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YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, FEBRUARY 15, 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

DEPUTY SPEAKER (Mr. Wah-Shee): Item 2, Members' replies. No Members' replies today.

Item 3, Ministers' statements. No Ministers' statements today.

Item 4, oral questions.

Item 5, written questions. Are there any written questions today? None.

Item 6, returns. Any returns for today? None.

Item 7, petitions.

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

ITEM 9: TABLING OF DOCUMENTS

MR. PUDLUK: Thank you, Mr. Speaker. At this time I would like to table Tabled Document 18-84(1), a letter from myself to the Department of Transportation in Edmonton concerning passenger safety on Kenn Borek Air Ltd. flights between Grise Fiord and Resolute Bay.

MR. DEPUTY SPEAKER: Thank you, Mr. Pudluk. Any further tabling of documents? Item 10, notices of motion, Mr. Pudluk.

ITEM 10: NOTICES OF MOTION

Notice Of Motion 19-84(1): Special Committee On Housing

MR. PUDLUK: Thank you, Mr. Speaker. I give notice that on Friday, February 17, I will move the following motion: Now therefore, I move, seconded by the honourable Member for Tu Nedhe, that according to Rule 87(1), that a special committee of this Assembly be established to be named the special committee on housing; and further, that notwithstanding Rule 87(2) that the special committee on housing consist of three Members from the East and three Members from the West; and furthermore, that the special committee be mandated to review the operation of the NWT Housing Corporation and report with recommendations to this Assembly at the fall session.

MR. DEPUTY SPEAKER: Thank you, Mr. Pudluk. Notices of motion.

Item 11, notices of motion for first reading of bills. Item 12, motions.

ITEM 12: MOTIONS

Motion 17-84(1), PWA Board of Directors. Mrs. Sorensen is not here so we will leave that on the orders of the day. Motion 18-84(1), Pope John Paul II Visit to Canada, Mr. Sibbeston.

Motion 18-84(1): Pope John Paul II Visit to Canada

HON. NICK SIBBESTON: Mr. Speaker:

WHEREAS His Holiness Pope John Paul II will be touring Canada, September 9th to 19th, 1984;

AND WHEREAS Pope John Paul has indicated an interest to come to the North to meet with aboriginal peoples;

AND WHEREAS there is still uncertainty as to whether Pope John Paul will visit the Northwest Territories and where he may visit within the Territories;

NOW THEREFORE, I move, seconded by the honourable Member for Sahtu, Mr. John T'Seleie, 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's officials in Ottawa, who are responsible for co-ordinating the tour in Canada.

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

HON. NICK SIBBESTON: Mr. Speaker, I am sure all Members will have heard reports that the Pope is planning to come to Canada and there is a possibility of him coming to the North. On February 12, which was just a couple of days ago, the Catholic bishops of Canada made public the schedule of the Pope's visit. He will be arriving in Canada on September 9th in Quebec City and then during the next 12 days will be travelling to all parts of Canada, ending in Vancouver on the 20th, from there he departs back to Rome. The schedule which was contained in the Globe and Mail on Tuesday, February 14th, has the Pope visiting Edmonton, Alberta, from September 16 to the 18th and apparently on the 17th he is slated to have a day of rest. Apparently it is on this day that there is still a possibility of him making a quick, fast trip to the North.

At this stage of the planning there is still no definite decision made by authorities involved in the tour of Canada that he will come to the North. Mr. Speaker, I have been in touch with many people involved in the tour. Short of phoning the Pope myself, I have been in touch with Bishop Piche in Fort Smith and with the Canadian Conference of Catholic Bishops office in Ottawa, with the papal nuncio's office and I have also been in touch with David MacDonald who is the director of logistics for the tour, and in my office's contact with Mr. MacDonald this morning, he advised that the Pope is personally very interested in coming to the North.

Apparently, what has happened thus far is that the Catholic bishops have left it to the native organizations in Canada to decide where and when he should meet with native people in Canada. I understand part of the problem why a decision has not been made by authorities involved in his tour is that the major native organizations in Canada have not been able to agree as to the place and when he should meet with native peoples. I believe that it has been suggested to them that an appropriate place for have the meeting between the Pope and the native people in the North but there has been no decision made on this as yet. So what we have is a situation where the Pope is interested in coming to the North but the people involved in organizing the tour have not been told definitely by native organizations where they would be willing to meet with him.

Mr. Speaker, I think there are two ways of dealing with the situation. The first is to take the view that since the native organizations cannot agree on where the meeting with the Pope should be, that we in the North take the initiative to invite the Pope to come north, invite the native organizations also to come north to meet with the Pope. This could well be the solution to the impasse. This gets the Catholic bishops and the organizers out of the dilemma of deciding which of the native organizations they ought to listen to and take their advice from. The native people in the North are in the majority and the Legislative Assembly would be seen as representing all the people of the North. So I think that it would be very good if this Assembly supported the motion.

The other approach we could take is to recognize that the major native organizations are still the ones who have the most influence or say as to where the Pope will be meeting with native peoples in

Canada. We could attempt to convince them of the merits in deciding on the North as a place where the Pope should go. In either case, I believe that it will advance the cause of the North that the Assembly pass the motion to formally invite the Pope north.

Of course, as a third alternative, we could appoint the mover of the motion and the seconder and perhaps a small delegation to go to Rome and see the Pope himself and convince him of the merits of coming to the North. I, as Minister of Culture, consider that religion is part of culture so feel that I would be properly mandated to do that.

Getting back to serious business, I hope that you will be able to support the motion. I think it would be a great honour and a blessing, a once-in-a-lifetime opportunity to have a Pope visit the North. I am sure that I speak for all the people of the North and all denominations that we would all benefit from the Pope coming to the North.

MR. DEPUTY SPEAKER: Mr. T'Seleie, do you wish to speak to the motion as seconder?

MR. T'SELEIE: Thank you, Mr. Speaker. I do not have much to add to what the Minister has just said except to say that, in my constituency, I know there is a great deal of interest in the Pope's visit. Most of the people that I represent are Roman Catholic and we have been hearing about the Pope's visit through TV and radio and the newspapers. I know for sure that there are many people in my constituency that will want to see the Pope. For that reason, I think the other Members of the Assembly will join me in supporting this motion. Thank you.

MR. DEPUTY SPEAKER: Thank you, Mr. T'Seleie. To the motion. Mr. Appaqaq.

MR. APPAQAQ: (Translation) Thank you, Mr. Speaker. I have a brief comment on this. I would like to support this motion. I would like to see the Pope myself. He has been condemning the wars the way I see it through the TV or the radio. For this reason I am supporting this motion. I would like to hear him when he is giving a presentation through the interpreters or maybe it will be nice to have a lunch or shake hands with him if it is possible. If the native organizations could support this to have a Pope visit the NWT -- for this reason I am supporting this motion. Maybe we could be recognized better as residents of the NWT and he will maybe even be able to present any comments about NWT, what is going on, about our country. This is why I am supporting this motion. Thank you.

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

SOME HON. MEMBERS: Question.

Motion 18-84(1), Carried

MR. DEPUTY SPEAKER: Question has been called. All those in favour of the motion please indicate. Thank you. Those opposed, if any? Motion carried.

---Carried

That concludes motions for today.

Item 13, 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; Tabled Document 4-84(1); Bills 2-84(1), 3-84(1) and 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

NWT Housing Corporation

CHAIRMAN (Mr. Gargan): The committee will now come to order. We are dealing with the NWT Housing Corporation. Would the Minister bring in his witnesses? Is that agreed by the committee?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. For the record would the Minister introduce his witnesses, please?

HON. GORDON WRAY: Thank you, Mr. Chairman. On my left is Mr. Bob Pilot, chairman of the board of directors of the Housing Corporation. On my right is Mr. Vic Irving, president of the Housing Corporation.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Yesterday we left off at page 3.05, budget items. The NWT Housing Corporation total O and M is \$31,237,000. Agreed? Mr. Ballantyne.

MR. BALLANTYNE: I have a couple of questions. Again one of the objectives of the Housing Corporation is that the Housing Corporation will develop short and midrange plans for program implementation. I wonder if I could ask the Minister what did they do before they developed short and midrange plans?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. The process we are using now is the same one that was used last year and the year before. It is a continuing process.

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

MR. BALLANTYNE: Thank you, Mr. Chairman. It is a comment we found not only in the Housing Corporation in the finance committee but also in some of the other departments, that the objectives are not saying that. What the objective says is that as an objective you will "develop short and midrange plans". If that is not in fact what you are intending to do, and you already have those in place, probably that should not be one of the objectives. We have had this problem of lack of clarification with a lot of the objectives in your department and other departments and also many of the objectives are far too general to give Members a good idea of what the Housing Corporation is trying to achieve.

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

HON. GORDON WRAY: Mr. Chairman, the problem with that is if we take it out as an objective maybe somebody will stop doing it and it will not be an objective any longer. I think it has to be understood that is a continuing process and it is a continued objective of the corporation to develop those plans.

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

MR. BALLANTYNE: If you look at the organization chart, the flow chart, is the president responsible directly to the chairman or is the president responsible to the Minister?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: The president is responsible to the Minister.

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

MR. BALLANTYNE: Next year the flow chart should show that so that Members actually understand the reporting relationships.

HON. GORDON WRAY: Roger.

NWT Housing Corporation, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Budget item again at page 3.05, total O and M is \$31,237,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Detail Of Grants And Contributions, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Page 3.06, contributions, \$31,237,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Public Housing, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Detail of capital, total public housing is \$2,333,000. Agreed? Mr. Ballantyne.

MR. BALLANTYNE: Just again as another point of clarification, during the finance committee meetings we asked that a breakdown of all these figures be provided for us. The Minister said he would do that. I just want to put it on the record now that for future budget sessions we would like to see those breakdowns actually in the budget book.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Unfortunately, Mr. Chairman, the Housing Corporation is not in a position to do that. If we did that it would provide contractors with our target estimates for housing before the tenders come out. It would let contractors know how much money we are budgeting for that project which would then make it unfair because contractors would know how much to bid. So, you know, I am willing to provide the details to the finance committee in confidence, but I am not willing to release those in public.

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

MR. BALLANTYNE: I think that is understood and I think that is reasonable. Also it probably would be helpful, after the actual tenders have been let, if the committee could get those details of the actual cost of the construction project so we can compare next year with that estimated cost and the real cost a year later.

HON. GORDON WRAY: Certainly.

CHAIRMAN (Mr. Gargan): Detail of capital again, total public housing is \$2,333,000. Agreed? Mr. T'Seleie.

MR. T'SELEIE: Mr. Chairman, over the last few years there has been a lot of construction of these public housing units all over the NWT and it has been a program that has been going on for more than 10 years I am sure. I wonder if the Housing Corporation could tell me of any instances in the NWT where local people are handling the building of public housing units. In other words, I am saying are there any native companies that have bid on contracts to build public housing?

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

HON. GORDON WRAY: At the present time, as far as we are aware, there are no native companies building houses. There have been instances in the past where community groups have got together and built housing, but at the present time, no, I do not know of any.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Total public housing again, \$2,333,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Home-Ownership, Total Capital

CHAIRMAN (Mr. Gargan): Thank you. Total home-ownership, \$3,264,000. Mr. T'Seleie.

MR. T'SELEIE: Mr. Chairman, my question here is about the Home-ownership Assistance Program. This year the Housing Corporation has budgeted for the next financial year \$2.5 million. As I understand it the ceiling on the grants is \$30,000 and my arithmetic tells me that the 58 units are actually costing \$43,000 each and the grants that the people get are \$30,000, so I am just wondering what happens to the other \$13,000 for each of these units.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. The sharing is up to \$30,000 for materials. However, in addition to that the corporation will provide money for freighting and for pad construction. So depending on whereabouts in the North the package is going, the freighting cost could be \$17,000 in the High Arctic and it could be \$3000 in the West. So in addition to the \$30,000, there is money allocated for freighting and for pad construction.

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

Motion To Increase Home-Ownership Assistance Program Budget, Ruled Out Of Order

MR. T'SELEIE: Mr. Chairman, I have a motion that I would like to make at this time. I move that the Housing Corporation increase its Home-ownership Assistance Program budget from \$2.5 million to \$5 million and that the number of allotted homes under that program be increased from 58 units to 116 units for the 1984-85 financial year.

CHAIRMAN (Mr. Gargan): Thank you, Mr. T'Seleie. Would you like to speak to the motion? Also please pass us a copy of the motion.

MR. T'SELEIE: Yes, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Mr. T'Seleie, I am sorry but your motion is out of order. We cannot, on account of the rules, try to increase the budget. It is not allowed. Mr. T'Seleie.

MR. T'SELEIE: Mr. Chairman, could you repeat to me your ruling again? I did not quite hear you.

CHAIRMAN (Mr. Gargan): Mr. T'Seleie, the committee of the whole has not the power to increase the budget and, therefore, it is out of order. We are still on page 3.07. Mr. Pedersen.

MR. PEDERSEN: Thank you, Mr. Chairman. I would like some questions answered on the northern territorial rental-purchase program. I wonder if we could be provided with a list of how many of these houses have been sold over the past year. That is number one.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Yes, we can provide that list.

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

MR. PEDERSEN: Thank you, Mr. Minister. Further I understand that the primary purpose, I read here from one of your own publications, of the northern territorial rental-purchase program is to accommodate families who might not otherwise be able to own their own home and it goes on to further say "It is designed to satisfy the needs of clients who expect to use the house as their principal residence." I would like you to tell me if it is enough to "expect" to use it or do you indeed have to use it as your principal residence.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: Thank you, Mr. Chairman. The tenant initially has to use it as his principal residence, however once title is transferred, control basically passes out of the corporation's hands. Once the title of the house and land is transferred then there is usually not much the corporation can do if the tenant does not use it as his principal residence.

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

MR. PEDERSEN: I understood that under this program there was prohibition for the resale of the unit, for a three year period, there was a prorated pay-back if you resold the unit within three

years. I understand that there are no other restrictions on the use of the unit. It could, in other words, be purchased and then turned into a commercial enterprise.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: We waived the conditional sale aspect because otherwise people would not have been able to take advantage of our several programs to fix the houses up.

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

MR. PEDERSEN: Mr. Speaker, I would suggest to the corporation that this program be reviewed because it has come to my attention that there may be instances where these houses are purchased from the corporation and thereby removed from the housing stock within communities. In fact shortly after the purchase goes through they are indeed not used for residences any more, but they are used for business purposes. In other words, the principle of the program is being defeated. I would suggest that the corporation look into some way of ensuring that this does not happen.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: As I said yesterday, I am open to all suggestions from Members. However, there have been very few instances of this because the owners are then not eligible for public housing. It has happened, but on very few occasions. I will take it under advice and we will really look at it. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. We are back on page 3.07, total home-ownership. Mr. Ballantyne.

MR. BALLANTYNE: I would like to ask two questions. One, for myself, I wonder on any one of these programs under home-ownership, are there any units allocated, first of all for Detah and Rainbow Valley and secondly on behalf of my honourable colleague for Rae-Lac la Martre, for any other Dogrib communities?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: No, there are no units allocated for Rainbow Valley or Detah. For Dogrib communities: Rae, four units; Rae Lakes, one unit; Lac la Martre, two units; excuse me but I see there are three units allocated for Detah.

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

MR. BALLANTYNE: Another point I am not quite sure of. I understand that under the Rural and Remote Program, Yellowknife is not eligible. Is that also true for Rainbow Valley? It is within the boundaries of Yellowknife. Is it eligible for the Rural and Remote Program?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: I am advised that the problem with Rainbow Valley is that we cannot acquire title to the land which rules it simply ineligible.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Page 3.07. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, just on the Senior Citizen Home Repair Program, there is \$100,000 allocated for this particular program. Does that \$100,000 reflect the supplementary estimate that we would be looking at as well? Or is there in fact now \$200,000 in there?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: I will take it under advice and give the Member a reply when I get one.

CHAIRMAN (Mr. Gargan): Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I understand that the program was for a grant on application. The upset amount, I think, is \$5000 maximum so in effect there are very few senior citizens' homes that can be done at any one time. Not that all will require \$5000. I would just hope that in this

instance the Minister and through him, the department, would be able to continue that because I think it is a worthwhile program. The corporation has started a number of good programs over the years and they are to be commended for that kind of response to the public. This is one I think that really does help people of the Territories, the senior citizens, having their houses upgraded. I would just like to suggest to the Minister that he and the corporation continue this particular program and, if possible, enhance it because it is another instance of a program that was started by this government and it has certainly helped a lot of senior citizens upgrade their homes to get the proper insulation and everything else, so that they are better cared for.

I have a further question under this particular part of the capital budget, and it refers to the building of single bedroom units by the corporation. Again within our supplementary estimates we will note there is just \$1.8 million given to it. I recognize that is only a one time shot, but it is something again that I would like to see the corporation put in as one of its priorities, to continue the one bedroom units for single people. I know that they have made a start again and there is nothing in the budget for next year dealing with those. I am wondering again, would the Minister, attempt to see what can be done to continue a program that was started this year for one bedroom units that are in great demand across the Territories?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: No comment.

Home-Ownership, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Page 3.07 again, total home-ownership, \$3,264,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Rehabilitation, Northern Rental, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Page 3.08, total rehabilitation, northern rental, \$2,032,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Retrofit, Roof Replacement, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total retrofit, roof replacement, \$1,123,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Fire Damage Replacement, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Fire damage replacement, various, \$500,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Warehouses, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total warehouses, \$422,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Extraordinary Maintenance, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total extraordinary maintenance, \$828,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Enriched Emergency Repair Program, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total enriched emergency repair program, \$119,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Furnishings, Senior Citizens Homes, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total furnishings, senior citizens homes, \$30,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Housing Association Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Page 3.10. Total housing association equipment, \$157,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

NWT Housing Corporation Equipment And Furniture, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Northwest Territories Housing Corporation equipment and furniture, \$78,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Correct Major Deficiencies, Existing Housing, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Correct major deficiencies, existing housing, \$564,000. Mr. T'Seleie.

MR. T'SELEIE: Yes, Mr. Chairman, I am curious about what this section of the budget is. I wonder if I could have some detail on that.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. GORDON WRAY: This is an estimate that we use to correct problems which you would not call minor -- flood damage in Aklavik perhaps, or foundation problems, where walls have a major deficiency. It is an estimate based on prior years experience of major deficiencies with units right across the North.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Budget items again. Correct major deficiencies, existing housing, \$564,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

District Office Building, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): District office building, \$150,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

NWT Housing Corporation, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total Northwest Territories Housing Corporation, \$11,600,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): From pages 3.11 to 3.16 are information items. Has anybody questions about that? Any comments on that? Okay, we are back to page 3.04. Northwest Territories Housing Corporation, total O and M is \$31,237,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Total capital is \$11,600,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. I would like to thank the Minister and Mr. Irving and Mr. Pilot. Does the committee agree to dealing with Finance now?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): The Minister, Mr. Butters.

HON. TOM BUTTERS: Thank you, Mr. Chairman. I would like to ask the committee if we might deal with the Financial Management Secretariat first and the Department of Finance next. The secretariat is a smaller item for consideration.

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

SOME HON. MEMBERS: Agreed.

---Agreed

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

Financial Management Secretariat

HON. TOM BUTTERS: Mr. Chairman, the Financial Management Secretariat plays a very important role in the development of responsible and accountable government in the Northwest Territories. The Financial Management Secretariat is a central agency. A central agency performs functions which directly affect all other government departments. First, they often co-ordinate the

interdepartmental development of policy. Second, they frequently develop policies which other departments must follow, in fields such as expenditure control and personnel management. Third, they often monitor the performance of other departments.

The activities of the central agency may be conveniently grouped into broad functions: 1) development of strategic planning and formulation of substantive policy; 2) development of integrated economic and fiscal policy; 3) allocation of budgets and the management of governmental resources; 4) management of senior personnel; and, 5) conduct of federal-territorial relations.

Although the departments of the government are the primary operating units, each department is only a segment of a single entity -- the Government of the Northwest Territories. The policies, programs and needs of each department must be balanced against, and harmonized with those of other departments and agencies. In this regard, a major instrument of control is the expenditure budget. The Financial Management Secretariat does not immerse itself in programs. Instead, it attempts through integration and mediation to help synchronize the resource demands, the administrative practices and the goals throughout government. The role of the secretariat is to find the common ground on issues and to expedite decisions.

The Financial Management Secretariat, Mr. Chairman, is responsible for providing advice and support services on the financial management and administration of the government to the Financial Management Board. The Financial Management Board, with the approval of the Commissioner, may act on all matters related to the financial management and administration of the Territories. Key responsibility areas include development of the main estimates, development of five year program forecasts, the supplementary appropriations, provision of quarterly variance reports; negotiations with the federal government for territorial funding; and the provision of administrative and working support to the board.

During 1982, a new Financial Administration Ordinance assigned to the Financial Management Board the responsibility for evaluating programs as to economy, efficiency and effectiveness. In 1983-84, to support the board's efforts in this area, the Financial Management Secretariat is developing a performance measurement and evaluation system. Other current year accomplishments include incorporation of the priorities process into the budgeting system, negotiations with the federal government on formula financing, a more comprehensive budget address, revision of the Financial Management Board handbook and a training program on financial management and systems. Now I will move to the witness table, Mr. Chairman, and I would like to have admitted to the House, Bob Stewart, who is the deputy secretary of the Financial Management Board.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Does the committee agree with the Minister bringing in his witness?

SOME HON. MEMBERS: Agreed.

---Agreed

HON. TOM BUTTERS: Mr. Chairman, I am also expecting the arrival in the near future of Eric Nielsen, the senior financial officer for the government and I would like him to be admitted when he arrives.

CHAIRMAN (Mr. Gargan): Does the committee agree to bringing in the second witness when he arrives?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. General comments from the committee. Mr. MacQuarrie.

Present Position On Formula Financing

MR. MacQUARRIE: Yes, it is a question more than a comment. I would just appreciate a little review of the introduction of formula financing, where it is at, and when it will be fully implemented and what the implications are for our government.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the concept of formula financing was tabled with this House some two or three sessions ago. It has been under discussion for something like, I believe, six or seven years when it was first considered by a joint committee of federal and territorial officials. It has moved forward rather slowly for various reasons. But it would appear that the concept has received a certain amount of resistance from federal officials in certain departments and this has resulted in delays. I think also the federal government would like to see the two territories go forward in this process together and the Yukon has been slightly tardy in moving into this mode, although I do believe they have since indicated to the federal government their desire to move to formula financing with a number of provisions incorporated into the arrangement.

This government has indicated its willingness and interest in moving in that direction on a number of occasions. The most recent occasion was, I believe, in November by letter from the Hon. George Braden and I, too, had communicated prior to that this government's interest in moving in that direction. We have discussed the matter with the chairman of the federal Treasury Board, the Hon. Herb Gray, who is interested in seeing the concept advanced and so indicated when he visited the Territories last year. The Minister is willing to advance the concept to the cabinet if the package can be put together. There is still a discussion phase to be carried out between senior officials of this government and the federal government, mainly because there is a concern that once we have moved to a formula then we are locked into the increases that are predetermined every year by a moving average of provincial and municipal cost increases.

The federal government has recognized that there are concerns with regard to moving to the formula and has noted there are areas where we will require discretionary funding or additional funding to react to, respond to and relate to the impact of megaproject development. Where there are federally initiated programs obviously, with the formula, we cannot respond to those arrangements, and one specific one which is of obvious interest and concern is the imminent anticipated implementation of the Young Offenders Act. We would be concerned, as we have been in the past, where there is a delegation or devolution of federal programs to the territorial administration that such programs would be clothed with adequate financial resources to carry out the level of service that the federal government provided. Obviously, similar programs also exist in the area of health programs, I know that there has been a movement in the Territories to see the fire suppression program devolved to this government. If that were to be done there would have to be an assurance that adequate funds were available to pay for such programs in years with a high fire season. We would expect, too, that the recent COPE settlement final agreement would indicate that there will be a number of financial elements that will have to be picked up by this government as a result of those agreements and we would expect that those financial responsibilities and obligations that the federal government has entered into with the negotiators would also be provided outside of the formula. These are some indications of the matters that are being looked at. They are being looked at at a very senior level and we are hopeful that something can be worked out in the relatively near future.

I forget the Member's full question. If there was something else he may wish to add, Mr. Chairman, I could respond to it. I have now been joined by Eric Nielsen, senior financial officer, so he too will be available to respond to any particular points of financial management.

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

Additional Submissions Outside Of Formula

MR. MacQUARRIE: Did I hear you say that, for example, we now have an additional submission before the MSSD in Ottawa, let us say on the Police Services Agreement, that that kind of thing would be outside of the formula? I believe the problem there, you mentioned at one point, is we have a cost-sharing agreement. There are costs that arise which are not as a result of our initiative and we now have a means to attempt, at least, to recover overexpenditures, better attributable to federal initiatives. Did I understand you to say that that kind of thing would probably be outside the formula?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, in the case of all three supplementary requests that are on the Treasury Board agenda, the one for police services and the two for Health, we are substantiating them on the basis that they are federally initiated and are non-discretionary in nature and they have not been within the management control of this government. This is the case that we put to

the Minister with regard to police services and to Health. My expectation would be that they would fall outside of the formula in future years as well, providing, as I say, that we can demonstrate that they are initiatives of the federal government, not directions of this body and decisions of the Executive Council.

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

MR. BALLANTYNE: I have also quite a serious concern about the implications of formula financing. I understand, Mr. Minister, that you are looking at extraordinary costs caused by either federal government initiatives or make-up projects. I agree with that. I think that is wise. I have a deeper concern with regard to formula financing. It seems to be based somewhat on an assumption that the ordinary everyday infrastructure in the North is totally in place. I think, from some of these questions we have had from other Members in the area of education, housing, the area of municipal infrastructure, that in fact much of that is not in place. I see a major problem. They might not be considered outside the parameters of formula financing and we can lock ourselves into a very serious situation that we cannot really meet the needs of northern people. Another problem I see is that I understand the formula will be based on some sort of averaging across the country of provincial and municipal jurisdictions, but the realities of the North are much different from those of the South. So I see a much more fundamental problem in formula financing than just those areas that you mentioned.

Two examples I can give you now. I understand that in front of Treasury Board at this present time, is the submission for Education and there is also one for Public Works. Now, if formula financing is actually put into place, how would submissions of those types be handled, the Education submission and the Public Works submission?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Emphasis On Negative Aspects Of Formula Financing

HON. TOM BUTTERS: Mr. Chairman, there was a number of questions there I think and I will try and answer what I interpret them to be. The Member has very clearly taken the negative side of the formula financing debate. He has outlined all the elements that one would use in an argument against proceeding in that direction. On the surface some of his concerns are true, are valid. However, he is implying that if we go with the formula we would then not be able to receive money to enhance what may or may not be a diminished level or a lower level of services than are provided in the rest of the country. At the present time we cannot say, we cannot determine on facts that there is a lower level in the services being provided in the NWT. So, whether we approach the government in the current negotiating manner or through the formula, the arguments that they would make to us are still the same. There is no more guarantee and maybe even less guarantee of obtaining results through this negotiating process that we are currently enduring -- I use the word "enduring" advisedly -- than it would be to develop a formula and seek to increase raising our own revenues.

There is a risk, there is no doubt about it. There is a risk in everything you do. There is a risk if you walk downtown you could slip on one of the streets and break a leg. You have to, I think, stress the positive aspects. That is that we will have a management dimension and control and responsibility for our own decisions. At the present time decisions that are recommended to us and are supported by the Executive Council and carried to Ottawa through the negotiation process can be rejected, can be deferred, can be thrown out by bureaucrats. It is this element of the manner in which we receive our funding that we wish to see done away with. The bureaucrats are not accountable to us. The bureaucrats are not accountable to this chamber and yet at the present time they are making decisions on what levels of funding we get. We believe that the base year which we would begin to build on would be a good year for us. The escalator that we should be able to obtain, plus revenues that we would raise on our own, should give us a better level of services than we are currently receiving under the old regime.

Certainly the Members must expect that we are not going to go into this thing with our eyes closed. We are going to review and ensure that we are not getting into a box and then having someone nail it down from the outside. We feel that although there is risk factor, the risk factor is manageable and one that will give us a greater degree of responsibility than we have at the present time. As I say, I do not deny the concerns the Member has made but I feel that many of the positive aspects of the formula financing approach have not been outlined and stressed.

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

MR. BALLANTYNE: Thank you, Mr. Chairman. I would like to emphasize to the Minister that I was outlining some of the possible pitfalls in the process. I am very aware of the positive aspects of formula financing. I think the Minister has, on many occasions, let the House and the people of the Territories be aware of the positive side of formula financing. I think that every Member here and everybody in the Territories has to be very cognizant that there are two sides to this story and it is going to be a matter of weighing positive against negative. I think everybody has to understand that. Everybody has to know that there is an element of risk. I think the better the Members here and the people of the Territories can be made to understand that the value outweighs the risk, the more support you get throughout the Territories. So my questions to you were so you had the opportunity to respond to some of the negative sides of formula financing. At this point in time, for myself, I am not convinced yet that the positive aspects outweigh the negative aspects but I think it is very healthy to have these discussions and the more the Members are aware, the more we can come to some sort of a reasonable solution to this whole aspect of formula financing.

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

MR. MACQUARRIE: Thank you, Mr. Chairman. To follow up on that, the matter has been talked about in the Assembly very briefly on occasion. I cannot remember that the Assembly, as a whole, made a commitment to move in that direction. I may be wrong in that, but I cannot remember. You say that we are not going into this with our eyes closed but could I ask whether what is taking place now is in the nature of exploratory discussions or is it in the nature of negotiations with the federal government? In other words, has a full commitment to that been made by the Executive Council? Is there a point at which the Assembly will weigh all the pros and cons and try to come up with a decision that is best for the people of the Territories?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: At the present juncture, Mr. Chairman, the matter has not been discussed in detail. This government indicated, as I mentioned in November, that we accepted the concept conditionally and wished to enter into discussions with senior officials of the department at their earliest convenience. We have reminded them on a number of occasions of our desire to carry those discussions on. To date there has not been any discussions so that one cannot say that discussions or negotiations have been carried on. It is still an open question. It would appear to me, in fact this government now, in developing its financial arrangements for 1985-86 is looking at once again entering the negotiations stage through the intergovernmental committees. So there have been no discussions to date on these particular elements. As I say, when I was in Ottawa last week I spoke with officials in the department and I understand the reason there has been no response to our request for discussions is that the Yukon had not until just recently, I think, indicated a willingness to proceed in this area.

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

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. There have been a lot of Members missing in this House. There have been only 10 of us even though there are 24 of us. I just wanted to point this out. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Appaqaq, for pointing that out. We started off with a quorum and as long as we do not get into any motions we will be all right. General comments. Mr. Ballantyne.

Zero Base Budget System

MR. BALLANTYNE: We will leave formula financing for now, but I am sure we will get back to it in the days and months to come. I wonder, Mr. Minister, if I could have a brief description because I see in your objectives an analysis of a modified zero base budget system of resource allocation. That seems to be a bit of a contradiction of terms. Perhaps the Minister could explain exactly what is happening in this area.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman. In fact, I have my interpretation of what the words mean and to ensure that I could respond to such a question I requested a complete definition of the words "zero base budgeting" and we can add the word "modified" later. Zero base budgeting is a program

planning and budgeting process requiring the justification of the entire budget request in detail from scratch. This is in contrast with the traditional budget approach where only increases over current budget levels are justified. With a zero base budgeting approach, each activity is ranked in order of importance as a decision package to facilitate systematic analysis. The burden of proof is therefore shifted to each manager to justify why he should spend any money at all on a given activity, how he can do his job better and how his activities relate to the goals of the organization. The process allows for new activities to compete more fairly for funds as well as facilitating identification of programs that are providing fewer benefits with the passage of time. That is the accepted definition of zero base budgeting. Modified zero base budgeting as it applies to this government is an application which deals with only certain aspects of the government at any one time. It would be impossible to apply a total zero base budgeting approach to total government. So, therefore, we have reviews from time to time. I think the last complete review was two years ago, but in between such reviews only a segment of the total government is under such analysis.

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

HON. TOM BUTTERS: Mr. Chairman, there is one specific element which relates directly to this government and this government's priority for restraint in attempting to identify programs with which we can do away. The process currently being pursued by government managers requires of them re-examination and identification of what you might call the lowest priority items in their responsibility. That is to say, the lowest five to 10 per cent of their responsibility and once these are identified they are referred to their Ministers, obviously, and to the Financial Management Board to determine whether reductions in these areas or deletions can be effected so that the funds saved can be reallocated to higher priority areas of the government's responsibility.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. We will take a 10 minute coffee break.

---SHORT RECESS

The committee will now come to order. We are on page 4.04 and we have only one budget item which is Financial Management Secretariat, total O and M, \$944,000. Mr. Paniloo.

MR. PANILOO: (Translation) I just wanted to know if somebody could turn the heat down a little bit before we go ahead with this item.

Financial Management Secretariat, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Could we have someone look after that? We will proceed with page 4.04 again. Total O and M for the Financial Management Secretariat, \$944,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Would the Minister like to proceed with Finance? Mr. Minister.

Department Of Finance

HON. TOM BUTTERS: Yes, Mr. Chairman. I would like to move into Finance. As Members realize, the department's two responsibilities are very closely related and if we could excuse Mr. Stewart and allow the comptroller general for the Department of Finance, Mr. Jim Nelson, to join us at the table.

CHAIRMAN (Mr. Gargan): Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

HON. TOM BUTTERS: I have a brief introductory statement relating to the department's budget which I would like to put on the record. The 1984-85 budget of the Department of Finance has been developed under the continued umbrella of the six and five federal restraint program. The

department has not included any new initiatives and controllable expenditures have actually been reduced from the budget level for the previous year. The final result is an overall increase of 2.5 per cent or \$213,000 over the 1983-84 main estimates figure. Three additional person years have been added over last years budget. Two person years result from an interdepartmental transfer and so do not represent increased spending to the government. The one person year increase for the department is to provide additional word processing services to the department.

Improved Procedures

During this past year significant changes continued to be made to the financial management structures of the Government of the Northwest Territories. Following enactment of the new Financial Administration Ordinance in 1982, the Department of Finance placed a major emphasis on implementing the required changes to procedures and regulations. These changed processes were aimed at improving the overall financial management in the government. The improved procedures, coupled with the information provided by our new accounting systems, have resulted in major improvements to the quality and timeliness of our financial information. A very tangible result of the improvement to the financial information systems of government was the completion of the annual audit of the 1982-83 territorial accounts by August 15th of last year and the subsequent tabling of these statements at the fall session. In prior years the territorial accounts were not tabled until the budget session, almost a full year after the fiscal year had been concluded.

The overall improvement to our information systems was further recognized by the Auditor General of Canada in his report on "Any Other Matter" to this Assembly. I quote from the opening paragraph of Mr. Dye's report as follows: "...I deem it appropriate to refer this year to the significant improvements in the government's year-end procedures and instructions issued to finance officers by the Department of Finance. This was evidenced by the improved quality and timeliness of the accounting and reporting information generated by the new Financial Information System, in this its first full year of operation." A major objective of the department in 1984-85 will be to improve the efficiency of financial information systems across government without any reduction to the quality of the services provided.

Mr. Chairman, it is satisfying to see that unified, purposeful and responsible action can still be mobilized within the North on behalf of uniquely northern issues and that the Government of Canada continues to listen to, and act on, constructive argument from the North. I am speaking of both the government intervention on behalf of hunters and trappers in the North and the subsequent cancellation of certain individual tax reassessments and the continued moratorium on the taxation of northern benefits announced by the Hon. John Munro late last year. However, the continuation of the remission order is only an extension to the time period being allowed to come up with a more equitable tax regime for northern Canadians. In 1984-85, the Department of Finance will continue to suggest alternative methods and analyse various options with federal officials in an effort to develop what we feel is an equitable tax regime for northern residents.

This government is not proposing legislation in the coming year to increase tax rates. We will, however, attempt to maximize revenues due to the territorial government from current sources. Greater emphasis will be placed on the management of the revenue base in 1984-85 by making the other departments more accountable for revenues and as a direct result of the move to full accrual accounting for revenues. Mr. Chairman, this concludes my general remarks. I would be pleased to answer questions of Members.

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

Borrowing Requirements Of Municipalities

MR. BALLANTYNE: Thank you, Mr. Chairman. I wonder if I could ask a question about the general objectives of the department. Under debt financing, it says "investigate methods for financing government operations and provide alternative sources of funds for municipal and third party borrowing requirements". Now, as I understand it the, I think very beneficial arrangement that the territorial government had with the federal government for borrowing money for debentures for municipalities has gone by the wayside. The territorial government is investigating ways of getting that financing. I also understand that they are looking at the territorial government going out on the money markets but I wonder if I could have a brief explanation of the role of the municipality. Would the municipality continue to go to the territorial government for funding and the territorial government is the one to go out on the money markets or is there some consideration now of the larger municipalities actually going out and borrowing money on their own?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, there is no change proposed in the method of financing municipalities than has occurred in the past. The territorial government will continue to provide such financial support. As the Member has indicated, the previous source to this government that was utilized by the GNWT, the federal coffers, has now been closed to us. Over the past year we have been providing loan assistance out of our own reserves. However, we are investigating other sources of funding both on the private market and in the government market. In fact we have heard recently from the Canada Pension Plan Group which was quite positive in response to a request that we may be considered as a recipient of loans from that source. So we are ensuring that there will be finances available to the municipalities. At the same time we are seeking to increase the amount that we are authorized to borrow, to raise that amount to some five million dollars from its current level.

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

MR. BALLANTYNE: I take it that in the foreseeable future the municipalities will not be going to New York and Zurich to try to find funds. I understand that in the Municipal Ordinance now, the city of Yellowknife could borrow up to, I think, 20 per cent of their assessed base which is \$30 million in one year if they were allowed to do it.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I might not be responding to the Member's question. He can restate it if my answer is incomplete. He asked whether or not the municipalities could seek other sources for such loans and the answer to that is that they may, provided they receive the authorization of the Commissioner as permitted in our legislation. However, the advantage to municipalities in obtaining their funds through this government is that we believe we could probably negotiate a better rate for them. They may find it more productive and profitable to deal through this administration.

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

MR. BALLANTYNE: Supplementary to that. First of all I am happy to hear that the territorial government will be able to negotiate a better deal and we are all for that. As a supplementary, as one source of borrowing money, the Workers' Compensation Board is probably the largest pool of money in the NWT. Has any consideration been given by this government for this government to actually borrow money at the going rate of interest from the Workers' Compensation Board?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the Workers' Compensation Board obviously is one of the sources that have been investigated by the government. As far as I understand, that option remains open to the government. I guess the decision depends on the type of terms that would be negotiated. We would attempt to seek the best terms possible from whatever source.

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

MR. MacQUARRIE: I am sorry, Mr. Minister, just at break time I had a telephone call and missed part of your opening remarks. When I was coming in I believe I caught a tail end of a reference to the taxation of northern benefits. Did you address that in your opening remarks? If so, could you briefly tell me what you had to say about it?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Discussion On More Equitable Taxation System

HON. TOM BUTTERS: Mr. Chairman, I indicated with pleasure that the collective efforts of many individuals and groups had resulted in the removal of that reassessment imposition on some 49 trappers and also, if not quite concurrent with that but complementary to that, the Minister of Finance determined that he would extend the remission order on the taxation of northern benefits. I also indicated that we communicated to Mr. Lalonde that we would be willing to work with him and his officials at any time to see put in place a more equitable taxation system than was proposed by

the federal government or currently exists. There has been no indication of when such discussions might proceed but the federal government has been apprized of our interest in being part of those discussions and to get on with them at a very early date.

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

MR. MacQUARRIE: Was it your impression Mr. Minister, that the federal government does recognize the depth of the problem? I mean in view of many circumstances, it was expedient for the federal government to extend the moratorium. Now it may well have done so only for expedient reasons or it may have done so because it recognized the serious nature of the problem in the North. So, could I ask whether you had the feeling that the federal government, Minister of Finance is intent upon carrying on with this? If you have not heard from him yet, is that an indication that they do not have an intention of addressing the matter seriously over the long term?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I understand that approaches that this government has made to officials in the federal Department of Finance have resulted in the information that there is nothing currently being done in this area at the present time. So, obviously, the political direction has not been given to the department. However, that does not surprise me. When Mr. Nielsen and I met with Mr. Lalonde prior to the decision of the government to continue the remission order I found him to be obviously much preoccupied with many other financial matters and fiscal matters in Canada that were taking his time and his attention. But he was certainly aware that the current system of taxation was inequitable.

There is a percentage of our population, some 15 or 12 per cent which is not being dealt with on an equitable basis. He was also aware, as a result of the number of approaches that had been received by him and by members of the department over the previous year and a half, that the proposed system was also inequitable. In the words of Professor Bird it was introducing as many inequities as it was clearing up. Mr. Lalonde, I believe, certainly wishes to see inequities removed and an equitable system implemented in the North. I think that probably he would move on that as quickly as possible. As the Member knows, he is making his budget speech at the present moment. Obviously this matter is of more concern to him than the taxation of northern allowances at this time.

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

MR. MacQUARRIE: Could I ask the Minister whether he has definite plans to pursue the matter with the Minister shortly and over the long term and if that appears to be not very fruitful, does this government have plans to take initiatives itself to try to address the problem if the federal government is not going to?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, yes, I have instructed my officials that we wish to pursue the matter with the federal government. Obviously, if the officials of the federal government are not moving on that initiative there is very little that we can do. We have indicated our willingness to be part of the process and to get at it. I will be approaching Mr. Lalonde on this again in the relatively near future. With regard to the second question, we have not considered taking unilateral action as yet because our expectation would be that Mr. Lalonde is serious in seeing an equitable regime developed for implementation in northern Canada.

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

MR. BALLANTYNE: As a supplementary to that. Is the Bird Report the basis for the territorial government thrust to try to resolve this question or has that just been used as a background paper right now?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, the Bird Report is still a major plank in the platform being used by the Government of the Northwest Territories. While it has not been received overjoyously by federal officials and there has been argument with some of the tenets that it contains, they do not appear to have refuted the basic arguments and initiatives, nor indicated that it is inequitable. So, while it has not been accepted by the federal government, we will continue to work from that position and see how far it can be taken.

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

MR. BALLANTYNE: I think it is my opinion only, but I think realistically we cannot expect a lot of movement by the present government to delay it until the next election. They have probably heard enough about taxation and other benefits to last them a lifetime, at this point, but I wonder if it would be expedient for the government to brief the opposition as to our feelings on this whole matter of taxation of northern benefits in that there is a very, very distinct possibility that there will be a new government in power after the next election.

MR. MacQUARRIE: He was talking about the NDP.

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I have not taken any steps in that direction for the simple reason that we have circulated the document very widely across Canada. It has been published by the author in a taxation quarterly. I recollect when I phoned Mr. Lalonde with regard to the Bird Report and suggested that I brief him, Mr. Lalonde's response to me was "You do not need to worry about that, Mr. Butters. I can read." So I am assuming that the opposition does have the document and has read the proposals contained therein. If the Member has some indications that such a briefing would be desired by the Conservative caucus, would be welcomed by the Conservative caucus, we would certainly look into that.

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

MR. McCALLUM: Mr. Chairman, will the Minister indicate to us what reaction he has had from business people, suppliers of government goods, to the policy of the 30 day payment, having payment made within 30 days by government? Has there been any feedback from suppliers on it?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Reaction Of Suppliers To New Policy On Payment

HON. TOM BUTTERS: I will respond as I can and then I will ask Mr. Nelson, comptroller general for the department, who is probably more aware of the wide spectrum of responses received. The Member will recollect that it was not that long ago that complaints being received by this government were for payments outstanding of some 60 days and maybe even 90 days. Latterly we have got it down to within 30 to 40 days. This new policy requires that we pay northern suppliers in 20 days and outside suppliers in 30 days and over a certain amount owing where there has been a delay we would be paying interest.

The only complaints that I have heard were in cases where a contract establishes the payment dates and they are different than indicated by the policy or, secondly, where regional offices have been paying suppliers in something much less than 20 days, five days or 10 days, so that adherence to the policy would be a departure from current practice. Those are the two areas of complaint that I have heard. Otherwise I think that suppliers are quite pleased with the new face the government is putting on its management and payment of accounts outstanding.

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

MR. NELSON: Mr. Chairman, if I may add to this, the Department of Finance has not received more than 10 supplier complaints since last fall here at headquarters. Most of these are generally small local suppliers and the issue on the timing was resolved generally to their satisfaction. We had some concerns raised by the northern contracting association. We addressed that issue and they seem to be quite satisfied.

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

Time Frame Of Budget Planning Process

MR. MacQUARRIE: Yes, if I may, I really was only five minutes late but I seemed to have missed a lot in that five minutes. I had another matter that I was just going to inquire about under Financial Management Secretariat, but it is the same Minister, so perhaps the Minister would not mind commenting. I am aware that with our electoral process the Executive Council is unable to have had input into the budget that we see before us right now. I am also aware that we have a

budget planning process that gets going quite early, and I hear rumours that the 1985-86 budget is already in place; the time frame that puts it in place means the budgets are essentially set right now. So my question is first of all, is that the case, and secondly, is that much lead time necessary? It would appear to me that if that is the case, then the present Executive Council does not have that much to say about the 1985-86 budget either. So why is there such a long lead time in the preparation of the budget? Is that demanded as a result of our relationship with the federal government or is it an internal policy? Is there any thought to reviewing that?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I believe the Member used the words "Executive Council" twice in his question and I expect he meant the Legislative Assembly or committee of the whole because the Executive Council is fully involved in the budget process. I have in the last two or three weeks, had discussions with the chairman of the standing committee on finance and assured him that I will do everything to keep himself and his committee abreast of what is going forward. There is a schedule that indicates the points in time when the standing committee on finance is involved in this budget development process and I will certainly be in touch with the chairman of the standing committee on finance to include him in this plan.

The Member indicated that the budget is already -- I forget what he said -- in place. It is certainly in the developmental process because under the negotiation procedures which we have with the federal government and the intergovernmental committee, we have to begin a year and a half ahead under this federal system for developing its budget. That is the budget framework in which we have to fall. So, therefore, we have to meld ourselves in with their particular timetable which sees the 1985-86 budget requirements begun to be looked at in November of 1983. At the present time we are in the process of putting together the operating plan for the government 1985-86 budget and that operating plan I expect is at the level of the deputy ministers and the Ministers now to ensure that the plan meets with the priorities that have been developed and are perceived to be identified by this Assembly. So, yes, we are in the process, but it has not come to the Financial Management Board as yet.

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

MR. MacQUARRIE: So I gather that although it is in preparation it is not set and that the Members we have selected to be our Executive Council have a chance to shape the 1985-86 budget in accordance with any priorities that may be established by this Assembly. Is that correct? Is that still possible?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Importance Of Debate On Budget In Committee Of The Whole

HON. TOM BUTTERS: As the longest sitting Member of this body, I cannot emphasize too strongly how important debate in committee of the whole is, on the budget before you. I responded to Mr. Paniloo this morning when we met on the standing committee on finance with regard to this matter. It is through the debate of the budget that the Ministers receive indications of the priorities of Members and receive indications of concerns. Obviously housing is being stressed and has been stressed and that will be seen as an outstanding concern of the Assembly because we who sit on the Executive Council and we who make up the Financial Management Board are not putting forward our own interests. We are not advancing our own constituency interests. We are attempting to place, in a collective sense, an operational plan which you people are recommending to us and you do not have to do it by motions. It can be done by one Member making a case with regard to his or her particular constituency. So, as I say, I cannot emphasize to you too strongly how important is the discussion on the budget that is currently before you. Even though you cannot affect or change this one, you can make major changes or see major changes effected in the 1985-86 budgetary plan.

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

MR. BALLANTYNE: I think it is only appropriate then that I establish that my priority is Yellowknife North, after all I only won the election by 14 votes. But seriously, the Minister has said to the Member for Yellowknife Centre that he has briefed the finance committee on the budget cycle and the different points at the budget cycle where MLAs can actually plug into the cycle, but perhaps for Members who are not on the finance committee, the Minister could briefly describe how the Financial Management Board establishes their target figures for departments and for regions.

CHAIRMAN (Mr. Gargan): Mr. Minister.

Procedure For Establishing Target Figures

HON. TOM BUTTERS: That is a very difficult question to answer off the cuff. Obviously, the total budget is an amalgamation of two major elements. Here we are looking at the procedure we currently follow through the negotiation process required of us because we are part of the federal system. We, in effect, are treated by Treasury Board officials, by finance officials, by DIAND officials as a part of the federal department. Sometimes it is very difficult to encourage them to the knowledge that we are a government with the responsibilities of a government.

There are two elements which are incorporated into the budget. The first, we send out a call letter to all departments and to the regions and request projections on where they expect increased demands of service. Those increases, the volume increases, are to be substantiated and supported by current caseload activity and projected caseload activity. This material is collected from the regions into the headquarters. It is examined by the senior officials of the department. It is vetted by the Minister of the department and then it is placed before the Financial Management Board and examined in the light of the various priorities identified by this government.

The figures obtained on the volume increase are the increase we expect we will require to provide a level of service that is currently experienced in the NWT. This requirement is then placed before the federal officials. Although we are a member of the committee, we are in the minority position. The federal officials examine this figure. We then may hear, as we did last year, that a portion of it is rejected -- and a very significant portion of our volume requirement was rejected last year. There is, as I was trying to explain to the Member for Yellowknife North a few minutes ago, there are no guarantees with this process. Not only can you have your projected requirements reduced significantly, they can be reduced in areas you have no knowledge of and they can be reduced for reasons you are not made privy to. That is, as I said, what occurred last year, with the result that we decided we would go back to the Treasury Board and appeal that arbitrary decision made in the process. Members know we were successful and the money was returned to the territorial government.

The second element of the process relates to price increases that we expect will occur during the next year. Sometimes this is very, very difficult to determine. How do you determine on July 30th what we will be paying for oil, or for some other service, nine months, a year hence? That is what has to be done. We have to project prices that we may not have any grounds for understanding will be applied to us. So, you base it on your best current figures as of midyear. These prices are added to the amount toward the year end.

We also add in, we project, revenues at the same time. What revenues can we expect from this source, that source and another source. One of the difficulties we have always had with the federal officials is that they labour under the misapprehension, in my belief, that we always underestimate revenues and do so to enable us to use surplus revenues that we may receive a year hence. We project, Mr. Chairman, conservative figures as a responsible fiscal manager should. I think it is better to err on the side of conservatism than to be excessive in our projections.

The other situation is that we project our revenues some six or seven months, say before we even appear before this House. I can recall, not that long ago, about two years ago we developed our taxation structure and projected our revenues on that taxation structure. We came to this House and the standing committee on finance of that day said it would not pass it. As a result of the unwillingness of the committee to accept that taxation regime, we had to sit down with them and work out a regime which they would accept. That way we could ensure that taxation regime, was acceptable to this House. So that is, vaguely, how it is all fitted together at various times of the year. Into that schedule is intruded, capital requirements and included the standing committee on finance, in our various projections as well.

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

MR. BALLANTYNE: I have a question, Mr. Chairman, of the Minister. Presently, there are a number of requests of this government either before the Treasury Board or on the way to Treasury Board. I wonder if we could just have a brief listing of the different requests that right now are sitting on the doorstep of the Treasury Board. Before you answer though, I wonder if I could ask the indulgence of the committee. I would like to ask a question of James Wah-Shee upstairs. Could you send down the score of the hockey game?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Submissions To Treasury Board

HON. TOM BUTTERS: Mr. Chairman, the Member is aware that at the present time all capital projects in excess of one million dollars require Treasury Board approval before we can go ahead with them in the Territories. I mentioned previously that we are seeking to have that limit increased two and a half million. I believe that that request has been advanced to Treasury Board. The bulk of the Treasury Board submissions that are in progress are of that nature. I think I can provide a listing of those submissions which are currently in the system. The procedure by which Treasury Board submission is moved along is that, obviously, it is developed by this government. It is developed by the department with assistance from the Financial Management Secretariat. It is approved for referral by the Financial Management Board. It may or may not be in the form that the federal government requires it. It may or may not have sufficient documentation to get the blessing of the Department of Indian Affairs and Northern Development. So the first hurdle it must make is the Department of Indian Affairs and Northern Development, where, in fact, it can get lost on a desk for up to nine months -- which is something that happened to a recent submission in Health. The document is translated at that level and then it is moved over to the Treasury Board Secretariat and then it can be jockeyed about for a while. Then it gets into the process. In response to the Member's question, I believe we only have three requests for supplementary funding in the operations and maintenance area before the Treasury Board at this time. Those are the ones I have already identified to the House. The one in the police services and the two in the area of Health.

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

MR. BALLANTYNE: Just another question, Mr. Chairman, to the Minister about the process of getting Treasury Board approval. As I understand it now, our government does not go directly in front of the Treasury Board but in fact we brief the Minister of Indian and Northern Affairs who makes the request on our behalf. Is that correct?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Yes, Mr. Chairman.

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

Direct Appearance Of This Government Before Treasury Board

MR. BALLANTYNE: Do we foresee a time, or is it unrealistic, within the next two years when this government will be able to make a direct request to the Treasury Board and not go through the office of the Minister of Indian and Northern Affairs?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, requests have been made to the Treasury Board for direct appearance by this government at the table when items referring to this government's expenditure are being discussed. While the current chairman might look on such a request favourably, I tend to think the board would only wish to deal with members responsible for other federal departments. I think that it would be analogous for the Financial Management Board to see municipalities or other northern agencies requesting and expecting to appear before the Financial Management Board of this government. So, I would expect that we would not be receiving such approval from either the current government or if there were a change of government, from another government.

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

MR. MacQUARRIE: Could I just ask the Minister for an update on the Financial Information System? I think there was a little more work to be done, some components to help particularly in the area of management information. Could I just ask how that is coming along?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Thank you, Mr. Chairman. Because of its technical nature, I would ask Mr. Nelson to respond to the question.

CHAIRMAN (Mr. Gargan): Mr. Nelson.

MR. NELSON: Mr. Chairman, at this time all phases of the system are in place and working with the exception of two areas. These are our electronic data processing and our electronic data transfer system, which simply is the ability to transfer information on a telephone line between the regions and headquarters. We expect that segment of the system to be in place in late 1984. The other is the automated system to check on signing authorities which was the lowest priority of the systems implementation and we expect that as well, to be in place in late 1984.

Administration, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Nelson. General comments. Can we go through the budget items? On page 5.04, administration, total O and M of \$1,770,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Treasury, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Treasury, total O and M is \$2,525,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. Comptrollership, total O and M. Mr. Ballantyne.

MR. BALLANTYNE: Sorry. I got left behind. I just have one question on treasury if I can ask it, Mr. Chairman. I wonder if the Minister would explain the present set-up used by this government in the area of insurance and risk management and, if there is a deductible, how much that deductible is at this point in time?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, there is a deductible of \$100,000 and all property of an insurable nature is insured for all risks with a limit of loss of \$30 million maximum per occurrence.

Comptrollership, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. We are on page 5.06, comptrollership. Total O and M is \$2,725,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. Debt financing cost, total O and M. Mr. MacQuarrie.

MR. MACQUARRIE: Just a question under comptrollership as well. I know it was hoped as a result of the Financial Information System that at some point there would be savings in man years. I recognize it was said at the time that it would take some time to determine whether that, in fact, was happening. I would just ask for an update on that as well. Is it becoming clear that there will be man year savings as a result of the implementation of that system?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, we believe there have been savings in man years, but just as was the situation when the Auditor General did his comprehensive audit of the Financial Information System, we have not been able to identify such positions. My belief would be that while departments have saved labour as a result of the implementation of that system, over maintaining a manual system, those individuals have been moved into other areas of employment within the department structure. But, no, we have not identified specifically any number of man years. I might ask Mr. Nielsen if he could speak to the matter.

CHAIRMAN (Mr. Gargan): Mr. Nielsen.

MR. NIELSEN: Mr. Chairman, the Auditor General in his report identified that at the time of the comprehensive audit, they did not believe that the savings had been identified in man years and as well indicated that in the development of systems, generally, they have found that the saving of man years should not be used as justification for the implementation of the system. This was one of their recommendations. The reason was that on the basis of work that they had done in other areas, evaluations they had performed, they generally found that while there may have been some redirection of effort, usually managers found a better use or an alternative use for the person years that were expected to be saved. It is the intention of the Department of Finance to look into the work currently being performed in relation to the work that was performed prior to the implementation of the Financial Information System and to do that at a time when we have some of what we call our internal audit people reviewing and analysing the work being done by departments. But we are certainly not in a position at this point in time to identify any savings and the work is not of the highest priority at this point in time. The system is in, it has been implemented, it is performing very satisfactorily and it is performing the services that were originally intended at the time the system was developed.

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

MR. MacQUARRIE: Do I understand Mr. Nielsen to say that it is very difficult, if not impossible, to actually identify very specifically where there are man year savings, but that, at any rate, an organized attempt will be made to assess changes in workload?

CHAIRMAN (Mr. Gargan): Mr. Nielsen.

MR. NIELSEN: Mr. Chairman, it is difficult to do a full assessment. We know definitely that there have been man year savings, but those man year savings have resulted in a redirection of effort, for example, from clerical effort to managerial finance. We also know that demands on increased man years have been reduced in certain areas as a result of the implementation of that system. But that is quite correct, the full evaluation of that would require significant effort. Certainly it is a job we would like to perform but at this point in time, with the full implementation of the system, it is not the highest priority of the department.

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

MR. MacQUARRIE: Could I just ask the Minister then, that it is clear that this government will follow the recommendations of the Auditor General, that projects of a similar nature will not be justified in the future on the basis of potential man year savings?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, we endeavour to follow all the recommendations of the Auditor General and are attempting to do so in the case of recommendations he made with regard to the Financial Information System.

Debt Financing Cost, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. We are on page 5.07, debt financing cost, \$1,785,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Revenues, Recoveries, And Transfer Payments

CHAIRMAN (Mr. Gargan): Thank you. Page 5.09 is information items. Are there any questions? Mr. Ballantyne.

MR. BALLANTYNE: Mr. Chairman, I would like to ask the Minister a question about funding promised by the federal government to lessen the impact of the Norman Wells project. I know this government expended a certain amount of dollars because of increased infrastructure needs in Norman Wells and

other communities. I wonder if the Minister could give us an update on that. Has all that money been recovered from the federal government at this time? If not, how much more do we have to collect?

CHAIRMAN (Mr. Gargan): Mr. Minister.

Recovery Of Funding For Megaprojects

HON. TOM BUTTERS: Mr. Chairman, if the Member is referring to capital costs that were picked up by this government in both Norman Wells and Tuktoyaktuk over the past two years related to megaproject development, no, we have not recovered those funds. What we have recovered is moneys related to the three million dollars which were allocated to us for increased operation and maintenance requirements in the Norman Wells area specifically. I think we have recovered about half of that.

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

MR. BALLANTYNE: Thank you, Mr. Chairman. When do we expect to recover whatever is left to recover?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I guess we have been delaying any request to the federal government in the expectation that the elements of the discretionary revenues program will be announced. The Minister, in visiting the communities, recognized that in making available the \$21 million for operation and maintenance programs, the federal government had overlooked the impact associated with megaproject development activity which affects on community infrastructure. He announced, I believe a year and a half ago, that the federal government was looking at a program called "discretionary revenues" which would be directly identified with such impact requirements. I intend to speak with the Minister in the next couple of days when he visits with regard to what progress has been made in establishing this program because I feel that is where we would seek to be reimbursed, for expenditures that fall within the criteria developed by that program. But as yet we have not made a direct request to the federal government for such reimbursement.

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

MR. BALLANTYNE: Well, it would seem to me, Mr. Minister, there are probably some lessons to be learned from the experience with Norman Wells. Will the Minister be able to make recommendations to his department, to the government, as to how we can better handle future megaprojects?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, I think Members may remember the headline that appeared in the News/North before Christmas, something about GNWT blames federal government for the Norman Wells mess. I think that was the headline, but it was referring to a presentation that we had made and certainly we had not indicated that Norman Wells was a mess nor did we blame the federal government for not responding to the unique needs in a unique situation. However, we did feel that we had learned something from the process, from the project and I think this is what the Member is getting at, we learned that where there are to be expenses that will be borne by this government, both in the operation and maintenance field and in the capital, that we would like the money put on the table up front before the project occurs. That way we can respond to the expenditures that result immediately without having to find funds within our own rather tight budget to pay for such services and capital requirements. So we recommended, while I believe we were complimentary to the federal government, we recommended that in future such financial requirements in both the capital and the operational field be made to us before the project begins to move.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Page 5.03, budget items. Department of Finance, Mr. MacQuarrie.

Revenues From Income Tax

MR. MacQUARRIE: Just a quick question about page 5.08 on the revenues with respect to income tax. I know that tax revenues were down in a number of other jurisdictions over the past year because of

the economic climate. I thought that we had not had a dip to the same degree but I see the 1983-84 main estimates were projecting \$39 million in income tax revenue and the revised forecast now is about \$33,996,000. Could I just ask what accounts for the miss of the mark there?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: Mr. Chairman, these projections are figures provided to us by Finance Canada. We do not develop them ourselves. We believe that the major part of the reduction reflects the reduction to this government in corporate income taxes.

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

MR. BALLANTYNE: I have one last question. On page 5.08 in recoveries we have debenture interest of \$2,009,000. On page 5.07, debt financing, we have expenditures of \$1,785,000. It seems that we are recovering more than what we are actually paying to the federal government. Is that because it is caught in a time cycle?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: I will ask Mr. Nelson to respond. The schedules are not perfectly matched, neither the payments schedules nor the interest schedules, which results in the discrepancy. Mr. Nelson can speak further to it.

CHAIRMAN (Mr. Gargan): Mr. Nelson.

MR. NELSON: Mr. Chairman, many years ago we used to borrow money in block form from the federal government and re-lend to the municipalities as they required the funds. That was going on for about the first five or six years. As a result the interest rates that we were charging municipalities and the rate at which we are paying back the federal government were out of synchronization. The last two years we have financed internally approximately \$3.7 million of debentures moneys which we are not paying back to anybody. We financed internally out of our own working capital which accounts for the balance of the difference here.

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

Investment Interest

MR. MacQUARRIE: Yes, on page 5.08 a question with respect to investment interest. We seem definitely headed in the wrong direction there. I recognize that it could be that in 1982-83 there were high interest rates, but I know that more rapid financial information is available and we have people dedicated to making the investments and so on, so why is it that we are going in the wrong direction with respect to that?

CHAIRMAN (Mr. Gargan): Mr. Minister.

HON. TOM BUTTERS: It is a dual result of interest rates being cut almost in half and also the federal government did not really commend us for our investment abilities. I think in the past we were up around \$8.5 or nine million dollars. They were a little put out that we were using money that was in our cash in this manner, I guess, and making a return on it. There has been a changed payment schedule so that we do not get the same amounts of cash from the federal government in a lump sum. Payments are now broken down almost on a monthly basis, so the cash flow has been reduced from that source.

MR. MacQUARRIE: So they are making that kind of money now?

HON. TOM BUTTERS: I do not know how they do, how they manage it.

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Minister. Page 5.03 again, the Department of Finance, total O and M, \$8,805,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. I would like to thank the Minister, Mr. Nielsen and Mr. Nelson. We will recess for 15 minutes for coffee. As soon as we return we will deal with the Department of Information. Thank you.

---SHORT RECESS

Department Of Information

The committee will now come to order. I believe we are now on the Department of Information. Does the Minister wish to make an opening statement?

HON. NELLIE COURNOYEA: Mr. Chairman, once I conclude the opening remarks I would like to ask your permission to have the deputy minister, Mr. Art Sorensen, come in and join me at the table for questions.

SOME HON. MEMBERS: Agreed.

---Agreed

HON. NELLIE COURNOYEA: The Department of Information's responsibility is to help inform residents of the Northwest Territories and other parts of Canada about the programs, services and activities of the Government of the Northwest Territories. It provides central printing, graphic design, advertising, publishing, audio-visual and interpreting services to all government departments and to the Legislative Assembly.

Mr. Chairman, the department's budget estimate for 1984-85 is \$3,248,000 for operations and maintenance. The figure represents an increase of \$141,000 over 1983-84. Most of the increase is attributable to salaries and this is mainly in the area of the language bureau. Its capital estimates total \$246,000, most of which is for installation of satellite communications facilities at Jean Marie River and Nahanni Butte, the purchase of audio-visual playback equipment for Dene communities and for replacement equipment in the print shop.

Objectives

The department's objectives for 1984-85 include the extension of its satellite radio and television communications program to two additional communities and to maintain and service the existing facilities in 22 communities. An objective is to meet the interpreting and translating needs of this newly-elected Assembly; for full implementation of Dene language services, emphasizing audio-visual communication methods; the installation of Dene language tape distribution and playback facilities throughout the western Territories and the production of publications reflecting ministerial government and evolution toward constitutional reform and responsible government.

Mr. Chairman, Members should know that servicing the communities of Jean Marie River and Nahanni Butte this summer will mark the end of the installation phase of the department's satellite communications program. The department will have serviced 24 communities in a six year period for a total program cost of under two million dollars. With completion of the program, every community in the NWT with a regular supply of electrical power will have the ability to receive satellite broadcasts. I believe that within the Northwest Territories we have one of the most excellent communication infrastructures within Canada.

Interpreting Services In Dene Languages

Mr. Chairman, I would like to take time to make a brief statement concerning the provision of Dene language simultaneous interpreting services to this House. To date, there has been little, if any, demand within the government for Dene simultaneous work and until November of last year it was not known whether there would be any Dene Members elected to the Assembly who would require this service. The lack of demand, unlike that faced by the Inuktitut section, has made it difficult to maintain staff interest in this important area. Regardless, Dene members of the bureau are aware of their responsibilities and are continuing to work toward improvement of their simultaneous skills. At this point in time, they are equipped to provide simultaneous interpreting for Members of the Assembly who wish to speak in their own language. In addition, they are prepared to begin the somewhat heavier job of providing complete simultaneous interpreting of all English language

proceedings should a special delegation from outlying communities be present in the audience. At this time and in taking this approach, it is essential that such Member requests for service are properly scheduled through the Clerk of the House so that proper arrangements can be made to ensure provision of the service. Those arrangements, on occasion, will require the language bureau to engage contract workers to supplement the manpower presently employed as a minimum of three interpreters are required for a complete simultaneous interpreting service in English as well as a native language.

It will likely be pointed out during this budget debate that the department is having difficulties in respect to provision of services in the Chipewyan language. This was discussed during our appearance at the standing committee on finance. The bureau has two person years dedicated to the Chipewyan language and one of them has been vacant for a month and attempts are underway to staff the position. The other is staffed, but the incumbent has not yet been able to develop a proficiency in simultaneous interpreting and is currently involved in a comprehensive language training program. As a result, the bureau is relying on a contract worker. This person was recommended by Mrs. Eliza Lawrence who, I understand, is providing her expert advice to officials of the department in an attempt to resolve this area of concern. Mr. Chairman, I believe the bureau has developed rather rapidly along the lines that this Assembly asked for in early 1982 and members of the bureau, certainly the new Dene members, should be complimented for the progress they have made to date.

Audio-Visual Program For Dene Communities

In closing, I would like to make a few brief remarks on the audio-visual program that has been undertaken by the language bureau. The program is designed to assist in communicating government information to Dene residents of the North, most of whom do not understand, at this time, written forms of their language.

Mr. Chairman, the communications program is based on an information needs survey conducted by the Dene section last year. During the survey nearly 500 individuals were personally interviewed by members of the bureau in an attempt to gain an understanding of what types of information Dene residents of the NWT would find helpful. Results of the survey led to identification of video program concepts. Three tapes have presently been completed and a further seven are in various stages of production and are scheduled to be completed by April 1.

The programs are the first of many that will be made available in Dene communities through the local communications playback facilities being provided for by the language bureau in early 1984-85. To introduce the program at the community level, members of the bureau are scheduling trips to the various communities where public meetings will be held to inform the public on results of the survey, to present a briefing on the basic structure of government -- how it is organized -- and to determine the best location to establish the playback facilities. Mr. Chairman, these community meetings and briefings will be held in the appropriate Dene languages. Thank you. I would like permission to have the deputy minister join me at the table for questioning.

CHAIRMAN (Mr. Gargan): Thank you, Madam Minister. Does the committee agree that the Minister bring in her witness?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. General comments from the Members. Mrs. Lawrence.

Problems With Chipewyan Interpretation

MRS. LAWRENCE: Thank you, Mr. Chairman. I realize that the department is trying its best to provide different interpreters but I was a little bit disappointed when I got into the Assembly. The first two or three days I had to find my own translators. I wonder how they see this improving in the near future.

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, the particular area that Mrs. Lawrence is referring to is the issue of the two language people that are identified in the budget under the Chipewyan language. I realize that we have not been able to provide an adequate service in that regard. Certainly at the

beginning of the program for the people who come forward and feel they have the ability of doing such intensive kind of work as instantaneous translation, understanding the English language information that has been presented to them for retranslating and for others to understand, is a very difficult chore. Two people were hired and I believe that in terms of their capability they tried their best. I believe that we have to do another search for talent and that is what we intend to do.

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

MRS. LAWRENCE: I understand that the Department of Information has been providing the services for over 10 years. It is not something new that just came right on. The next time they hire anyone how will they anticipate that the person they are hiring speaks the language properly, as well as English?

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, just to clarify the issue of the use of Dene languages, it must be understood that this Legislative Assembly does not have a language policy in regard to providing full-time simultaneous translation in this House in the Dene languages. On the issue of how you go about finding people, making sure that these people are really prepared to take on a full and efficient role in translating well, we will just have to make sure that the testing is improved and the screening before people are hired is done in a more efficient manner than we had previously. It is a trial thing. I understand that languages as a whole in the Northwest Territories are not a new thing but within the NWT Legislative Assembly there is no policy and basically we do not have a clear guideline on just how far we should be going in providing Dene languages.

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

MRS. LAWRENCE: Then if the Assembly has no policy we are wasting our time in discussing this any further until the policy comes into effect. Then I will go on to the next question. Since the Department of Information is providing information to the communities, is it in their policy that they have the Chipewyan language in their department to provide to the communities, to the people that speak the Chipewyan language?

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, the basic policy is to provide a service and I will ask the deputy minister to reply to that in detail.

CHAIRMAN (Mr. Gargan): Mr. Sorensen.

MR. SORENSEN: Thank you, Mr. Chairman. The whole approach of the language bureau on the Dene side is based on two things. One is to provide interpreting and translating services. The other, which is equally important, is to get involved in some audio-visual communication programs and, as mentioned by the Minister, we have a package of 10 programs in all Dene languages that are under various stages of production at the moment. They will be completed by April 1, 1984. We have a further 10 identified for 1984-85 with the capability of adding more and more to that. So what I am really saying, I suppose, is that the communication in the Dene languages and in the native languages of the North has been very minimal and the department, now that it has been staffed properly to handle this task, is very anxious to redress that imbalance.

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

Maintenance Of System

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I have a question here. We are able to watch TV through IBC. We have a TV program from IBC in one community, through the Department of Information satellite receiver in Lake Harbour, the Anik receiver in Lake Harbour. It sometimes breaks down when the weather is bad, like when it is windy. I was wondering who will be looking after this kind of situation after it has been broken and whether the Department of Information has funding for this kind of situation. I was wondering if you can respond to my question, please. Thank you.

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: I will ask the deputy minister to answer that.

CHAIRMAN (Mr. Gargan): Mr. Sorensen.

MR. SORENSEN: Mr. Chairman, on any facilities provided by the Department of Information or this government, we provide complete maintenance of the system and that includes replacement of parts when required. Each broadcasting society in 22 communities has a 24 hour telephone number they can call in case of problems with their facility and the normal turnaround time I think, if you averaged everything out, would be about a one week period to get a part flown in and get it installed. So we provide complete service in that area.

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

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I have a comment. The TV program called Focus North, it seems that they air it a bit too late, the news is too late and this causes some problems. I was wondering if the Minister can answer me through her experience if they can air the news on what is happening up in the Arctic earlier?

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, I believe that the timing of the program is really not within the capability of the Department of Information to direct. I realize that in certain parts of the Northwest Territories from time to time there is choice of whether you get fed from the East or from the West. I think you are so far to the East that it cannot go any further. So, I believe it would be up to your community to see if there is something that could be done directly with CBC, perhaps from your community council. Basically the service that we provide does not include us telling the CBC what time to put their programming on.

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

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I understand that. However, I think that you should be providing more information to communities in Inuktitut on any subject. There are more Inuit people who are unilingual in the Northwest Territories and due to this fact, I am trying to say something on it. I cannot say that much right now. This should be directed to CBC, I guess, in the Northwest Territories. I was not really understanding whether it was the responsibility of the Department of Information or of CBC, thank you.

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: I do not believe Mr. Appaqaq's words would be lost because I believe the CBC is sitting behind us. So maybe they could take your direction under advisement.

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

Photographic Library

MR. PEDERSEN: I seem to remember 10 or 15 years ago the Department of Information had a very excellent photographic library. I notice under public affairs that it states that this activity provides photographic services. I was just wondering, is the photographic library still a part of the Department of Information and are photographs from this library still available?

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: To my knowledge, that photographic library is still in its place and has additional photographs since 10 years ago. I believe it is, the library is available to produce duplicate pictures. To what extent, I will ask the deputy minister to elaborate on.

CHAIRMAN (Mr. Gargan): Mr. Sorensen.

MR. SORENSEN: Thank you, Mr. Chairman. As the Minister says, the library is still in place. It is quite substantial and user groups in the government or outside the government have access to the library and can, if they wish, select photographic material from the library. The cost of reproducing the material is borne by the person outside government, if that is the case.

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

MR. PEDERSEN: Yes, thank you. I am just surprised that you do not advertise it a little in here because it is an excellent library. It contains some material that is getting almost archival in importance I think. I am surprised you do not advertise a rather good service.

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

News Coverage Difficult To Understand

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I wanted to make a lot of comments at this time to the Department of Information. We only have CBC to give us information. Sometimes I do not have very much to say so I will elaborate on it a little more. When I first became a Member about four years ago, I asked if the news articles could be done in Inuktitut and the reply they gave me was that they would do it not too long from now. But I have been waiting for it up until today. I would like to be informed about what is happening in the Northwest Territories. I see the pictures but I do not understand the English. It is directed to the NWT but when I am reading a newspaper, I cannot understand it. I would really like to understand what CBC North means because I think it is supposed to be directed to the people of the Northwest Territories. It seems to be just directed to the non-native speaking people. I think this is true. I really want to find out because when you are Inuk it is good to see things on TV but they do not relate in Inuktitut. I just wanted to make a comment. It does not have to be answered. It should be considered for the future.

Also, to the Department of Information I also have a comment directed to the CBC. I was told that some of them cannot understand what is being said when they do the news. The people cannot understand properly because of the shortness of time. They just time themselves and relay the news on CBC very fast. So, for that reason, it has been a concern of the people. I have an example from my people. They heard some news from CBC in my community. They said that there were eight Ministers. The Sanikiluaq people figured the eight Ministers were the only Members of the Legislative Assembly. This was told to me by some of my constituents. They wanted me to give the message to the CBC that they should do better news releases rather than looking at the clock. Thank you.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Appaqaq. Mrs. Lawrence.

MRS. LAWRENCE: Thank you, Mr. Chairman. I notice under your objective, under the language bureau, "meet the interpreting and translating requirements of a newly-elected Legislative Assembly". Can you just explain then what that means, if you do not have a policy to provide native languages translators to the Assembly?

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, in my opening address, I did mention that at the time the department was not aware of just who would be elected and what the requirements of the Legislative Assembly would be at this time. Because quite a lot, most of our responsibility as a department is toward providing service to this Legislative Assembly, we cannot move and know what the objectives totally are until we find out who is going to be here. So now that we know, in developing the policy which I have been working on already, to try to get something in place that would satisfy the Members of the Legislative Assembly and the needs, I am not really too familiar and knowledgeable about exactly how that can be delivered. Certainly, our objective is to work toward the needs of this Legislative Assembly. We would require the help of the Dene language people to help us in identifying what that objective should be. Once that is done, then we would look to reaching the direction that has been given to us.

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

MRS. LAWRENCE: Thank you, Mr. Chairman. I just have two other short questions. One of them is that since you do not have a proper Chipewyan language translator on staff, how do you provide services to the regional councils and to the municipalities and other groups and agencies?

CHAIRMAN (Mr. Gargan): Madam Minister.

Person Years Are In Place

HON. NELLIE COURNOYEA: Mr. Chairman, I would think it would be quite obvious, if we are not providing services firstly, to the Legislative Assembly then we would not have a component or a group of people in place, or employees in place to do a job outside that. The only thing that I can say is that we recognize, we know that and everyone knows that, so our job would be to move forward and try to get that in place once again. What has to be realized is that no matter how proficient you are in a language it is still a difficult task to be able to interpret and provide simultaneous translation. It takes a very knowledgeable person, a lot of time, to do this in two languages. So, all I can say is that I am committed to find a way to provide that service. The first thing that we do have, at least we do have the person years in place so that we can get those people and we can pay those people. One objective at least has been reached and that is that the funding has been identified and that was not the case in the past. Since we have the person years it is our job to try to find people who can do an acceptable job.

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

MRS. LAWRENCE: Just one last comment, I guess. Speaking of languages, I do not see any Chipewyan linguists at that table where the CBC are sitting. I know many times the native language programs are not given proper time. A person can only speak so fast and so much in a short time. Therefore, many times the news and whatnot are not properly announced because of the time limit put on it, especially the Chipewyan language. I had many complaints about that as well. Thank you.

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

MR. McCALLUM: Mr. Chairman, I notice in all of the departments, in the organization chart, there is a page that relates the number of staff positions or the number of person years. It is not particular to the Department of Information, but where it says staffing information, it says the department has a total of 58 positions and the department has a total of 52 person years. Now I recognize that we use person years. Does the 58 in this instance refer to the fact that you have 58 people in those 52 person years? What is the relationship between the two?

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: My understanding, Mr. Chairman, is that we have 58 positions and presently we have 52 people hired on staff in one way or another. That is my understanding. Do you want to continue further?

MR. SORENSEN: No.

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

MR. McCALLUM: That is what I wanted to find out. In other words, you have 58 positions but there were six unfilled positions within that department. Is that what you are saying?

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, and the honourable Member, if we try to explain that in totality, I think it would get even more confusing because I believe that in our briefing, the positions and the person years are very difficult to really explain. Since Mr. McCallum was a Member of the past Legislative Assembly, who set up this particular policy of identification of positions and person years, perhaps he could give us a briefing on that.

MR. McCALLUM: I wash my hands of the whole thing.

CHAIRMAN (Mr. Gargan): Order, please! General comments. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I recognize that any time I am going to ask a question what the response will be. All I want to know is, are there 52 people employed within the department? That is all I want to know -- and that there were 58 positions. The department has funding for 58 positions, but at the present time only has 52 people employed. That is the only question I have.

CHAIRMAN (Mr. Gargan): Madam Minister.

MR. McCALLUM: Whether I get it or not.

HON. NELLIE COURNOYEA: Well, Mr. Chairman, I assure you that the honourable Member does not have to worry that I will always give him that kind of an answer.

MR. McCALLUM: I hope not.

HON. NELLIE COURNOYEA: I am sure the reason he fielded it was because he wanted to know how well briefed I was. According to what I understand, I know we have 52 people hired. We have salaries for 52 people, but apparently if you use a man year in a certain way you can get up to 58 positions filled. Now what that means backwards and forwards I am not familiar, but if the Member would bear with me I will bring him back the analysis of how that works out, in the future.

Directorate, Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Madam Minister. General comments. Page 6.04, directorate. Total O and M, \$559,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Thank you. Hon. Mr. Curley.

HON. TAGAK CURLEY: Mr. Chairman, I had better wait until those two finish their conversation. Mr. Chairman, on the directorate I would like to ask the Minister or her deputy just exactly how the community satellite stations which were bought by this government are serviced and what arrangements the government has with respect to technical assistance when maintenance requirements are needed? Could you tell me exactly how, with all these stations set out from east to west, how each is managed and maintained because of the wide area that they do cover? Thank you.

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, I believe earlier the deputy minister went briefly over the 24 hour turnaround at any given time or the 24 hour contact period needed for problems raised to a central body so they can be looked after. Maybe you could cover that in more detail, Mr. Sorensen, again.

CHAIRMAN (Mr. Gargan): Mr. Sorensen.

Details Of Maintenance Function For Community Satellite Stations

MR. SORENSEN: Thank you, Mr. Chairman. We have a 24 hour telephone service that the communities can call collect to report any problem they are having with the station. The station and the equipment are designed in modular pieces, little pieces that can come out and be replaced quite easily. It is not a heavy shipment thing. Normally speaking a lot of the problems can be corrected by telephone back and forth between a representative of the community broadcasting society or maintenance person they have indicated, the person we have on contract to provide the technical advice. In many cases the problems are handled by telephone. When it is found that that is not good enough, then the piece is simply taken out of the rack and sent in to the maintenance area where it is put in shape or a replacement one is returned to the community where it is plugged into the equipment rack. We also have a warehouse supply in Yellowknife of spare parts so that we can increase the turnaround factor. As I said earlier, it is at no cost to the community; there is no financial cost to them. We guarantee maintenance and a fast turnaround, as fast as the airlines will allow us on the replacement parts. Each year we go out on contract to people who are involved in this type of maintenance and we strike a yearly contract with a firm to provide this service on our behalf and virtually there have been very few problems, if any, with that type of an arrangement.

We also undertake to have the technician visit each community once each year and do a complete maintenance check-up servicing on the facility. He advises us of how it is standing up, what may be needed to be replaced the following year. We are scheduling this year -- and he will be spending I believe -- an extra day in the community to further brief the community broadcasting societies on basic station operation as well as the maintenance type of things. I think that this is just about all I could contribute, Mr. Chairman.

CHAIRMAN (Mr. Gargan): Thank you, Mr. Sorensen. Mr. Curley.

HON. TAGAK CURLEY: Thank you, Mr. Chairman. I would like to thank the Minister and her deputy for that enlightenment, but there are difficulties with some areas. I know in my area two communities, Repulse Bay and Coral Harbour, had their local stations shut off for more than a month because they just could not get the appropriate parts -- and the distance problem involved. I believe that your central maintenance contractor is in Vancouver. So I was wondering whether or not the government would try to plan to contract with more central or closer technicians or whatnot in that area rather than the one central contractor trying to provide service to all the communities in the Territories. I just wondered whether or not that has been given any thought at all.

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, Mr. Sorensen can go on a little bit about the problems in those two particular communities. It is true that they were out longer than the normal time that other stations have been out of commission. In some places, even though they have had large storms, it has only been about a two week turnaround to get the stations back in working order. Because these two situations happened in this last year perhaps Mr. Sorensen can give more detail on why that happened and what corrective measures will be taken to not allow so long a delay in having these facilities back in place.

CHAIRMAN (Mr. Gargan): Mr. Sorensen.

MR. SORENSEN: Mr. Chairman, I cannot speak specifically I believe about Coral Harbour. There were two problems there. The first problem was a radio receiver that went out and that was sent out. It was replaced and it was in working condition shortly after. Unfortunately, shortly after that because it is one of the oldest stations -- it was installed seven years ago and it goes 24 hours a day -- they had a fault in their television receiver which was sent out and replaced. To my knowledge at this time everything is well underway. The department has been in touch on a continuing basis with the person responsible in Coral Harbour and I was not aware of any disturbance that they had about this service that was being provided. I am certainly prepared to have another look at the situation just to ensure there is not any lengthy delay that is not explainable: It must be appreciated that we can only respond as quickly as the communities advise us of their problems. I can just cite one instance where we found out a week and a half after a problem occurred specifically because people in the community wanted to keep the thing on air, even watch a foggy picture just so they could see the hockey game and as soon as the hockey game was over they contacted us and we repaired it. So we respond, I believe, fairly rapidly and we are certainly prepared to look at Coral Harbour again and Repulse Bay to just double check things.

Public Affairs, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Mr. Sorensen. We are on page 6.05, public affairs, total 0 and M, \$462,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Publications And Production, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Publications and production, total 0 and M is \$700,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Language Bureau, Total 0 And M, Agreed

CHAIRMAN (Mr. Gargan): Language bureau, \$1,527,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Detail Of Grants And Contributions

CHAIRMAN (Mr. Gargan): Grants, \$100,000. Mr. Paniloo.

MR. PANILOO: (Translation) I am just concerned about radio. In my area there is a radio station just mainly used by the local people and also there is one in Pangnirtung. They have been really well-used by local people. Concerning the grants, I am just wondering if they could increase the grants to my constituency. I just want to know if you could give more grants?

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, I believe that the grants are set. The grant structure is up to \$5000; that is the most you can get. The way it is done, for every one dollar you raise for your community station, the department gives five dollars. The highest you can go is \$5000 and that is what we have in our budget. We did not have any plans in the budget to go above the \$5000.

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

MR. PANILOO: (Translation) I understood about that. I am wondering if you could increase it over \$5000 in my area.

CHAIRMAN (Mr. Gargan): Mr. Paniloo, could you repeat that again?

MR. PANILOO: (Translation) What I was trying to say is, with those people who are out in the hospitals or just out for a check-up, who do not have any jobs or are elderly, who have to be out for many months, the local radio stations usually help out, to communicate with their relatives in the community. For that reason, these local radio societies usually lack funding to pay their phone bills, like for instance in Pangnirtung. I am just wondering if you could provide more funding. If you do not understand me I will try to explain again. Thank you.

CHAIRMAN (Mr. Gargan): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, in the grant for community radio stations the present budget does not allow us to go over the \$5000 for each community radio station. But to extend that problem, when money is given for community radio stations the money is given on a first-come first-served basis. So as it is right now, a lot of times new stations start up and we really do not have enough money to meet all the requests that we do get. Even though the argument that Mr. Paniloo puts across is very important, right now I cannot really change the budget or what we have. Normally that is done by direction from this Legislative Assembly. It is set now. I do not know how the Canadian Broadcasting Corporation worked in your area, in the past. It may be that some of the community radio stations could go to the CBC and see if they would assist them in the acquiring of tapes that go back and forth to the hospital patients. At one time in the Western Arctic they did that but I do not know if the program was discontinued because there was not enough pressure. Sometimes help can be given there as well. I realize the problem of large telephone bills and they certainly go up quite quickly. But, at this time, the budget does state what we can give and it is set and unless there is some direction otherwise, I cannot do much about it.

Grants And Contributions, Agreed

CHAIRMAN (Mr. Gargan): Thank you, Madam Minister. We are on page 6.08, grants, \$100,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Directorate, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Detail of capital, directorate, \$98,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Public Affairs, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Public affairs, \$66,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Publications And Production, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Publications and production, \$48,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Language Bureau

CHAIRMAN (Mr. Gargan): Language bureau, total headquarters, \$11,000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Gargan): Total Keewatin Region is \$8000. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Gargan): Baffin Region, \$15,000. Agreed?

SOME HON. MEMBERS: Agreed.

Language Bureau, Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Total Language bureau, \$34,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): Total department is \$246,000. Agreed?

SOME HON. MEMBERS: Agreed.

Total O And M, Agreed

CHAIRMAN (Mr. Gargan): Pages 6.10 to 6.11 are information. Does anyone have any questions on those? Okay, we are back to page 6.03, Department of Information. Total O and M is \$3,248,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Gargan): Thank you. Capital, \$246,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Gargan): I would like to thank the Minister and the deputy minister. Madam Minister.

HON. NELLIE COURNOYEA: May I ask permission to have the deputy minister remove himself from the ropes?

CHAIRMAN (Mr. Gargan): Does the committee wish to report progress at this time?

SOME HON. MEMBERS: Progress.

CHAIRMAN (Mr. Gargan): All those in favour? Opposed? Abstentions? Carried.

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 your committee has been considering Bill 1-84(1) and Tabled Document 4-84(1) and wish to report your committee considered the Northwest Territories Housing Corporation, the Department of Finance, the Financial Management Secretariat and the Department of Information.

Motion To Accept Report Of Committee Of The Whole, Carried

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

MR. DEPUTY SPEAKER: Thank you, Mr. Gargan. 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: All agreed. Thank you. Mr. Butters.

HON. TOM BUTTERS: Mr. Speaker, may I have unanimous consent of the House to return to Item 9, tabling of documents?

MR. DEPUTY SPEAKER: Can we have unanimous consent to return to nine? Do I hear any nays?

SOME HON. MEMBERS: Agreed.

---Agreed

REVERT TO ITEM 9: TABLING OF DOCUMENTS

HON. TOM BUTTERS: Mr. Speaker, I wish to table the following document, Tabled Document 19-84(1), the Auditor General of Canada, Report on "Any Other Matter" for the Year Ended March 31, 1983.

MR. DEPUTY SPEAKER: Thank you, Mr. Minister. I trust Members had a pleasant afternoon. For the information of Members we hope to have the Speaker return to the House tomorrow, hopefully.

---Applause

I will miss all my soap operas I am afraid. Are there any announcements from the floor? Mr. Clerk please, announcements and orders of the day.

CLERK OF THE HOUSE (Mr. Hamilton): No announcements today, Mr. Speaker.

ITEM 17: ORDERS OF THE DAY

Orders of the day, Thursday, February 16, 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 Thursday, February 16, at 1:00 p.m.

---ADJOURNMENT

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