,000. Is that what the going rate is now for a weigh scale operator?

CHAIRMAN (Mr. Gargan): Mr. Minister.

AN HON. MEMBER: If it is, I want the job.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the item is expected to cover the costs of putting an enforcement officer in place in that particular region.

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

MR. BALLANTYNE: Perhaps if I could have a little better explanation of that. I see here that is under salaries. So the breakdown I see is salaries. I do not see -- to get it into place I think it would be other O and M. I see this comes under salaries. Unless the explanation that the committee got was incorrect it seems to me that \$47,000 is the actual salary of this individual.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I will ask Mr. Quirke to address the question.

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

MR. QUIRKE: Thank you, Mr. Chairman. The \$47,000 should not only cover the salary it would also include housing allowance and particular benefits and other O and M. I would really feel that that is a mistake in the spread sheet that you have before you but I will be pleased to provide you an actual O and M breakdown salary. There are car rentals, office supplies, etc., so I honestly believe that is a transposition error.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Deputy Minister. Mr. Ballantyne.

MR. BALLANTYNE: Another question. I understand that motor vehicles division and petroleum products division are recent acquisitions of the department and necessitated a new position of an assistant deputy minister. I wonder, what is the government policy, at what point can a department justify an assistant deputy minister? Is there a policy set out?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: There is no policy established, Mr. Chairman, but the department was required to take to the Financial Management Board an indication of the workload currently or then carried by the senior official in the department, Mr. Quirke, to justify a need for an assistant's position. That was done I think some seven months ago and the need was justified to the board.

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

MR. BALLANTYNE: Thank you, Mr. Chairman. With the position of assistant deputy minister, does a secretary come with that position automatically?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: On that occasion, Mr. Chairman, two positions were justified, the assistant deputy minister position plus secretarial support.

Motor Vehicles, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. We are still on page 9.10, motor vehicles, total O and M, \$739,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Okay. Petroleum products. There is no O and M. I wonder if the Minister would care to comment on that? Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, it is included in our revolving fund of \$35 million.

CHAIRMAN (Mr. Gargan): Thank you.

HON. TOM BUTTERS: I think the second paragraph in the explanation of the section explains.

CHAIRMAN (Mr. Gargan): Is that agreed then?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Page 9.12, liquor commission. There is no O and M there again. Again it is in the revolving fund. So there is no O and M. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Office Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Detail of capital. Office services, total office services is \$520,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Systems And Computer Services

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Buildings and works, total buildings and works is \$40,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Acquisition of equipment, total headquarters \$245,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Fort Smith Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Total Fort Smith Region is \$152,000. Agreed? Mr. McCallum.

MR. McCALLUM: No, thank you.

SOME HON. MEMBERS: Agreed

---Agreed

Acquisition Of Equipment, Inuvik Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total Inuvik Region is \$152,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Kitikmeot Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Total Kitikmeot Region is \$10,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Baffin Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Total Baffin Region, \$152,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Keewatin Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Total Keewatin Region, \$152,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total acquisition of equipment, \$863,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Systems And Computer Services, Total Capital

CHAIRMAN (Mr. Gargan): Thank you. Total systems and computer services, \$903,000. Mr. Ballantyne.

MR. BALLANTYNE: I just have one question. Looking at last years main estimate books, this year there was no future year cost anticipated and in fact we spent \$903,000. I see this year again there is nothing anticipated for next year. Do we say there is nothing next year or are we looking at another million dollars?

MR. McCALLUM: A million and a half dollars.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: The figures before the committee relate to one year programs only. There are no two year programs before the Assembly. I might ask Mr. Quirke to respond further.

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

MR. QUIRKE: Thank you, Mr. Chairman. The \$903,000 just represents the acquisition of equipment that will be bought in any current year. For future years there is a five year capital plan that we would be expending perhaps in 1985-86 -- and it is only a plan -- approximately \$812,000 and in 1986-87 we are projecting an expenditure of \$2.5 million. The only reason you see the figure of \$903,000 is they are one year projects, one year acquisitions of pieces of equipment. We have no acquisitions that cover two fiscal years.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Deputy Minister. Mr. Ballantyne.

MR. BALLANTYNE: Perhaps you could explain why through the budget, in many other five year projections of capital, they do include those future years anticipated and the fact is if you do have a five year plan why are they not included here so we have an idea of the expenditures anticipated in future years?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I will try to answer the question, Mr. Chairman. The anticipated or projected expenditure for years beyond the year under consideration, that is 1985-86 and beyond, is just a plan. It can be changed. It can be deleted. To put it in and give the committee some expectation that it is a firm figure would be misleading, so the only figures that we do include are the ones that we know are firm for the coming fiscal year. Members of the standing committee on finance

were all provided with the capital plan of this government in all departments for the next five years. If other Members of the committee would also wish a similar document I am quite sure it could be provided to them too, again, recognizing that any year after the coming fiscal year is just a projection.

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

MR. McCALLUM: Mr. Chairman, I note that within the systems and computer services I think the Minister referred to it earlier, there are now four regions with computer capability. The one region that is not looked after and I do not want to steal the thunder from the two people from Kitikmeot East and West, but what are the plans of the government for providing that particular region with the same capability that you now have in the Keewatin, Baffin, Inuvik and Fort Smith Regions?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I will ask Mr. Quirke to respond to that question, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

Facilities For Computer In Kitikmeot

MR. QUIRKE: Thank you, Mr. Chairman. When that region will receive its computer is really dependent on the government establishing a basic office complex. We have no place in that community to put a computer facility because it needs special environment, air conditioning, etc., and from what I understand from that region is they are in dire need of office space. I assume that once planning proceeds to the building of an office complex it will be included. I see in our capital plan that the earliest we are looking at is in 1986-87 where we have identified computer room construction but not having the whole government plan in front of me I assume it is tied into some sort of office complex within the region.

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

HON. TOM BUTTERS: The computer that services that region is located in Yellowknife in the computer building here and I would use the opportunity to extend to Members of the committee the same suggestion I made to the standing committee on finance. If you would wish to have a tour of the computer building and look at the equipment that is available and is used by this government, you would be very welcome to come along.

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

MR. BALLANTYNE: A question. It seems, Mr. Minister, that the philosophy of the government now is to try to combine different functions in one building. I would like to ask the Minister why the new computer building was not put in a new curling rink for Yellowknife?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I would expect we would have to ask the previous municipal administration.

HON. TAGAK CURLEY: Hear, hear!

---Applause

Systems And Computer Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total systems and computer services, \$903,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed



Supply Services

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Total buildings and works, \$34,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total acquisition of equipment, \$13,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Supply Services, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total supply services, \$47,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Petroleum Products

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total headquarters, \$150,000. Agreed? Mr. McCallum.

MR. McCALLUM: Mr. Chairman, on the matter of petroleum products buildings and works you have \$150,000 for painting tank farms in various areas. I would trust that the contracts to do this would be contracts that would be done locally. For example, the tank farm painting contracts would of course be done in smaller communities and there must be a number of them because it is in various locations and it is only \$150,000. I would hope that those contracts would be let in those particular areas rather than in headquarters because there must be four or five or whatever number of these small contracts that would go out and there must be a capability, Mr. Chairman, within certain of these small communities to paint a tank farm.

HON. TAGAK CURLEY: Hear, hear!

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Thank you. Mr. Chairman, as the Member indicated, a number of small communities are affected, Lac la Martre, Fort Franklin, Paulatuk, Coppermine and Gjoa Haven. I notice that the Minister responsible for Public Works was listening very closely to the Member's suggestion and I am sure has taken that advice.

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

MR. McCALLUM: Mr. Chairman, I will check on my buddy across the way in another year to find out whether in fact those four or five communities, that those contracts were not given from headquarters but were in fact given within the region and in point of fact given within the community. That the amount of money, whether in fact the government had to provide the paint and whatnot and even the brushes, but at least used local people to do the bloody painting. There is a promise?

CHAIRMAN (Mr. Gargan): Thank you, Mr. McCallum. Continuing again, total headquarters, \$150,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Fort Smith Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Next page, total Fort Smith Region, \$344,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total Inuvik Region, \$762,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total Kitikmeot Region, \$800,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total Baffin Region, \$1,435,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin Region, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total Keewatin Region, \$390,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total buildings and works, \$3,881,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Acquisition Of Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total acquisition of equipment, \$238,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Mr. McCallum.

MR. McCALLUM: Mr. Chairman, on the next item and I recognize that we have agreed to the total petroleum products, so I am going to beat you to the punch. As regards the liquor commission there is one acquisition of equipment that is in Frobisher Bay and I see my good friend, Mr. Patterson, is not here so I will raise it for him. There is an item that refers to the acquisition of a piece of machinery, a forklift in Frobisher Bay. I would hope that again the tender would be let out of the region for that particular piece of equipment and that there surely must be a supplier within the Frobisher Bay Region who would provide that, if in fact it is necessary, Mr. Chairman, to

purchase a forklift for the simple use of the liquor store or whatever kind of arrangement they have there. If it is the acquisition of a piece of equipment for the government it may be to the better advantage of the government to lease that piece of equipment rather than to simply buy for the sole purpose of the liquor store. Regardless of whether it is for the purpose of the liquor store or whether it is the government as a whole, again, I would hope that the contract would be given locally and that there would be a supplier identified there. May I have a comment?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, we have noted the Member's comments and recommendations and will certainly move to implement them if it is at all possible.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Total acquisition of equipment, \$238,000. Agreed? Mr. Ballantyne.

MR. BALLANTYNE: Are we back on 9.17?

Petroleum Products, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): We are on page 9.17, total petroleum products is \$4,119,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Liquor Commission, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total liquor commission, \$52,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Motor Vehicles, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total motor vehicles, \$275,000. Agreed? Mr. Pedersen.

MR. PEDERSEN: Yes, Mr. Chairman, we have just passed liquor commission and motor vehicles. I hope I am not too late to get in on this. It was pointed out earlier that because of the transfer of motor vehicles and liquor commission to Government Services, the position of assistant deputy minister and, we are then told, also secretary had become necessary. Now, as a new Member that needs enlightening, I am sure I am not to interpret this that the administration would simply transfer two sections to another department in order to create two new positions. So I am sure it is a formality to have the Minister assure me that two similar positions were deleted from the department where these services were previously performed.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: No, Mr. Chairman, the department had added to its responsibility motor vehicles and the liquor administration. Both of them are major activities. In fact, the department did everything we could do to argue that all the man years, casual, were transferred with the responsibility. As the Member can see, Mr. Chairman, there were two major areas of work transferred to Government Services.

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

MR. PEDERSEN: Yes, Mr. Chairman, I realize that but being that major surely the department they left must have excess manpower now that should have been taken off.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I am not familiar with the realignment of duties and responsibilities that occurred in the Justice and Public Services. But I do know that whatever positions they have, they have justified to the Financial Management Board.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Total motor vehicles, \$275,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Department, Capital, Agreed

CHAIRMAN (Mr. Gargan): Total department is \$5,916,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Pages 9.18 to 9.27 are information items. Has anybody questions? Mr. Ballantyne.

Revolving Funds And Chargeback Centres

MR. BALLANTYNE: Yes, I have a question on the revolving fund. As I understand it the whole capital development of systems and operational costs of the computer system, at one time were under the Department of Finance and have since been transferred to the Department of Government Services and that there is a chargeback from each department of the utilization of the system. Is that correct?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman, there is a chargeback element that is assessed to each department for services they receive from computer services section.

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

MR. BALLANTYNE: Then I understand from the opening remarks of the Minister that since the chargeback system was put into place the actual costs and the utilization of departments of the system have, in fact, gone down, is that correct?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: That is correct.

CHAIRMAN (Mr. Gargan): Mr. Ballantyne.

MR. BALLANTYNE: How I am looking at this, maybe facetiously, is that as soon as the various departments had to pay for it decided they did not want to use it so much. Ultimately they will stop using it totally. Is this a logical progression?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I do not think it is a logical progression but I think there are good grounds to believe it resulted when the departments became aware of the costs that they were being assessed and would be assessed, because for a whole year there was a dummy run of invoicing to user departments to familiarize themselves with the costs that they would be required to pay when chargeback was in effect, I think that the Member's assessment is probably correct. The departments had not recognized how expensive certain usages could be and now are probably using the system more effectively or probably as effectively they can.

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

MR. BALLANTYNE: Seriously, Mr. Minister, is there not a danger that the process goes too far the other way whereby a department, rather than develop a new system because they see these upfront costs, would tend not to do it? Is there not a danger that you would take away the whole research and development aspect from some central agency, that in fact would be the central aspect?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: There is a danger too that the system may tend to propagate itself with a large research and development dimension. I think what has occurred and what would prevent the situation, as described by the Member, from taking place, is the establishment of our computer users committee. This is a committee which operates under the deputy minister of the department. It consists of all of the departmental users and in discussion determines what requirements would be needed down the road. These departmental requirements are examined by the computer services experts and they assist departments to obtain the best, most effective use of the computer system. So I think there is a pretty good balance in the way things are now.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Any other comments on the information items? Mr. Ballantyne.

MR. BALLANTYNE: Just for clarification for Members, especially new Members, there is in fact then, there are four different areas of expenditures in the whole area of computers. There is, as I read it anyhow and I might be wrong, there is \$903,000 that has been spent on capital, \$972,000 the Department of Government Services internal costs of the programmers and what have you that they have, there is \$852,000 to the various departments to develop new systems and there is \$1,463,000 operational costs from other departments. So the total cost, as I read it, the computer system O and M, capital is \$4,200,000. Is that correct?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I will let Mr. Quirke respond to that assumption, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

MR. QUIRKE: Basically, yes, the costs of capital are kept outside of the chargeback. What you voted on at page 9.06, the \$972,000 is the management element for the whole government and we do not charge that to overhead and the two chargebacks are the development and use of computer time, so we have four cost centres in a sense.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Deputy Minister. Mr. Ballantyne.

MR. BALLANTYNE: So the cost of this system is \$4,190,000 and that does not include the cost of the new building which is a separate cost factor altogether. Is that correct?

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

MR. QUIRKE: Mr. Chairman, the cost of running the systems is the sum of \$1.4 million plus \$852,000, plus \$972,000. The cost of capital and acquisition of equipment we will buy next year or the cost of the new building are not reflected or recoverable from these departments.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Deputy Minister. Mr. Ballantyne.

MR. BALLANTYNE: The O and M cost is \$1,463,000 plus \$852,000 plus \$972,000, the capital cost of equipment itself is \$903,000 and on top of that is the cost of a new building?

CHAIRMAN (Mr. Gargan): Mr. Deputy Minister.

MR. QUIRKE: Thank you, Mr. Chairman. Yes, that is correct, except the cost of the capital building is no longer reflected in these estimates because the building was completed in the fiscal year.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Deputy Minister. Any other general comments? Okay. We will go back to page 9.03. Mr. Ballantyne.

#### Liquor Commission Revolving Fund

MR. BALLANTYNE: I have just one other question at this point in time. Again, it has to do with the revolving fund on page 9.25, I see that the anticipated surplus from the liquor system is increasing from \$7,683,000 to \$8,963,000. I wonder if the Minister could tell us if that increase is due to a volume or price increase in liquor?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: The figures reflect two elements, Mr. Chairman, an increase in sales and an increase in volume.

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

MR. BALLANTYNE: We are just talking an increase in volume now, there is no anticipated price increase at this point in time. If there is, would you please explain what it is?

MR. QUIRKE: Mr. Chairman, as of about two weeks ago we received notification that prices for beer from the brewery are expected to go up in April and depending on the impact of that price increase, a decision will have to be made by the Financial Management Board as to how high to raise the prices. On September 1st the excise tax from the federal government will be going up again which is indexed to inflation but that is expected to go up again, and again in September a decision will be made through the Financial Management Board to possibly pass those costs on to consumers. So we could expect two price increases in 1984.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I would expect, Mr. Chairman, that the costs will be passed on to the consumer.

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

MR. BALLANTYNE: Just again for a point of clarification. I understand under the present financial arrangement the territorial government has with the federal government, that any surplus revenues in this area will be subtracted from our transfer grant. I wonder, if that is a fact, is there any possibility, for instance, that we, in fact, could lower the price? What we do not want to do is have an extra price and lose it immediately to the feds because there is no net gain to the territorial government. Does the territorial government have the power to, in fact, lower the price so that there is no net increase in profits and no subsequent loss to the federal government in the transfer grant?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I will look at that but I think as long as it is not a windfall I do not think it would be affected.

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

MR. McCALLUM: Mr. Chairman, I wonder if the Minister or his deputy minister could indicate to me what increase is anticipated in the price of beer come April? Mr. Chairman, what increase in the excise tax imposed by the federal government is anticipated in September?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: With regard to the anticipated increase in the price of beer, this government has been notified by telephone only so we are not sure what increases will be required and, with regard to the September increase, the federal government tells us what it will be. We do not have any hints.

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

MR. McCALLUM: In light of those two anticipated -- even more than anticipated, you have been told they are going to increase -- would it be a policy of the government then to continue its mark-up on the price of beer and/or spirits given that there will be an increase in the price of beer from the wholesaler, that is, the distilleries and the same with the excise tax? There is a certain percentage of mark-up that the government has. If there is an increase to be passed on to this government to acquire these particular commodities, will the profit margin go up a corresponding amount?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I cannot presume on the decision of the Financial Management Board. As the Member knows, the practice is when price increases are required, those prices are identified and

substantiated and a recommendation is made to the Financial Management Board. If the board approves them, then the price is increased. To respond to the question now would be to presume on the decision made by the board in the near future.

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

MR. McCALLUM: Mr. Chairman, before an increase to either beer or spirits is announced by the government will this House know what those increases are, that is, the increase anticipated by the breweries and whatever increase is anticipated by the government because of the excise tax? Will the Minister inform the House before there is a set price or will we learn it after the fact?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, we will attempt to ascertain exactly what increase the breweries are currently contemplating and advise the House. I would assume that it would be reasonable to expect that that information would be available to provide Members before the House prorogues.

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

MR. BALLANTYNE: A supplementary question to that. In looking at the whole concept of surplus within the liquor system I understand now that there have been establishments that serve beer, restaurants and bars and so on, have to pay a five per cent surcharge on top of all the other charges we have discussed. If the government on one hand is trying to encourage tourism is that not a disincentive to tourists because other places I know that is not true and this is one of the few jurisdictions where there is that surcharge. As a subsequent question to that, I understand in other places the liquor systems actually deliver the liquor goods to the establishments whereas here we ask the establishments to actually pick them up themselves. Is your department looking into that as perhaps an unfair burden on establishments throughout the NWT?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the matter of the five per cent surcharge is obviously one that falls within the purview of the Liquor Licensing Board and the regulations developed by that body. With regard to the costs of picking up liquor from the warehouse, no, we are not currently examining that situation. The Department of Government Services is not currently examining that situation.

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

MR. BALLANTYNE: Well then, what would be the appropriate mechanism to ask somebody in the government to examine it? Who would be the body to go to, to make that request or should I make it as a motion in the House?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: The Member has already made it. I will take his question and look into it. The answer to his question was that we are not looking at it now. He has asked whether it could be done. Yes, it can be done and we will look at it.

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

#### Surveillance On Highways

MR. McCALLUM: Mr. Chairman, in view of the anticipated increase or increases that may come with beer and spirits and wine because if two of them are going ahead the other cannot be far behind it, and in view of the fact that there is to be an increased presence of the Government of the Northwest Territories on our highways, that is, within the areas coming into the Territories on the Liard, the Mackenzie, on the Dempster, is it reasonable to presume that because of this increased cost that there may be an increase in the amount of liquor that comes into the Territories illegally? Does the Minister in his responsibility for highways and the weigh scales feel there may be means by which there can be a greater surveillance made on the importation of liquor from outside of the Territories at a cheaper rate than those of us who live in the Territories have to purchase it here?

I think it is a concern because of the increase in prices. It is cheaper to get these kinds of goods from the South brought in here and I am not too sure, well, I know there has been very little surveillance done on the importation of these particular commodities or goods into the Territories. If there is to be an increase with a presence on the highways, I am not suggesting we set up check point Charlies but certainly there must be some means by which this government can regulate the importation of illegal liquor or wine and beer into the Territories, if we are going to be paying more as residents of the Territories.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: That possibility certainly exists but I would expect that the enforcement dimension would fall to the RCMP and not to our motor vehicles inspectors. I would imagine if there was a suspicion that the vehicle carrying a load of illegal liquor that would be different. I could not see our inspectors examining the personal items that are being brought in by truckers.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Are there any more questions on the information items now? Mr. McCallum.

MR. McCALLUM: Mr. Chairman, on page 9.25 note two. There is a reduction in staff noted from last year to this year of three persons. They have been transferred to the Liquor Licensing Board. I would like to know whether we are going to do it today or whenever, I would like some idea of where these three person years, and to what purpose have they been transferred to the Liquor Licensing Board.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the three people referred to are two liquor inspectors and an executive secretary.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. It is getting close to 6:00 now. Does the committee wish to report progress?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Gargan): We will carry on with Government Services tomorrow then. Thank you, Mr. Minister and Mr. Deputy Minister.

MR. DEPUTY SPEAKER: Mr. Gargan.

ITEM 16: REPORT OF COMMITTEE OF THE WHOLE

REPORT OF COMMITTEE OF THE WHOLE OF BILL 1-84(1), APPROPRIATION ORDINANCE, 1984-85; TABLED DOCUMENT 4-84(1), 1984-85 MAIN ESTIMATES

MR. GARGAN: Thank you, Mr. Speaker. I wish to report that the committee have been considering Bill 1-84(1) and Tabled Document 4-84(1) and wish to report progress.

MR. DEPUTY SPEAKER: Thank you.

Motion To Accept Report Of Committee Of The Whole, Carried

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

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

SOME HON. MEMBERS: Agreed.

---Carried

MR. DEPUTY SPEAKER: Are there any announcements from the floor? Mr. Clerk, announcements and orders of the day, please.



CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, there will be briefing for Eastern Arctic Members tomorrow, Tuesday, at 10:00 a.m. in the caucus room.

ITEM 17: ORDERS OF THE DAY

Orders of the day, Tuesday, February 14th, 1:00 p.m.

1. Prayer
2. Members' Replies
3. Ministers' Statements
4. Oral Questions
5. Written Questions
6. Returns
7. Petitions
8. Reports of Standing and Special Committees
9. Tabling of Documents
10. Notices of Motion
11. Notices of Motion for First Reading of Bills
12. Motions: Motion 17-84(1)
13. First Reading of Bills
14. Second Reading of Bills
15. Consideration in Committee of the Whole of Bills and Other Matters: Bill 1-84(1); Tabled Document 4-84(1); Bills 2-84(1), 3-84(1), 4-84(1)
16. Report of Committee of the Whole
17. Orders of the Day

MR. DEPUTY SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Tuesday, February 14th, Valentine's Day at 1:00 p.m.

---ADJOURNMENT

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