



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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TABLE OF CONTENTS

12 February 1981

	<u>PAGE</u>
Prayer	278
Oral Questions	278
Questions and Returns	284
Tabling of Documents	290
Motions	290
Consideration in Committee of the Whole of:	
Bill 1-81(1) Appropriation Ordinance, 1981-82 - Northwest Territories Housing Corporation	297
Report of the Committee of the Whole of:	
- Bill 1-81(1) Appropriation Ordinance, 1981-82	332
Orders of the Day	332

YELLOWKNIFE, NORTHWEST TERRITORIES

THURSDAY, FEBRUARY 12, 1981

MEMBERS PRESENT

Mr. Appaqaq, Mr. Arlooktoo, Hon. George Braden, Hon. Tom Butters, Mr. Curley, Ms Cournoyea, Mr. Evaluarjuk, Mr. Fraser, Mr. Kilabuk, Hon. Arnold McCallum, Mr. McLaughlin, Mr. MacQuarrie, Hon. Richard Nerysoo, Mr. Noah, Hon. Dennis Patterson, Mr. Pudluk, Mrs. Sorensen, Hon. Don Stewart, Hon. Kane Tologanak, Hon. James Wah-Shee

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): The orders of the day for February 12th.

Item 2, replies to the Commissioner's Address. I take it there are no replies today.

Item 3, oral questions.

ITEM NO. 3: ORAL QUESTIONS

Mr. MacQuarrie.

Question 43-81(1): Senior Public Service Appointments

MR. MACQUARRIE: Thank you, Mr. Speaker. My question is for the Hon. Mr. McCallum. It is a follow-up to the response that I received yesterday, on senior public service appointments.

I had hoped, Mr. Minister, that the answer would indicate whether appointments are made by the Commissioner alone, or whether the highest ranking appointments, that is the Deputy Ministers, are now made only upon the advice of the Executive Committee as a whole; and further, if they are made by the Commissioner alone, is there any appeal mechanism other than to the Commissioner who made the appointment in the first place?

MR. SPEAKER: The Hon. Mr. McCallum.

Return To Question 43-81(1): Senior Public Service Appointments

HON. ARNOLD McCALLUM: Mr. Speaker, I can indicate to the Member that, no, the appointments are not made in isolation either by the Commissioner or by an individual Minister if you like. They are normally made in conjunction and in co-operation, that is not with just one individual being involved. In the case of the Ministers, it has been my experience that we stick together and discuss the individuals who either have applied or those individuals whom we believe could do the job. So it is not done in isolation. It is done in conjunction and co-operation -- the Minister, the Commissioner and usually we have a representative of the Department of Personnel there as well.

MR. SPEAKER: The hon. Mr. MacQuarrie.

Supplementary To Question 43-81(1): Senior Public Service Appointments

MR. MacQUARRIE: Thank you, Mr. Speaker. I am very pleased to hear that from the Minister and I just wonder, so as to sharpen it up a little more clearly, would it be your opinion -- and I think your opinion would be of some value on this, Mr. McCallum -- would it be your opinion that the Commissioner would no longer make the highest ranking appointment, that is to the Deputy Minister positions, without the consent of the Executive Committee or the Minister who is involved in that department?

MR. SPEAKER: This is asking for an opinion. If you wish to answer the question, I will allow it. If not, it is not necessary to answer the question. You are asking for an opinion.

Return To Supplementary To Question 43-81(1): Senior Public Service Appointments

HON. ARNOLD McCALLUM: Mr. Speaker, I would hope that my opinion, if I were to give it, would be valuable -- there is no question. Otherwise, I am not going to give it.

I would indicate that it has been my experience and certainly these appointments are made in co-operation and I would expect that if I were involved with making a decision at a deputy ministerial level, or being part of that, that I would want to have the experience of the Commissioner, his wide experience in these areas. He has been with the government for some period of time. I would feel more comfortable having that as well as having some assistance and some information, if you like, of the Department of Personnel. So I would say, no, I would not see it continuing and it has not been my experience that it has, over the past four or five years, that they have been done in isolation at all. They have been done together and I would see that continuing.

MR. SPEAKER: Oral questions. Mr. Curley.

Question 44-81(1): Doctor In Rankin Inlet

MR. CURLEY: Yes, Mr. Speaker, I have a question for the Minister of Health. The Minister made an announcement in Frobisher Bay that he has agreed to appoint a doctor to be based at Rankin Inlet. I wonder if he is prepared to tell us what steps, what progress has been made to date of this proposed doctor at Rankin Inlet.

MR. SPEAKER: The Hon. Mr. McCallum.

Return To Question 44-81(1): Doctor In Rankin Inlet

HON. ARNOLD McCALLUM: Mr. Speaker, I would indicate that at the present time there has been a concerted effort on behalf of National Health and Welfare to provide a doctor, a physician in Rankin Inlet. In December, there were negotiations undertaken by the director of the northern medical unit at the University of Manitoba to secure a physician for that area. As well, the medical services of the Northwest Territories agreed to add to the present contract one and a half man years to accommodate a full time physician in Rankin Inlet. At the present time, the director of the northern medical unit at the University of Manitoba, Dr. Jack Hildes, has a physician in mind and it is fairly confident that he can accommodate the extra commitment and that contract would then continue on to June 30th, 1982.

It has been agreed that this physician, in addition to being resident in Rankin Inlet, would cover other areas, Whale Cove, Chesterfield Inlet, as well as visiting Churchill on a fairly regular basis. The only factor that still has to be worked out is to get the final commitment from this physician that Dr. Hildes has undertaken negotiations with, but I would expect that those things would be reconciled fairly quickly. I would look forward to seeing that there is a physician being placed in the Keewatin, in fact in Rankin Inlet, within a matter of months.

MR. SPEAKER: Thank you. Oral questions. The hon. Mr. Curley.

Question 45-81(1): Proposed Hospital In Yellowknife

MR. CURLEY: Yes, Mr. Speaker, I have another question to the Minister of Health. I wonder if the Minister of Health is prepared to make a brief comment about the proposed hospital at Yellowknife; whether in fact he is going to provide further reports before we actually go into the study of the financial requirements of the Department of Health. Could you briefly explain to me whether you will actually present a progress report on the proposed hospital and whether or not there are going to be increases in the financial requirements of that hospital and as well, exactly where it is going to be located and so on?

MR. SPEAKER: The Hon. Mr. McCallum.

Return To Question 45-81(1): Proposed Hospital In Yellowknife

HON. ARNOLD McCALLUM: Mr. Speaker, I was not planning to make any outside progress report other than when we were in the discussion on the Health budget. However, if Members would prefer that I indicate to them, before we get into the Health budget, what the status is as regards the new Stanton Yellowknife Hospital, I would be more than pleased to do so. At the present time, I do not expect that there will be any increase in the kind of funding that will be required over and above what I had indicated in this House, I think a year ago and in Baker Lake, as to the cost for the proposed hospital.

At the present time, the status as to the location is being negotiated between the present Stanton Yellowknife Hospital management board, the city of Yellowknife and I think the Department of Local Government. There are certain particular areas that have been proposed. One location that I think the board is recommending to the city is out on the old airport road, across from the territorial government warehouse, in that area.

The negotiations that are being conducted, in fact I think there was a meeting a week or two weeks ago between local government people, the Minister of Local Government, and the mayor of Yellowknife, as regards the kinds of arrangements that would have to be made to actually get that hospital on a particular site. As far as I am concerned, the progress is there on the hospital; the actual status, if you like, that is now under way as regards the hospital, is that it is in a planning stage where the board of management is concerned with what really is going to go on in it, that is what services will be there; given that we have indicated there should be certain services; given the fact that there have been certain comments made and direction given from this House that there should be a re-look at the kinds of services that we had anticipated being provided by the new or the proposed hospital. I would expect that those kinds of discussions would go on with my department officials and with the board of management for some further period of time. I would expect that the decision on the location of the hospital will be reached between the city of Yellowknife and the board of management itself relatively quickly.

MR. SPEAKER: The hon. Mr. Curley.

MR. CURLEY: Yes, supplementary, Mr. Speaker.

(Speaks in Inuktitut)

HON. ARNOLD McCALLUM: We are not getting any translation, Mr. Speaker.

MR. SPEAKER: It is on channel six.

Supplementary To Question 45-81(1): Proposed Hospital In Yellowknife

MR. CURLEY: Yes. Okay, I will just proceed in English. It was reported at Baker Lake session that this present Yellowknife hospital was near collapse. I am glad to see that it has not collapsed so far, but my concern, Mr. Speaker, is that since this government is actually going to be contributing very large sums of money to build this hospital, I think the Minister of Health should be involved in the selection of a location. The people that are coming in from the North for instance, and the native people will not really be able to afford visiting relatives at the hospital if it is going to be five or so miles out of town. I wonder if he has taken that into consideration, to make sure that when native people are visiting their parents or the patients at the hospital, they will not have to suffer economically while staying here in Yellowknife.

MR. SPEAKER: The Hon. Mr. McCallum.

Return To Supplementary To Question 45-81(1): Proposed Hospital In Yellowknife

HON. ARNOLD McCALLUM: Mr. Speaker, we have within the Territories, three budget review hospitals. The operation administration, if you like, of those hospitals is under a board of management. In other words, we attempt to indicate, or to devolve responsibilities for the operation of these hospitals to these boards of management, that being the case, of course, with the Stanton Yellowknife Hospital -- the present one and the proposed one. I would expect that when that board of management for the Stanton Yellowknife Hospital proposed a location, several locations and decided on one, that they took into consideration all factors involved, because the board of management of the Stanton Yellowknife Hospital is made up of representatives from all over the area that will be served by this hospital.

I can appreciate that we will have to be concerned with the distance involved, whereby people would be able to visit relatives while they are in the hospital. I know that I indicated to the board itself, and to our departmental officials in discussions with the board of management, that particular concern; the concern that there will be people, obviously, from Old Town in Yellowknife, having to go out. There is a transit system, which one would be able to make use of that to go there, but that is a concern, I think, that has been raised before. I know that our department officials did raise that with the board of management. I would have expected that the board, in their wisdom, would have taken all factors into concern before they had recommended a particular site and attempted to enter into negotiations with the city as to the location of the proposed hospital.

MR. SPEAKER: Thank you. Oral questions. Mr. Appaqaq.

Question 46-81(1): Inukshuk Project

MR. APPAQAQ: (Translation) Thank you, Mr. Speaker. I am not sure as to who I would direct this question to. The Inukshuk project in Frobisher Bay, which serves Keewatin and Baffin, I would like to know who would be operating the Inukshuk project. I am not sure as to whom I am directing this question.

MR. SPEAKER: The Hon. Mr. Nerysoo.

HON. RICHARD NERYSOO: Might I take the question as notice and provide a written reply?

MR. SPEAKER: Thank you. Oral questions. The hon. Mrs. Sorensen. I am sorry, you have a further question. The hon. Mr. Appaqaq, please.

Question 47-81(1): Power House At Sanikiluaq

MR. APPAQAQ: (Translation) Thank you, Mr. Speaker. I have another question. It is not a new question and it has been asked many times, but has not been sufficiently answered. I wonder if anything has been considered about the power house at Sanikiluaq. It has been discussed since 1978 and nothing has been done yet. I would like to know what plans the administration has on the power house matter at Sanikiluaq. I know that the Commissioner is aware of the power house problem and I would like to know if anything has been considered to rectify the problem with the power house in Sanikiluaq.

MRS. SORENSEN: Just do not invite NCPG into your community. Very dangerous and costly.

MR. SPEAKER: The Hon. Mr. Wah-Shee.

HON. JAMES WAH-SHEE: I would like to take that question as notice and give the honourable Member a written reply. Thank you.

MR. SPEAKER: Thank you. Oral questions. The hon. Mrs. Sorensen.

Question 48-81(1): Transfer Of Mine Safety Division To Territorial Government

MRS. SORENSEN: Thank you, Mr. Speaker. My question is for the Minister of Justice and Public Services. My question is twofold, Mr. Minister. The first one is, it is my understanding that negotiations are presently under way with the federal government to transfer the mine safety division from the federal government to the territorial government. It was also my understanding that that transfer was to take place on April 1st. I wonder if I might have a status report on that transfer.

MR. SPEAKER: The Hon. Mr. Braden.

Return To Question 48-81(1): Transfer Of Mine Safety Division To Territorial Government

HON. GEORGE BRADEN: The negotiations for the transfer of the operation side of mine safety have been completed. We expect that the actual transfer from the federal government, Department of Indian Affairs and Northern Development, to our government will be completed by June 1st and we will be able to start up the operational side of mine safety on that date.

I would indicate to my honourable colleague, Mr. Speaker, that we are in the process of collecting input from various mining companies and mining organizations, as well as trade unions, on the best way to amend our Mining Safety Ordinance. To date, I would like everyone to know that we have received some outstanding submissions from the unions in the mining sector here in Yellowknife. We have also received some outstanding submissions from various mining companies. We are, at this time, awaiting a submission from the Northwest Territories Chamber of Mines and I expect that in the next week or so. I will then be following up further with both the unions and the companies, and also the organization representing the mining industry, with respect to specific changes, or specific proposals for changes, in our Mining Safety Ordinance and regulations.

I want to make it clear, Mr. Speaker, that I take this responsibility very seriously. Mine safety, in my view, should not be considered as some political football to be kicked around. You talk to the men and women who work in the mines and they will tell you how concerned they are about mine safety. I want you to know that a lot of those men and women live in my constituency. They live in my honourable colleague's constituency and I would like to thank her for asking this question and for giving me the opportunity to provide a status report to this House.

MR. SPEAKER: Thank you. The hon. Mrs. Sorensen.

Supplementary To Question 48-81(1): Transfer Of Mine Safety Division To Territorial Government

MRS. SORENSEN: I have a supplementary on the transfer of the mine safety responsibilities to our government. You mentioned that the negotiations have finished and that you are in the final stages of the transfer. Will the staff be transferring over and, if not, what are your plans for the recruitment of new staff within that newly created division?

MR. SPEAKER: In this dual exchange, who is the straight man?

---Laughter

The Hon. Mr. Minister.

AN HON. MEMBER: I am.

---Laughter

Return To Supplementary To Question 48-81(1): Transfer Of Mine Safety Division To Territorial Government

HON. GEORGE BRADEN: Mr. Speaker, offers of employment have been made to some of the officials currently working for Indian Affairs and Northern Development, in the mine safety area. We are presently completing some of the internal paper work required and will be advertising for a chief of mining safety for the Northwest Territories. We hope to have that position filled as soon as possible so that this individual can be onstream prior to the June 1st date. Thank you.

MR. SPEAKER: Thank you. Another supplementary. The hon. Mrs. Sorensen.

Further Supplementary To Question 48-81(1): Transfer Of Mine Safety Division To Territorial Government

MRS. SORENSEN: Thank you, Mr. Speaker. With respect to the advertising of the chief's position, do you intend to advertise within the Territories or do you intend to advertise outside the Territories?

MR. SPEAKER: The Hon. Mr. Braden.

HON. GEORGE BRADEN: Mr. Speaker, we will be advertising in the Northwest Territories.

MR. SPEAKER: Any further oral questions? The hon. Mrs. Sorensen.

MRS. SORENSEN: Just a further supplementary. Did I understand you to say that you will only be advertising in the Territories or will you be doing advertising in the Territories and outside the Territories?

MR. SPEAKER: The Hon. Mr. Braden.

Return To Further Supplementary To Question 48-81(1): Transfer Of Mine Safety Division To Territorial Government

HON. GEORGE BRADEN: Thank you, Mr. Speaker. We will be advertising in the Northwest Territories and outside the Northwest Territories. A job of this nature is one that is very technical, and requires a good professional person. We hope that we can find this person in the Northwest Territories. If that is not possible, we will obviously have to look to the South.

MR. SPEAKER: Thank you. Oral questions. The hon. Mr. Curley.

Question 49-81(1): Policy On Northern Preference

MR. CURLEY: Mr. Speaker, my question is to the Minister -- I will give it to the Leader of the Elected Executive Committee Members. Sometime last year this House passed a motion instructing the Executive Committee to establish a policy for northern preference for construction and tendering of contracts for construction from the DPW and Housing Corporation. Can the Leader of the Elected Executive Committee Members assure this House whether in fact, he will be submitting a policy paper with respect to that and, as well, can he report here whether in fact progress has been made with respect to that motion?

MR. SPEAKER: The Hon. Mr. Braden.

HON. GEORGE BRADEN: Thank you, Mr. Speaker. I will take that question as notice and provide the Member with a written reply.

MR. SPEAKER: Thank you. Further oral questions. Item 4, written questions and returns.

ITEM NO. 4: QUESTIONS AND RETURNS

Written questions. The hon. Mr. Curley.

Question 50-81(1): Application For Tourist Camp

MR. CURLEY: My question is to the Minister of Economic Development and Tourism. How many applications have been received by the Department of Economic Development and Tourism for tourism camps? How many of these are from outside the Northwest Territories? How many of them are from the District of Keewatin?

MR. SPEAKER: Thank you, Mr. Curley. Written questions. Are there any returns for today? The Hon. Mr. Braden.

Return To Question 20-81(1): Periodic Surveys, Statistics Division

HON. GEORGE BRADEN: Thank you, Mr. Speaker. I have a return to oral Question 20-81(1) asked by Mrs. Sorensen. It concerns periodic surveys done by the statistics division for which I am responsible.

The bureau of statistics plans to continue its periodic surveys of prices in the Northwest Territories. This June the bureau will again undertake a comparative analysis of Yellowknife and Edmonton prices. In addition, it plans to collect grocery price information on an experimental basis at Inuvik, Frobisher Bay, Rankin Inlet and possibly Cambridge Bay. The statistics bureau has continued to monitor grocery price levels at Yellowknife on a quarterly basis. Although analysis of that information is not as yet complete, preliminary results indicate that Yellowknife food prices rose by almost 11 per cent from June to December compared to an eight per cent increase in Edmonton. These figures may not be strictly comparable given residual effects on Yellowknife food prices due to the closure of the Mackenzie River crossing.

I would also like to report that following extensive negotiations, Statistics Canada will be including Yellowknife in its consumer price index program.

---Applause

That organization expects to begin publishing a Yellowknife consumer price index during 1982. On the matter of investigating sources of price differences indicated in the surveys, the bureau of statistics has no plans to undertake such a study. The research required would be extensive and the bureau does not have resources available for this project. I have one more, Mr. Speaker, if I may continue.

MR. SPEAKER: Yes, you may, Mr. Braden.

Return To Question 31-81(1): Echo Bay, Radiation

HON. GEORGE BRADEN: This is a return to written Question 31-81(1). It was asked by Mr. MacQuarrie on February 10th and concerns radiation at Echo Bay.

Workers and staff at Echo Bay mines are all exposed to radiation. Through the Northwest Territories radiation and hazard regulations, the mine is required to monitor each working area. The workers are also monitored for their cumulative internal, bronchial exposure. These results are submitted to the mining inspection section and the Atomic Energy Control Board on a monthly basis. The mine is presently in the process of becoming a participant with the national dose registry of Health and Welfare Canada. This registry has the capability of keeping the cumulative radiation exposure of a worker accumulated anywhere in Canada. Thank you.

MR. SPEAKER: Are there any further returns? The Hon. Mr. Tologanak.

Return To Question 29-81(1): Route And Base Protection In The Keewatin Region

HON. KANE TOLOGANAK: Thank you, Mr. Speaker. I have a return to oral Question 29-81(1) asked by Mr. Curley, February 10th, 1981. I am replying on behalf of the Commissioner and it is the route and base protection in the Keewatin region.

In his oral question of February 10th, Mr. Curley questioned whether or not the government's position on route and base protection in the Keewatin had changed over the course of the last two years and whether or not the Commissioner would be prepared to table submissions made to the Air Transport Committee in his name in July 1979 and January 1981. The first submission consisted of a letter dated January 9, 1979, addressed to the secretary of the Air Transport Committee and the second submission was a more detailed one which was submitted January 13th, 1981. The documents are rather lengthy, Mr. Speaker, and I have given a copy to the honourable Member for Keewatin South. He has agreed that due to the length, it would not be necessary for them to be tabled, but copies will be given to other Members on request.

In January of 1979, Calm Air International was operating a Twin Otter scheduled service to several communities out of Rankin Inlet. This service was performed as a feeder service to Transair's protected scheduled service from Churchill. Calm Air had applied to have the authority to operate a charter service from Rankin Inlet at that time. Because the Government of the Northwest Territories was cognizant of the fact that another operator was considering establishing a base at Rankin Inlet, it was felt that the small, Cessna, Beaver, charter business should be encouraged. Considering that protection for the scheduled carrier, Transair, was in evidence, it was felt that further protection would be undesirable. On those circumstances, therefore, our submission was made that

a licence should be issued to Calm Air to operate a charter base but that neither route protection nor base protection were necessary at that time.

The January 1981 submission to the committee was not a change in policy. Our principal support continues to be in favour of scheduled services. The only major change in the Keewatin is a change from Transair to Calm Air, as the operator of the scheduled route. The earlier concern for small chartered aircraft operations is satisfied because Beaver and Cessna 402 aircraft presently serving the area are exempt from existing route protection.

Quoting from the most recent submission, which is on page three, I quote: "Often, particularly in the case of a small market, security of tenure is not sufficient to ensure a scheduled service. Some degree of route protection is necessary."

Quoting from page four of the submission: "Complete route protection is not practical since many items can not reasonably be transported by an aircraft designed and used for passenger travel. Bulk or drummed fuel, vehicles, and oversized construction materials are examples of such commodities. Overall, however, the majority of materials could be handled with aircraft chosen to meet anticipated freight and passenger requirements."

In this government's view, the market size of the Keewatin is such that route protection is necessary if a reliable and economically viable scheduled service is to exist. As a government, we must look at each case on its own merits and consider the economics of the services offered. Our greatest desire is that safe, reliable and economically viable scheduled service be provided for all communities. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Tologanak. Returns. The Hon. Mr. Patterson. I think you indicated that you have a return for today.

Return To Question 30-81(1): Hiring Preference, Northern Teachers

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. This is a reply to Mr. MacQuarrie's Question 30-81(1), asked on February 10, 1981, on hiring preference, northern teachers.

The Department of Education confirms that when hiring teachers for placement in the schools, a preference is extended to northern teachers. However, when it comes to the actual placement of a teacher within the system, other factors must be considered. Consequently, a qualified but inexperienced northern teacher would certainly be offered a position in one of our schools. Whether or not he or she would be offered a position of their choice, in competition with an equally qualified but experienced southern teacher, would depend on the requirement of that particular teaching assignment and the applicant's potential ability to meet those requirements. That judgment would be made by our professional officers, in consultation with the local education authority.

In summary, we support the position outlined in the answer to Question 196-80(2), in that we give preference to northern teachers and we try to place them in entry level positions for which their education qualifies them. Sometimes this process will leave vacancies for which no suitable applicants are available and southern teachers are recruited to fill these vacancies.

Further Return To Question 14-81(1): Expansion Of Lake Harbour School

Also, Mr. Speaker, I mentioned to Mr. Arlooktoo that I would make a written reply to his oral Question 14-81(1), concerning expansion of Lake Harbour School.

At the third session of this Assembly the Lake Harbour community education committee petitioned the Legislative Assembly to consider their request for an addition to the existing school, including the addition of a gymnasium. The following information was provided by the Department of Education:

The present school in Lake Harbour consists of two portable classrooms and the main structure, which contains two classrooms, activity room, small kitchen, office and washrooms. There is also a small room that is used as a kindergarten for about 10 to 13 kindergarten children. The department's forecasts indicate an enrolment in 1984-85 of 13 kindergarten and 68 in grades one to eight, for an average of 17 students in each of the four classrooms. The calculated operational capacity of the school is 90 students. Therefore, the Department of Education presently is not planning an expansion of the Lake Harbour School.

The department still supports that position and does not see the requirement for additional facilities for education in Lake Harbour at this time. If there is a need for additional facilities in the community for general recreation purposes, then the request for such facilities should be directed to the Department of Local Government, which is responsible for recreation. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Patterson. Are there any further returns? On your order paper, Item 5, petitions. Pardon me, Mr. Nerysoo.

HON. RICHARD NERYSOO: Yes, Mr. Speaker. I have some replies.

MR. SPEAKER: Proceed, please.

Return To Question 6-81(1): Energy Policy Development

HON. RICHARD NERYSOO: Yes. A reply to an oral question asked by Mr. MacQuarrie on February the 5th, regarding the energy policy development.

In summary, the developments that have occurred since the principles for the development of an energy policy were accepted are as follows:

1. An energy strategy paper for the Northwest Territories was prepared in-house, reviewed by the Executive Committee, and accepted with some modifications. I will have this paper amended and tabled at this session for your information. It provides a more explicit statement of the direction we should take and is based on the principles for an energy policy.
2. This government began work with Indian Affairs and Northern Development, Energy, Mines and Resources, Northern Canada Power Commission and the Yukon government in the development of a joint northern energy policy paper. This will eventually lead to federal government policy affecting the Northwest Territories. Officials of all parties have met and have established a work plan with a view to having a paper prepared this summer. This paper will discuss the demand and supply of energy in the Northwest Territories, the cost of energy, the role of subsidies and the proper design of institutions, public and private, to produce, transmit, distribute, regulate and control energy in all its forms.
3. Officials of this government have begun active consultation with their opposites in Energy, Mines and Resources to assure a full and speedy installation of programs announced in the national energy policy program. These programs will assist us to develop our alternatives and will provide home owners with assistance to convert away from oil and improve the energy efficiency of their homes.

In addition to these major thrusts, government departments have been working in related areas such as the rationalization of Northern Canada Power Commission rates and increased use of waste heat from NCPC generators. In short, this government has been making some notable progress toward achieving the objectives of the policy as stated in our energy policy principles.

MR. SPEAKER: Proceed, Mr. Nerysoo.

Return To Question 11-81(1): Yukon And NWT Game Permits

HON. RICHARD NERYSOO: Yes, Mr. Speaker. I have two or three replies, so I wish to continue. Written question asked by Ms Cournoyea on February the 6th, regarding Yukon and Northwest Territories game permits.

The question refers to a meeting requested by a Yukon game branch official for the purpose of explaining to the people of Aklavik the Yukon regulations concerning hunting and trapping in the Yukon by Northwest Territories residents. The subject of the Game Export Act was raised by the Yukon official as part of his total presentation.

The Yukon official's explanation of the Game Export Act does not signal a change in our policy or practices regarding the act. Section 3 of the federal Game Export Act forbids any person from knowingly taking or carrying any wildlife or parts of wildlife beyond the limits of the province or territory in which the wildlife was killed, without the authority of a game or wildlife export permit issued by that province or territory. This act, being somewhat like the Migratory Birds Convention Act, does not adequately accommodate traditional hunting practices. My officers would prefer not to enforce the act in the Western Arctic region and along the Northwest Territories and provincial boundary. In an attempt to minimize any adverse effects of the act, we are actively seeking possible solutions to the problem.

In specific response to Ms Cournoyea's questions:

1. I understand that the Yukon official stopped briefly in Fort McPherson to speak with our wildlife officer, not to hold a meeting with residents of Fort McPherson.
2. The Yukon official was apparently unable to visit Fort McPherson on the 4th of February because of prior commitments. Our wildlife service officials were reluctant to precede the Yukon official by holding a meeting to brief Fort McPherson residents on Yukon hunting and trapping regulations.
3. The Game Export Act restrictions were not introduced to our residents in February 1981. The present version of the act has been in effect since 1970. The provisions of the act are generally understood in the Northwest Territories as is the fact that our officers would prefer not to enforce the act as it applies to native people living on both sides of our territorial and provincial boundaries. Again, the subject of the act was incidental to the purpose of the visit of the Yukon official.

Return To Question 22-81(1): Changes To Quota Regulations

A written reply to the question asked by Ms Cournoyea on February 9th, on changes to the musk-ox quota regulations.

Musk-ox surveys conducted last spring by the wildlife service in the vicinity of Paulatuk indicated substantial increases in population estimates. As a result, the department has recommended that the quota for Paulatuk be increased from eight to 50 animals. This regulation change is being presently drafted.

Results of the surveys of caribou and musk-oxen on Victoria Island conducted by Polar Gas last summer have only recently been made available to the wildlife service in sufficient detail to allow quota reassessment. Those surveys indicated substantial musk-ox populations, particularly on the northwestern portions of the island. Accordingly, the department has recommended that the musk-ox quota for Holman Island be increased from 12 to 110 animals. This regulation change is being presently drafted.

Surveys of the musk-oxen on the Banks Island which were conducted in 1979 and 1980 have indicated that the population has expanded rapidly since it was previously surveyed in 1972. Residents of Sachs Harbour have expressed concern that the population is getting large enough to affect local caribou populations, a more highly valued resource. As a result of this concern, the wildlife service, in co-operation with the Inuvialuit game council, is developing a long-term management plan for the Banks Island musk-oxen. An initial draft of that report is presently being reviewed by the Inuvialuit game council. When completed, the management plan will contain revised quotas which will almost certainly be considerably higher than the present 150 animals.

One short-term problem recently brought to the attention of the wildlife service is currently being addressed. With the increased number of sport hunts for male musk-oxen occurring on Banks Island, as well as the increased domestic use, the demand for male musk-ox tags is presently greater than the 75 available. Up until now the quota of 150 animals has been divided into 75 males and 75 females. As an interim measure, until the musk-ox management plan is finalized, the wildlife service has recommended that the harvest not be restricted by sex. This will enable the residents to use all 150 tags for male animals if they so wish. This regulation is being drafted.

MR. SPEAKER: Proceed, Mr. Nerysoo.

Return To Question 7-81(1): Grants For Caribou Hunts

HON. RICHARD NERYSOO: Written Question 7-81(1), asked by Mr. Fraser on February the 5th, on grants for caribou hunts.

The following communities received grants to conduct organized caribou hunts in the fiscal year ending the 31st of March, 1981:

<u>Community</u>	<u>Dates</u>	<u>Amounts</u>
1. Fort Franklin	November 5, 1980	\$ 4050
2. Fort Rae	December 4, 1980 September 1980	10,000 3000
3. Detah	September 1980 February 1981	2000 1000
4. Rainbow Valley	September 1980	2000
5. Snowdrift	September 1980 September 1980 February 1981	2000 1000 1000
6. Lac la Martre	September 1980	2000
7. Rae Lakes	September 1980	2000
8. Hay River	December 1980	<u>1000</u>
	TOTAL	\$31,050

MR. SPEAKER: Thank you, Mr. Nerysoo. Are there any further returns?

Item 5, petitions.

Item 6, tabling of documents.

ITEM NO. 6: TABLING OF DOCUMENTS

The Hon. Mr. Braden.

HON. GEORGE BRADEN: Thank you, Mr. Speaker. My colleague, Mr. Butters has asked me to table Tabled Document 11-81(1), Principles for the Development of an Agricultural Policy. Thank you.

MR. SPEAKER: Thank you. Tabling of documents. The Hon. Mr. McCallum.

HON. ARNOLD MCCALLUM: Mr. Speaker, I wish to table Tabled Document 12-81(1), Housing Corporation's -- an operation manual or operating manual for housing associations in the Northwest Territories, the document that I referred to yesterday, prior to our going back in to discuss housing.

MR. SPEAKER: Thank you. Tabling of documents. Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Speaker. I wish to table Tabled Document 13-81(1), Revenue to Frobisher Bay Merchants Derived from the Session, some information received from your office on the subject of revenue to Frobisher Bay merchants derived from the session of the Legislative Assembly at Frobisher Bay. Thank you.

MR. SPEAKER: Thank you. Tabling of documents.

Item 7, reports of standing and special committees.

Item 8, notices of motion.

Item 9, motions.

ITEM NO. 9: MOTIONS

Mr. MacQuarrie.

Motion 9-81(1): Debate Of Paper "Principles For The Development Of An Agricultural Policy"

MR. MACQUARRIE: Thank you, Mr. Speaker. Motion 9-81(1):

WHEREAS citizens of the Northwest Territories who are interested in the development of agriculture have waited some considerable time for the Government of the Northwest Territories to develop an agriculture policy;

AND WHEREAS the Minister responsible for House Planning has indicated a willingness to discuss, at this session, the paper "Principles for the Development of an Agricultural Policy";

AND WHEREAS this paper has been in Members' hands since last spring;

NOW THEREFORE, I move, seconded by the honourable Member for Slave River, that the Speaker set a day certain during this session for debate of the paper "Principles for the Development of an Agricultural Policy";

And further, that the president of the Territorial Farmers' Association, Ben Greenfield of Hay River, be invited by the Speaker to participate as a witness during that debate.

MR. SPEAKER: The motion is in order. Proceed, please.

MR. MacQUARRIE: Thank you, Mr. Speaker. I will be very brief. We have people in the Territories who are interested in developing agriculture and participating in its development. We have a potential in certain areas that are not now being developed or utilized. We have our committee of the whole studying high prices in the Northwest Territories and certainly food prices are a major concern. So even if we could relieve food prices to some degree for some areas, it would be a desirable thing.

We have a government which seems ready to deal with the matter. It tabled the paper first of all at the first session in 1980, a year ago. My colleague from Pine Point asked a question in June of 1980 about what was happening to the paper and was told that the Department of Economic Development was waiting for some direction from the Assembly. We received a letter from the Minister responsible for House Planning a few weeks ago indicating to us that the government has a willingness to deal with the matter now. I would just say that it is something that we cannot forever keep pushing in front of us like peanuts in front of our noses or something like that. We cannot keep avoiding the issue.

So if an old actor may be forgiven for an allusion to dramatics, let me say that we have got a suitable plot, and the pun is intended. It is as complex, perhaps, as anyone might like to have it. The scripts are written, the principal actors are waiting in the wings, so let us get on with the show.

---Laughter

MR. SPEAKER: The plot might be evident, but the fertilizer type is also.

---Laughter

Does the seconder wish to reply to that? To the motion.

Agricultural Policy Long Overdue

HON. ARNOLD McCALLUM: Mr. Speaker, I do not want to go into theatrics, nor I do not want to get into bullshipping of fertilizers or plants. I would like to simply indicate my support for the motion, in that there obviously are a number of people in the area, of my constituency, who are now involved, to some degree, in gardening and I would hope that we would be able to move into a great deal more of market gardening.

This question, as the mover has indicated, has been before this House on many occasions. Our difficulty always has been, or to a great extent, has been that we have not been able to have clearly defined guidelines as to a policy for the development of agriculture. I know that you, sir, in your area, people are involved there and have been concerned in the area of the Member from Mackenzie Liard and the Fort Providence area. Over a number of years, there has been concern about gardening and putting land to good agricultural use. I would hope that we would be able to discuss this whole policy in detail, to approach the federal government for their involvement in it, to look at the kinds of policies that we will have put before us, the guidelines that we have. I think it is something that has been long overdue, as the Member has indicated, and I would wholeheartedly support the motion.

MR. SPEAKER: Thank you. To the motion. The hon. Ms Cournoyea.

Interference With Land Claims

MS COURNOYEA: I would like to apologize that my memory in regard to this subject, which I recall was debated in earlier sessions, is not really quite clear and perhaps the mover of the motion could clarify one difficulty that seems to come to my mind. The issue of the land claims process for Dene and

Metis in the Valley -- I believe one of the problems, if I am not mistaken, was that the Dene and Metis people of the Mackenzie Valley, who are of primary concern when we are talking about agricultural development, felt that in having an agricultural policy that would put the territorial government in support of agricultural development, which in turn would probably be giving an approval, in principle, to the release of land for agricultural development, which may be contrary to the desires of the Dene people. I do not know if my memory is completely correct, but it seems to me that in past debates and in past efforts to put forward an open policy on agriculture, that this was a concern of the people who are pursuing their land claims. I would like further clarification if this is true, or am I listening to the radio again?

MR. SPEAKER: To the motion. By way of explanation, if you wish to explain it, it would not necessarily shut off debate if there is an explanation, but it must be confined to an explanation. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, Mr. Speaker. Perhaps Ms Cournoyea has been listening to the radio again. I cannot give a response with respect to that, but I also agree that the matter she raised is a concern. All my motion asks for, then, is that the matter be discussed in this House and if the majority of Members feel that that is an overriding concern, then they kill the measure, or whatever. What I do not like to see is the paper keep coming back each time and somebody pretending that we are maybe going to do something about it, and those who are interested in agriculture are hoping we will do something about it, and yet it does not happen. So, in response to Ms Cournoyea then, I am not pleading for the Assembly to affirmatively support the policy, but to discuss the matter so that we can clear it up one way or the other. What she mentioned, is a concern, certainly.

MR. SPEAKER: To the motion. The Hon. Mr. Wah-Shee. Did you wish to speak, Mr. Wah-Shee?

A Definite Concern To Native People

HON. JAMES WAH-SHEE: Yes, Mr. Speaker. I believe it is correct to say that when the discussion on agricultural policy was previously discussed in this House, I believe that the concern was expressed by the Dene Nation that they were concerned that this whole area should really be discussed once the whole area of aboriginal claims had been settled, but I really see no reason why we should not discuss it. I do not see any problem with that, but I think that if you get into the area of developing a policy and where you have land purchases involved or leases, then I do believe that at that point the native organizations would definitely be concerned.

However, I think that discussing the agricultural proposal is something which has been discussed for some time, but I do believe that the Dene Nation is definitely concerned, particularly when you are talking about land. Just for the information of the honourable Members, I want you to be aware of this. Thank you.

MR. SPEAKER: Thank you. To the motion. Motion 9-81(1). Are you ready for the question?

AN HON. MEMBER: No.

MR. SPEAKER: Mr. Patterson.

Amendment To Motion 9-81(1)

HON. DENNIS PATTERSON: Mr. Speaker, I would propose an amendment to the motion, in light of the last two speakers' comments. The amendment would be that the president of the Territorial Farmers' Association, Ben Greenfield of Hay River, and representatives of interested native organizations, be invited by the Speaker to participate as witnesses during that debate.

MR. MacQUARRIE: Question.

MR. McLAUGHLIN: Question.

MR. SPEAKER: Then the amendment would read that the president of the Territorial Farmers' Association, Ben Greenfield of Hay River, and representatives of interested native organizations be invited by the Speaker to participate as witnesses during that debate. To the amendment.

MR. FRASER: Question.

MR. SPEAKER: Question being called. Pardon me, I need a seconder for that. We are in formal. Do I have a seconder? The Hon. Mr. Tologanak. Are you ready for the question?

MR. McLAUGHLIN: Question.

Amendment To Motion 9-81(1), Carried

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

---Carried

Motion 9-81(1), Carried As Amended

To the motion as amended. All those in favour? Opposed, if any? The motion, as amended, is carried.

---Carried

Motion 10-81(1). Mr. MacQuarrie.

Motion 10-81(1): Invitation To Dr. David Torgerson To Appear As A Witness

MR. MacQUARRIE: Thank you, Mr. Speaker. Motion 10-81(1):

WHEREAS Dr. Green, who was invited to participate in this Assembly's debate on uranium wishes to decline the invitation if Dr. David Torgerson, whose area of expertise, waste management, he feels would be useful to our deliberations, can come in his stead;

NOW THEREFORE, I move, seconded by the honourable Member for Frobisher Bay, that this Assembly invite Dr. David Torgerson, from the Whiteshell Nuclear Research Establishment, in place of Dr. Green, to participate at the Assembly's expense as a witness during the debate on uranium exploration and mining.

MR. SPEAKER: The motion is in order. Would you proceed, please?

MR. MacQUARRIE: Thank you, Mr. Speaker. Very briefly, I had heard Dr. Green discuss the question of radiation hazard in a manner that was easily understandable to me, and it left me with the impression that Dr. Green was a knowledgeable, thoughtful man, whose advice would be valuable to us during our forthcoming discussion of uranium exploration and mining, and I still think it would be.

However, the Clerk Assistant received a call from Dr. Green indicating that he would come if necessary, but recognizing that the question of waste management would likely arise, he felt that someone whose expertise was in that area would be more beneficial to us. So he recommended Dr. Torgerson who has said that he would be willing to come. I spoke with Mr. Patterson who agrees to the change and who seconded my motion. So I would ask Members to support it.

MR. SPEAKER: Thank you. The seconder, Mr. Patterson, do you wish to speak? Ready for the question?

HON. ARNOLD McCALLUM: Question.

Motion 10-81(1), Carried

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

---Carried

That concludes motions for today. The hon. Ms Cournoyea.

MS COURNOYEA: Mr. Speaker, may I request that we go back to motions? I would like to ask for unanimous consent to go back to motions, for a notice of motion on sympathy.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Agreed.

---Agreed

Proceed.

Motion 11-81(1): Expression Of Sympathy For Bertram Pokiak

MS COURNOYEA: Mr. Speaker, I wish for unanimous consent to deal with this motion, seconded by Mr. Curley:

This House express its sympathy and condolences to Mrs. Bertram Pokiak and all members of her family for their loss on December 2nd, 1980, in his 70th year, in Tuktoyaktuk, of Bertram Pokiak.

MR. SPEAKER: Thank you. Are you ready for the question?

SOME HON. MEMBERS: Question.

Motion 11-81(1), Carried

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

---Carried

Item 10, notices of motion for first reading of bills. The hon. Mr. Curley.

MR. CURLEY: Mr. Speaker, I would appreciate it if you would give me a chance to make a comment on the motion before the vote.

MR. SPEAKER: I am sorry. I did not see an indication of your hand. If you wish to make one, go ahead, Mr. Curley. It is my error.

MR. CURLEY: Thank you, Mr. Speaker. Mr. Bertram Pokiak was one of the finest men that I have known even in my short term as a citizen of this Northwest Territories. (Translation) Bertram Pokiak was a real Inuit from Tuktoyaktuk and he followed the real cultural type Inuit. Bertram Pokiak handled himself during his upbringing at Tuktoyaktuk and I know this for a fact and I think

Nellie Cournoyea would agree with me on this subject. I know he has many, many children. He had his own house and he was not getting any housing assistance from the government and he was able to participate in the growth of the community. We must express our sympathy and condolence to Mrs. Bertram Pokiak. He has contributed toward the growth of the community and he has been hunting many times and his family is still growing and contributing to the North, the growth of the North. We should be grateful for the fact that some of his sons and daughters are still contributing as Mr. Pokiak would have done.

---Applause

MR. SPEAKER: Thank you. Are there any other persons who wish to speak?
Ms Cournoyea.

A Medical Mistake

MS COURNOYEA: Mr. Speaker, I know this event transpired on December the 2nd, but the reason why I feel that this gentleman should be recognized, and his family, is that the circumstance of Mr. Pokiak's death was not one which our administration probably would be very proud of. It was because of a mistake, it was a medical mistake. His family did not wish to pursue any action and perhaps in our deliberations on the subject of National Health and Welfare, some of these items should be discussed, but not in terms of this particular gentleman. This man was a proud man and his family is a proud family and I am sure that Mr. Pokiak would still be with us if he did not suffer the consequences of too quick action by the medical department.

MR. SPEAKER: Thank you. Mr. Fraser.

MR. FRASER: Thank you, Mr. Speaker. I, too, would like to say a few words about my friend. I had an opportunity to go through Tuk in the winter of 1946 and I had a poker game at his place. He was a very proud man. He admired his work. Everything he did he seemed to take pride in and he had his own rules that I did not go for too much. I must tell you that this night that we were in Tuk, it was in January of 1946, I went down to his place just to have a cup of tea and there was a poker game. I had no money; I went back to The Bay and got some money. The reason I decided to play was there was a polar bear hide in the game and I was after the polar bear hide and whoever won the polar bear hide was allowed to sit on it, otherwise you sat on the floor. So I played poker the best I could until I got the polar bear hide and then I started yawning and said I was going home but he said, "No, you can go home but you cannot take the polar bear hide until the game is over." So I sat for another two hours and lost the polar bear hide and all of my money.

---Laughter

But that was the way he was. He was firm in his decisions. He ran a good house and a good family. So I, too, give my condolences. Thank you.

MR. SPEAKER: Any further Members? Thank you. I think that we did get mixed up on the matter of a motion but that could have been brought up in another way. It did not have to come by way of motion and it is a point of respect and we will take it as that. The motion was not dealt with properly due to my error so we will let it stand on the record the way it is. I think it was properly looked after.

Item 11, introduction of bills for first reading.

Item 12, second reading of bills.

Item 13, consideration in committee of the whole of bills, recommendations to the Legislature and other matters.

ITEM NO. 13: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS, RECOMMENDATIONS TO THE LEGISLATURE AND OTHER MATTERS

Bill 1-81(1), An Ordinance Respecting Expenditures for the Public Service for the Financial Year Ending the 31st Day of March, 1982. Would Mr. Fraser take the chair?

---Legislative Assembly resolved into committee of the whole for consideration of Bill 1-81(1), Appropriation Ordinance, 1981-82, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 1-81(1), APPROPRIATION ORDINANCE, 1981-82

CHAIRMAN (Mr. Fraser): The time being 2:30, we will break for 15 minutes for coffee.

---SHORT RECESS

CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum. Before we call on the witnesses, I have a short announcement. It is Johnaise Akumalik's 20th birthday, one of our interpreters. Give him a hand fellows.

---Applause

Thank you. Mr. McCallum.

Northwest Territories Housing Corporation

HON. ARNOLD McCALLUM: Yes, sir. What are you thanking me for?

CHAIRMAN (Mr. Fraser): Do you have any witnesses to bring in the House or are you going to do it yourself?

HON. ARNOLD McCALLUM: Do what? Of course I do, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Ask permission.

HON. ARNOLD McCALLUM: To go back three steps and say "May I?"

CHAIRMAN (Mr. Fraser): Okay.

HON. ARNOLD McCALLUM: May I take in some expert witnesses, sir? Thank you.

CHAIRMAN (Mr. Fraser): Is it agreed? Do I hear any nays?

HON. ARNOLD McCALLUM: What are you trying to do? Ruin it?

CHAIRMAN (Mr. Fraser): Take two giant steps. We are considering capital on page 2.03, 2.04, and 2.05 and we are on comments of a general nature. Capital.

MRS. SORENSEN: We are on capital?

Detail Of Capital

CHAIRMAN (Mr. Fraser): Detail of capital, page 3.03, 3.04 and 3.05. Mr. Pudluk. Do you want to talk?

Housing At Nanisivik

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. Yesterday I did not have a chance to get into that general discussion since I was the chairman. I would like to ask a concern about Nanisivik. There are all sorts of houses in Nanisivik and there are only 15 buildings for Inuit people. Even though there are some people who want to work there, those people who are already presently employed, when they cannot get a house they just go home. Due to a shortage of housing, they cannot bring their wives or their families. Those people who come from the southern part of Canada have a different housing system. They are already given houses even before they arrive to Nanisivik. I know that Nanisivik is not going to be a permanent community. However, if there was a trailer which would be taken off Nanisivik -- that is a problem in Nanisivik, a shortage of houses. I would like to ask if this is going to be dealt with in the future. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Pudluk. Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I would just very briefly reply, and I would ask Mr. Forrest to maybe go into it a little more. Nanisivik, at the present time, is not within the jurisdiction of the Northwest Territories Housing Corporation. By virtue of an agreement between the mine and the government, the community and the mining company arrange for housing. I think, back a couple of years, that the housing corporation acted as an agent and constructed 15 units in Nanisivik. As to the future, I recognize that Nanisivik is applying for hamlet or village status. When that would come about, then there would obviously have to be other arrangements looked at. Perhaps Mr. Forrest would be able to comment to a greater degree. No, I think that is about it.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Mr. Forrest. No comment. Any further questions? Mr. Nerysoo.

Motion That Plan Be Developed For Construction Of Homes, Mackenzie Valley

HON. RICHARD NERYSOO: Yes, Mr. Chairman. As I stated yesterday, certainly the allocation of houses does not really reflect some of the concerns that the Dene communities have, and certainly not the needs. The programs which are of use, especially in the Dene communities, seem to be the rural and remote, which is home ownership, and the SSHAG, Small Settlement Home Assistance Grant programs, which are those programs in which you allocate funds, about \$15,000 or so, to people to build their own homes. Now, it has been my experience, in reviewing some of the programs, that you do not really have an overall plan for the Mackenzie Valley, and a plan for constructing, designing or repairing of homes. You do not have an overall plan.

Now, I have a motion that I would like to put on the floor, and the motion reads: That this Assembly urges the Northwest Territories Housing Corporation to develop, jointly with the Dene Nation, the Metis Association and the Mackenzie Valley Housing Association, a plan for designing, constructing and repairing of homes, to address the needs and concerns of the Dene communities; and further, that such a plan be tabled and reviewed by this House upon completion.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Nerysoo. Could we have a copy of that motion, please? The motion reads: That this Assembly urges the Northwest Territories Housing Corporation to develop, jointly with the Dene Nation, the Metis Association, and the Mackenzie Valley Housing Association, a plan for constructing and the needed repairing of homes to address the needs and concerns of the Dene communities; and further, that such a plan be tabled and reviewed by this House. Is it the wish that we get this typed out and brought back, or do the Members understand the motion? Mr. Nerysoo. To the motion.

HON. RICHARD NERYSOO: Yes, as I stated, we really do not have an overall plan that has been developed by the Mackenzie Valley Housing Association, the Dene Nation, nor the Metis Association being involved. Now, this is not to say that I want the political organizations to start deciding or determining the policy, but rather, that they could designate someone from within their own group, who has had experience in building homes from logs and has been involved in the home ownership program, to help develop a plan so that we are able, in future, to address, in a very sensible and open manner, the issues of houses in the Dene communities. Now, as I said, most of the homes that are being built now in the Mackenzie Valley are basically for home ownership and are being constructed from logs from the Mackenzie Valley. So I think that is an important aspect that we have to get into.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Nerysoo. To the motion. Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. Could somebody explain to me how this Mackenzie Valley Housing Association fits in with the corporation?

CHAIRMAN (Mr. Fraser): Mr. Forrest. Mr. McCallum.

Relationship Of Mackenzie Valley Housing Association

HON. ARNOLD McCALLUM: Mr. Chairman, I am not sure whether it should be I, or you, who could answer his question. You are the chairman of the Mackenzie Valley Housing Association, Mr. Fraser. However, I indicated yesterday that the Mackenzie Valley Housing Association gets direct funding from the federal government. The Northwest Territories Housing Corporation co-chairs the management committee, with CMHC, with the Mackenzie Valley Housing Association. They were meeting yesterday afternoon and possibly the chairman, as I say, who is now the chairman of this committee, would be able to indicate more to you. That is the basic relationship that we have with the Mackenzie Valley Housing Association.

CHAIRMAN (Mr. Fraser): Mr. Patterson.

HON. DENNIS PATTERSON: Thank you. Who is the representative of CMHC and where does he live?

HON. ARNOLD McCALLUM: The representative of the Canada Mortgage and Housing Corporation is Mr. King Ganong, and he, I believe, lives in Vancouver.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Mr. MacQuarrie.

MR. MacQUARRIE: Just following up on that, specifically, it was established by whom and with what objectives in mind?

CHAIRMAN (Mr. Fraser): I beg your pardon? I did not get the question.

MR. MacQUARRIE: Who constituted the Mackenzie Valley Housing Association and what are its objectives, specifically?

Funds Are Committed Through CMHC

CHAIRMAN (Mr. Fraser): Well, if you want I could maybe answer that. The Mackenzie Valley Housing Association originally was set up, I think, by the Metis Association, and Dene housing and I do not think they have any binds with the housing association. The funds are directly committed through CMHC, who have representatives in Yellowknife. They do mostly repairs to houses and it is not necessarily -- they are set up by a native organization, but they repair houses for people in the settlements who cannot afford to repair their houses themselves. They have no connection with the housing association at all, other than that they might ask them for a little legal advice once in a while on inspection from the housing corporation. So they are a separate body from the housing corporation. To the motion. Mr. Patterson.

HON. DENNIS PATTERSON: Obviously, I am not very familiar with the problems in this area. I just would like to ask another question, to help me in deciding whether or not to vote for this motion, which seems to make sense to me. I have heard some pretty worrisome reports about cost overruns on houses that were built in Mr. Nerysoo's home community of Fort McPherson, which apparently were built under a home ownership type plan. I do not know whether it was SSHAG or -- I am not sure of the details, but I guess the point is that the program

seemed to have been of great concern to the people who participated in it, because the cost overruns ended up getting passed on to them. I am wondering, first of all, who was responsible for that housing program and whether the mover of the motion could clarify if it was that sort of problem that he wishes to address by requesting this plan, this overall plan. Thank you.

CHAIRMAN (Mr. Fraser): Mr. Forrest -- I wonder maybe if he could answer your question.

Cause Of Cost Overruns

MR. FORREST: Thank you, Mr. Chairman. Mr. Patterson, I will try and answer the several questions that you have illustrated, beginning with number one. In 1976, the rural and remote program was introduced to the Northwest Territories jointly by Canada Mortgage and Housing Corporation and the Northwest Territories Housing Corporation. There were cost overruns on three units that you have mentioned and the cost overruns were caused by two things, and this is a partnership between the home owner and our corporation. We, as a corporation, failed to realize that home ownership in the North was new at that time and not understood. We did not -- and I am assuming this responsibility -- we did not properly instruct the prospective home owner of the long-term financial burden that home ownership brings. As a result, we supplied assistance in the planning aspect and in the material ordering aspect and we left it up to the then home owner to finish the design, to do the ordering and to build his own house.

So with those three problems, we have now completely changed the program. At the front end of the program now is an extensive education course in exactly what home ownership means, what the financing means, what the burden of financing means, what mortgage financing means, what repayment costs mean; taxes, heat, light and power. So today we are spending our energies in our rural and remote program in that area.

Rural And Remote Program

We are currently writing a paper on the rural and remote program as we see it. Attending three weeks ago in Ottawa were members of the Dene Nation, members of the Metis Association of the Northwest Territories, the Northwest Territories Housing Corporation, Canada Mortgage and Housing Corporation, along with the Indian Brotherhood of Canada, to co-develop and to proceed with this development of a new rural and remote program that we began two years ago. We will have our paper completed and this will be a co-operative paper between the Metis Association of the Northwest Territories and the Dene Nation of the Northwest Territories and ourselves and Canada Mortgage. We will have this paper prepared for submission to this group in their June meeting in Ottawa. Maybe I should not be answering Mr. Nerysoo's question, but there is a plan evolving to be submitted to the federal government by the agencies that I mentioned.

In our rural and remote program this year, we have 12 units budgeted for, with the average house cost of \$76,000 to be cost shared by CMHC, 25 per cent, and ourselves 25 per cent. We believe that the estimated final cost of these units will probably run in the order of \$101,000 so we are assuming, by this program, and we are encouraging that the \$25,000 can be properly related to "sweat" equity. Also, in addition to these 12 that I mention which are in the Mackenzie Valley, we are planning two in Frobisher Bay, one in Clyde River and one in Pangnirtung which will be the first effort of home ownership in and above the tree line. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. Patterson.

Renaming Of Program

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I do not want to spoil debate on this motion but I did have another question. I thought this program was originally -- when it was announced by the federal government, it was called the rural and native housing program. I do not want to be accused of being a racist or anything but if that was true, why has the name changed and what is the emphasis in the Northwest Territories? There have been some complaints that those funds were supposed to -- in the federal plan -- were supposed to be directed toward meeting urgent needs for native housing and somehow when it got here, it was changed. I am just wondering if I can have some clarification on that.

CHAIRMAN (Mr. Fraser): Mr. Forrest. Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I would offer in reply to the question that the naming of the program from "rural and native" to "rural and remote" was done by the federal government when it was applied to the Northwest Territories.

HON. DENNIS PATTERSON: Why?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: I personally do not know the correct answer or the real reason and Mr. Forrest suggests that it may very well have been because there were no reservations in the Northwest Territories at the time, save the small one in Hay River.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum.

HON. ARNOLD McCALLUM: I would suggest that as the answer. Mr. Forrest was not around at the time nor was I involved.

CHAIRMAN (Mr. Fraser): Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. When someone is to be involved in this program, are they told what the price of the house is going to be before they get involved and if the price changes, if it goes up, is the home owner expected to contribute to those increased costs? Or, if the house is going to cost X dollars, do the funding agencies live up to that promise as far as the home owner is concerned, whether it costs more than that or not?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

Corporation Has Assumed Responsibility To Home Owner

MR. FORREST: Thank you, Mr. Chairman. During the educational program, there is a weeding out effect. Many people, once they find out what they are going to commit themselves to, will step back. Now, once we have mutually agreed with each other for the design and the building of the house, the house is designed with the home owner and our architect or their architect, whoever is appointed, and then an estimate is placed on the house, including the labour that the individual home owner is going to apply. Then we both work as partners to ensure that that price is not overextended. Now in the event that there is a cost overrun, by mutual consent of the home owner and the corporation, then we, the funding partners, CMHC and ourselves, absorb that additional cost. This can be caused by transportation, an increase by inflation of equipment and materials. They are the only two items that we would consider a cost overrun today, and I am not speaking of the past. We feel that it is our responsibility to bring this

house in as a comfortable house and as an affordable house and we have assumed this responsibility to work in partnership with the home owner and not to allow any excessive cost overrun by the loan. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. Patterson, any further questions? To the motion. Mr. Nerysoo.

HON. RICHARD NERYSOO: Mr. MacQuarrie has something.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: I was just going to ask that it be read again please, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you, Mr. MacQuarrie. I would ask the Clerk to read the motion.

CLERK ASSISTANT (Mr. Hamilton): The motion reads: This Assembly urge the Northwest Territories Housing Corporation to develop jointly with the Dene Nation, Metis Association and Mackenzie Valley Housing Association, a plan for the designing, construction and repairing of homes to address the needs and concerns of the Dene communities, and further that such a plan be tabled and reviewed by this House upon completion.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Clerk. Mr. MacQuarrie. To the motion. Mr. Wah-Shee.

HON. JAMES WAH-SHEE: I would like to ask Mr. Forrest, concerning the motion that we are dealing with, will the Housing Corporation...

CHAIRMAN (Mr. Fraser): Could you bring your mike just a little closer please, Mr. Wah-Shee?

Contractual Arrangements With Band Councils

HON. JAMES WAH-SHEE: Yes, Mr. Chairman. Would the Housing Corporation still consider entering into a contractual arrangement with the local communities, individual band councils, if the band council wants to either look after the housing repairs of the local community or get into the construction of houses, and basically to carry out the responsibility in the area of housing for their own community? Will that still exist? The particular motion we are dealing with indicates that design and construction discussions take place between the Housing Corporation and native organizations.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Wah-Shee. Mr. Forrest.

MR. FORREST: Mr. Chairman, if I err in my answer it is because I will have erred in my understanding of the question. Maybe if I use an illustration, this will answer the question. That is, we are concerned, as a corporation -- and I am speaking for the board, for my board and for my Minister -- that our prime concern in the development of housing, both in the design and in the construction and the good management of the building once it is completed, is best placed in the hands of responsible people that have indicated that willingness and have proven their ability.

The example I wish to illustrate is that we have been negotiating with the Dene band council of Rae and, hopefully, we will be entering into a signed agreement. The document has been completed and it is now being discussed by ourselves and the Dene band council of Rae, for us to turn over the corporation's responsibility

for all classes of housing directly to that group. They have indicated very, very strongly and they have proven to us in totality that they are willing and that they are capable of this responsibility. So, it would become, rather than a management agreement between landlord and tenant, to that of a partnership between the corporation and to the band council as it relates only and directly to housing. Does that answer the question, Mr. Wah-Shee?

HON. JAMES WAH-SHEE: Yes.

MR. FORREST: Thank you.

CHAIRMAN (Mr. Fraser): To the motion.

AN HON. MEMBER: Question.

Motion That Plan Be Developed For Construction Of Homes, Mackenzie Valley, Carried

CHAIRMAN (Mr. Fraser): I hear question being called. All in favour? Down. Against? Contrary? The motion is carried.

---Carried

Any further questions for the witnesses? Capital, page 3.03, 3.04 and 3.05. Mrs. Sorensen.

MRS. SORENSEN: On looking at page 3.03, Mr. McCallum, I see that the Housing Corporation is undertaking to build some 121 new units, some under section 40 and some under section 43, yet when I look at operations and maintenance, I do not see an increase in that area. In fact, there is a decrease of some \$373,000 over what you actually used last year. Does that mean that we can expect supplementary estimates to cover additional O and M for these new houses or have you, somewhere within your budget, accommodated the fact that you will have 121 new units to contend with?

CHAIRMAN (Mr. Fraser): Thank you, Mrs. Sorensen. Mr. Forrest.

HON. ARNOLD McCALLUM: Just briefly, Mr. Chairman, these units obviously will not come into being for another year in the construction, so that it may very well be requested under the next particular budget to look after O and M on these. Mr. Forrest may have further on it.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Thank you, Mr. Chairman. As we mentioned yesterday, our construction program is spaced over two years, from June to September of one year, depending on transportation, and March through May of the following year, when they come into occupancy. We calculate what that half year, or what that X number of months of occupancy will be, as to the operation of the building.

CHAIRMAN (Mr. Fraser): Mrs. Sorensen.

MRS. SORENSEN: Under section 40, it is this government's responsibility to pay 25 per cent front-end money and that is what the \$1.085 million represents, the front-end money, is that correct?

HON. ARNOLD McCALLUM: Yes.

MRS. SORENSEN: Yes?

HON. ARNOLD McCALLUM: Yes.

Assembly's Commitment To CMHC

MRS. SORENSEN: What is our commitment to CMHC in terms of dollars then, because you have said CMHC pays 75 per cent? Or do we owe CMHC at some point in the future, mortgage for these houses as well?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MRS. SORENSEN: I am just not clear on that.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Thank you, Mr. Chairman. I was just waiting for the light. On section 40, the front-end money is 25 per cent from this House in a partnership with CMHC, who is supplying the 75 per cent. This is capital money. There is no repayment of that 75 per cent. In operations, we are responsible, as a government and a corporation, to pay 25 per cent of the operating expenses and CMHC 75 per cent of the operations. This is why since 1978 we have moved very, very strongly to section 40 rather than section 43. Hopefully, before this sitting is over, the construction program that we are projecting this year will be all section 40 and no section 43, but this is dependent on negotiations with the federal government.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mrs. Sorensen.

MRS. SORENSEN: Well then, where do these 50 year mortgages come in and where does this \$10 million that we will be paying in amortization come in?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD MCCALLUM: Mr. Chairman, it comes in under the financing arrangement we have with CMHC under section 43, where we pay 10 per cent and we get 90 per cent of the funding from the federal government. That is where the amortization comes. Mr. Forrest can give you facts or figures on it further, if you would wish it, but that is where the amortization costs come in, because we are, in effect, borrowing 90 per cent.

MR. FORREST: Mr. Chairman.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

Amortization Burden Lessened

MR. FORREST: Mr. Chairman, in 1974, the first full year of operation of the corporation, we built no houses under section 40 and 57 under section 43. In 1975 we built 21 houses under section 40 and 242 houses under section 43. In 1976, none under section 40 and 254 houses under section 43. In 1977, 61 houses under section 40 and 237 under section 43. Then, this is the year of the dramatic shift, in 1978 we built 67 under section 40 and 97 under section 43. In 1979, 126 under section 40 and 66 under section 43. Last year, 81 under section 40 and 19 under section 43. For a total of 356 houses under section 40 and 972 houses under section 43. This is the cause of the heavy amortization.

In October of this year, and this is our first negotiation with Canada Mortgage, we were negotiating 52 under section 40 and 95 under section 43. On December 31st, we reduced section 40 to 35 houses and section 43 to 85. We are currently negotiating now, as of January the 31st, and even at lunchtime today, 120, or our total new construction, under section 40, or 100 per cent. So, the trend has been rather dramatic in switching these sections, which then lessens the burden of amortization on the government and also increases the federal government's share by 50 per cent of the operating expenses, and this is the way that we have been guided by this Assembly, say in the last three years.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. I am just a little concerned myself. I do not know about the other Members. You keep talking about section 40, section 43, it sounds like a bingo game. Have we got those sections available to us in the housing regulations? I do not know about some of the Members, but section 40, section 43 -- I am familiar with it but I just wondered if the other Members were concerned.

MR. MacQUARRIE: Yes, they explained it to us yesterday, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Okay. Thank you very much. Mrs. Sorensen.

Amount Still Owing

MRS. SORENSEN: So, we have built 972 units under section 43 and we owe 50 year mortgages -- some obviously less than that because some years have passed. How many millions of dollars does that represent then, in amortization, that we still owe?

CHAIRMAN (Mr. Fraser): Mr. Forrest. Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I think we remarked on that yesterday as well. It approximates \$60 million.

CHAIRMAN (Mr. Fraser): Mrs. Sorensen.

MRS. SORENSEN: This year we are paying back some \$10 million against those mortgages, somewhere in the area of \$10 million. Is that not so?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, we have within our budget a figure of \$10.8 million. Mr. Forrest will indicate the CMHC role in that as well.

MR. FORREST: Thank you. Mr. Chairman, the net effect of this \$10.8 million -- the CMHC pays 40 per cent of that, so the effect on this Assembly is that the actual cash out of hand for amortization is in the neighbourhood of between five and six million dollars, about \$5.6 million, because they do cost share amortization.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Any further questions? To the motion. Mr. MacQuarrie. Any further questions?

AN HON. MEMBER: What motion?

CHAIRMAN (Mr. Fraser): The one that is coming up.

MR. MacQUARRIE: So the total debt that is owing on that now is 60 some million dollars. We are paying off a portion of that this year. Maybe I should not anticipate but I thought that what Mrs. Sorensen was getting at is, that is what the debt is this year but we are only paying a portion of it. You know, in long time terms, when you consider what is owed, the interest that is being paid year after year, to try to clear away the debt, what will that amount to over a period of -- well, the length of the mortgages? Does anybody know?

CHAIRMAN (Mr. Fraser): Thank you, Mr. MacQuarrie. Mr. Forrest.

Crippling Mortgages

MR. FORREST: I would rather, Mr. Chairman, answer it grammatically, than with a figure. It is absolutely stupendous. A 50 year mortgage would be the most crippling undertaking of this Assembly. We are now developing a financial model on all of our mortgages as to the effect that this will take in 50 years.

Notwithstanding the cost sharing, a house that we built in 1975 could well cost us at the end, \$375,000 in mortgage payment only, and this we have been addressing ourselves to. This is why we mentioned yesterday that the corporation has taken it upon themselves, with the understanding that this is a direction, to renegotiate these mortgages, these crippling mortgages.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: Well, first, is the interest rate fixed or is that -- each year we have got problems with rising interest rates and you are affected by that now, are you?

HON. ARNOLD McCALLUM: Yes.

MR. MacQUARRIE: We are making payments every year. Are we gaining ground or losing?

CHAIRMAN (Mr. Fraser): Mr. Forrest. Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I think we hope that we are gaining ground.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: Yes, Mr. Chairman. I notice that we are going to be asked to authorize a loan of \$10 million to the Housing Corporation, the financial bill that is coming before us. How does that fit into the financing of the corporation? What is it for and what does it do to our economic picture?

CHAIRMAN (Mr. Fraser): Mr. McCallum. Mr. MacQuarrie.

MR. MacQUARRIE: Mr. Chairman, I am referring specifically to Bill 5-81(1), An Ordinance to Authorize the Northwest Territories Housing Corporation to Borrow Funds, and it would allow them to borrow a sum not exceeding \$10,881,000.

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, Mr. Forrest indicates that is correct, that we are asking for that amount under that particular ordinance. I am sorry, I did not catch...

MRS. SORENSEN: What is it for?

MR. MacQUARRIE: What is it for and what will it do to our financial picture?

CHAIRMAN (Mr. Fraser): The question is, what is the money for?

MR. FORREST: Mr. Chairman, we always do ask for a loan for the Northwest Territories Housing Corporation in order to conduct the business for the next year. In our application to this House, the amount of amortization is included. Also in the breakdown, you will notice that the contribution of CMHC is X number of dollars so the net effect is what we have included in our budget. We are gaining ground in that we are not getting deeper in the hole through amortization this year and the subsequent years, but that still does not address ourselves to the \$60 million outstanding which, I stated, we are presently negotiating with CMHC. I am sure I did not answer your question.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

Heavily Burdened By Debt And Amortization

MR. MacQUARRIE: You may have but if you did, I did not understand it. Again, I said I am a little slow in economic matters so I hope you will be patient. According to the schedule, apparently it will be an authorization to borrow funds for public housing under section 43. I do not know how it fits into -- we are going to make a contribution of \$24 million. It appears that we may authorize the corporation to loan an additional -- and maybe that is where I am going wrong -- but it would appear to me to be authorization to loan an additional \$10,800,000. All I am saying is that we are already in an economic situation where we are heavily burdened by debt and amortization. Are you saying that this, actually, this method of handling the finances will help us to get out of debt quicker? Or it seems to me that the effect might be to move us backwards a little. I do not know.

CHAIRMAN (Mr. Fraser): Mr. Forrest. Maybe you could simplify the question a little.

MR. MacQUARRIE: If the witnesses ask, I would attempt it but I think the question is understood. It is maybe a difficult one to answer. I am willing to wait, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you. Mr. McCallum. Mr. Forrest.

MR. FORREST: Mr. Chairman, this allows us legally to enter into mortgage arrangements with Canada Mortgage and Housing Corporation. In other words, through the passage of this bill, this allows the corporation to negotiate a mortgage with CMHC and to enter into mortgages with CMHC. There would be, this coming year, approximately 40 mortgage documents that are duly registered. This is a legal requirement and by this House passing this bill, this then authorizes the corporation to enter into legal mortgages with our funding partner, CMHC.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Any further questions?

MR. MacQUARRIE: I think that is fine.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: Yes, Mr. Chairman. I think I understand what they are getting at. I will just mull it over for a while. Thank you.

CHAIRMAN (Mr. Fraser): Any further questions? Capital. Mr. Nerysoo.

Experimental Units In Communities

HON. RICHARD NERYSOO: Yes, I just want to get something straight here and that is under rural and remote, you have an experimental unit or four experimental units; one in Clyde River, two in Frobisher Bay and one in Pangnirtung. You then go to the opposite page and you have experimental housing there; one in Clyde River, two in Frobisher Bay and one in Pangnirtung. Are those the same houses or are they two different kinds of programs that you are running there?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Mr. Chairman, these are the same houses. They are the experimental units and they are experimental in three dimensions. They are experimental for home ownership, they are experimental for energy conservation, and they are experimental in interpreting lifestyle of the people. So therefore while they are the same house, we have broken down the budget in two factions in order to secure that additional money for these three interpretations and three experiments from Canada Mortgage and Housing Corporation, in the amount of \$19,000 each.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Any further questions on capital? Mr. Nerysoo.

HON. RICHARD NERYSOO: Just a supplementary. Then what you are saying is that the actual \$100,000 on page 3.05 are moneys that this government is going to be putting into houses, as compared to the approximately \$80,000, on page 3.04?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Mr. Chairman, that would be correct. Thank you.

CHAIRMAN (Mr. Fraser): Mr. Nerysoo.

HON. RICHARD NERYSOO: Okay. Just a further question. I realize that the writing of this budget began before the national energy policy was tabled in the House of Commons. Now, some of the moneys you are allocating for these houses could easily be gotten from the program outlined in that policy, is that not right?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

Joint Effort Between Corporation And Department

MR. FORREST: Thank you, Mr. Chairman. This is correct, Mr. Nerysoo. We began this design process a year and a half ago and at that time there were not moneys available from the Department of Energy, Mines and Resources. The corporation decided that in order to prove that we could develop energy efficient houses, we proceed with seven. This year, in June, we approached it in the same manner, but subsequent to then and as recently as a week ago yesterday and two weeks before, in attendance with the federal people, the housing officials of the provinces and ourselves, hosted by Canada Mortgage and Housing, we invited a member of Mr. Nerysoo's department with us to Ottawa.

Through subsequent discussions there and here, we feel secure that through Mr. Nerysoo's ministry, that certain moneys will be available there for a joint effort between the corporation and the energy department of Mr. Nerysoo's department. So, we are proceeding on that line now.

CHAIRMAN (Mr. Fraser): Any more questions on capital? Mr. Patterson, Mr. Kilabuk.

Senior Citizens' Homes

MR. KILABUK: (Translation) Mr. Chairman, if I may briefly ask a question. It states on page 3.05, senior citizens' homes in Fort Simpson and Inuvik which are already in existence, furnishings for these.

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, yes, they are already in existence.

CHAIRMAN (Mr. Fraser): Mr. Kilabuk.

MR. KILABUK: (Translation) A further question; a supplementary. Are the furnishings identical or are they not, according to page 3.05?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, as I understand the question, he is asking whether the senior citizens' homes are the same. No, they do not all look alike, if that was the question. What we are saying here, is that there is certain particular funding that we provide to the housing associations in these areas to purchase furnishings for the senior citizens' homes, but they are not all built the same. The one in Fort Providence is different from the one in Fort Smith, for example.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Mr. Kilabuk.

MR. KILABUK: (Translation) Mr. Chairman, I just wanted clarification. Are these senior citizens being charged rent identically or do some of the senior citizens pay higher than the others?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, that would be dependent upon the gross income of the individual. Rents are assessed dependent upon the income of the individual in the unit.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Mr. Kilabuk.

Housing Training Program

MR. KILABUK: (Translation) One further supplementary question. We have people taking a housing training program that has been going on for three years. I would like to know when these trainees will have the potential to go into co-operation with the housing corporation to build houses.

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I would ask Mr. Forrest to reply.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Thank you, Mr. Chairman. We are now entering into our fourth year of training with the people of Pangnirtung. It is planned, and it is hoped, that toward the end of this year, and certainly for the construction season of 1982, that at least two of these men will be capable of bidding, tendering and winning a contract with the corporation and to profit reasonably from their labours. Now, the corporation intended to -- budgeted for, before the budget cut, a sum of money for the small business training. Since that time, we have met with the Department of Economic Development, both at headquarters and the representatives of the Baffin. We are developing a joint program to train these people with the Department of Economic Development doing the funding, ourselves contributing trainers and teachers, along with the Department of Education. So, it would be, to my knowledge, the first program of this type to teach and to train potential subcontractors, and then ultimately contractors, in managing their money affairs and managing their manpower, in order to gain a reasonable profit as responsible businessmen in the Territories.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. Patterson.

Encouragement Of Local Businessmen Obtaining Contracts

HON. DENNIS PATTERSON: Yes. Thank you, Mr. Chairman. Will the corporation go out of its way to encourage local businessmen to bid on rehabilitation contracts as they have managed, I think successfully, to do in Pangnirtung at least, last year?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, yes, we will.

CHAIRMAN (Mr. Fraser): Mr. Patterson.

HON. DENNIS PATTERSON: How exactly was that done in Pangnirtung? Did the corporation give active assistance to the local contractor to aid him in preparing a bid or was there an invitational tender, or what was the process? I was impressed with the fact that a unilingual Inuit from Pangnirtung, who obviously had great experience in housing construction but maybe not much ability in preparing tender documents and the like, namely, Peteroosie Qappik, was able to get the contract, and I believe do an excellent job in carrying it out. I am just wondering what role the corporation had there, and I guess I am wondering because I would like to see that sort of thing take place, not just for native contractors, but for any local contractor in the community. I realize there are sometimes fine lines to be drawn between the corporation and persons bidding for these contracts. Could you give me a little more information on that?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

Getting The Best Value For The Dollar

HON. ARNOLD McCALLUM: Mr. Chairman, what normally occurs is that there are tenders that go out and are responded to. We do not necessarily take any or the lowest tender and if, in fact, we believe the tenders may be too high, then we would want to negotiate with northern people to have this work carried out. Now, I have to indicate that that may not be what CMHC would want, because after all, some of this money is CMHC's money. They are concerned with these programs nationwide and not in terms of giving preference.

So, what we are able to do, through the efforts of the Housing Corporation, Mr. Forrest and his staff would be able to sit down with those people who have tendered, and where their tenders are too high, to sit down and negotiate with them, in an attempt to make use of northern businesses and people. I do not know that there is any real secret to it. It is simply being able to sit down and talk to them, having in mind that we would be trying to bring along northern people in this kind of a business. Mr. Forrest has indicated and referred to the training program and the educative program that these programs are undertaken in various parts of the Territories. I think it is just part and parcel of trying to make sure that we do get best value for our dollar and, as well, to make sure that people from the North benefit from the kinds of programs, either in rehab or construction.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Any further questions? Capital budget. Mr. Wah-Shee.

Assessment Of Rents For Senior Citizens

HON. JAMES WAH-SHEE: Yes, Mr. Chairman. I would like to know whether we have a standard rent for the old age pensioners across the Northwest Territories or do we have a variety of rates for the old age pensioners?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, as I indicated previously, rents are assessed under gross income of an individual. We also take into account that there are different zones or areas dealing with the cost of living. These are the zones that are developed by the Department of Social Services, dependent upon the cost of food, the cost of living, clothing, etc., in particular areas. Certain communities belong to certain zones so the rent that is assessed against a senior citizen is determined by the amount of the gross income and whatever the zone, as it were, for cost of living that this particular senior citizen resides in.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Is that controlled by the housing association or the local housing authority?

HON. ARNOLD McCALLUM: Mr. Chairman, do you mean the rent?

CHAIRMAN (Mr. Fraser): The rent, yes.

HON. ARNOLD McCALLUM: The rent is with the local housing association.

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

HON. JAMES WAH-SHEE: Mr. Chairman, is it possible for the Housing Corporation to consider a standard rent for fixed income groups like the old age pensioners, because if you live in the Eastern Arctic or if you live in the Mackenzie Valley, it does not really make any difference because you get the same amount for old age pensioners? I think that if they are talking about different zones, then it should really be applied to other groups who have the ability to have a better income, at least above the fixed income groups. So I would like to know whether the Housing Corporation could consider a standard rent for fixed income groups, particularly for the old age pensioners.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Wah-Shee. We will let you think about that one for about 15 minutes, Mr. McCallum, and we will take a coffee break.

---SHORT RECESS

CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum. I am told that if we listen in on channel five, we will get a clearer response on the radios. Inuktitut Members, still use channel six. If it does not work, do not blame me. Capital budget. Page 3.03, 3.04 and 3.05. Any further questions?
Mr. Kilabuk.

MR. KILABUK: (Translation) In regard to the senior citizens rent payment, I believe Mr. Wah-Shee and I have the same concern. Has the Northwest Territories Housing Corporation ever considered that throughout Canada -- let us say that they are travelling, they are given so much percentage on the air fare? Perhaps the Housing Corporation should take this into account and consider charging them only so much percentage, and also taking into account that these people are on old age pension and it causes some inconvenience to some of the old age pensioners who do not have very much money left to buy their food. I wonder if it would be more ideal and more reasonable for the senior citizens to be charged exactly the same, an identical rate throughout the Territories, and perhaps using as an example, that air carriers only charge so much of the regular air fare. Perhaps the Housing Corporation should also take this into account.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Kilabuk. I think the same question came from the Member, Mr. Wah-Shee, concerning that. I wonder if Mr. McCallum could respond. Mr. McCallum.

Universal Minimum Rent Payment For Senior Citizens

HON. ARNOLD McCALLUM: Mr. Chairman, I cannot say for sure how many senior citizens pay more than the minimum amount of rent, \$28 per month. I cannot say for sure how many but I would suggest to the committee that -- Ivory soap -- 99 and 44/100ths per cent of them pay the minimum rent. Now that is a generalization and until I went into it and we ascertained just the number of senior citizens in these units and the number who pay more -- but it would seem to me that almost all senior citizens pay the minimum rent, \$28.

As I suggested, there were five zones set up across the Territories for social assistance. The housing association takes that into consideration; the food allowance, the clothing allowance, and the personal care allowance in each one of these particular zones. For example, in zone one, which is made up of communities in the West around the lake, Detah, Enterprise, Fort Providence, Fort Resolution, Fort Simpson, Fort Smith, etc., Yellowknife, the monthly basic allowance in that zone made up of food, clothing and personal care is \$137. Now if a senior citizen makes more than that, they pay that minimum rent, \$28. In zone four, which would be Frobisher Bay, Pangnirtung, Igloolik, the total monthly basic living allowance is \$168 so one would have to make more than that before they would be paying additional amounts of money. So what we have done, in effect, is have one rate for senior citizens, and that is universal, if you like, across the Territories, that individuals, senior citizens, would pay that minimum amount based on their gross salaries.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Mr. Kilabuk.

Inequality In Rent Charges

MR. KILABUK: (Translation) Yes, Mr. Chairman. I now realize that you are not very well tuned to the sound as to how much the senior citizens are being charged for rent. It is evident now that you are not very well tuned to how much they are being charged in the various zones. This \$28 does not even apply to the senior citizens. I know for a fact that senior citizens, in my own home town, are charged over \$100 at times and sometimes less than \$100.

It is clearly evident that you are not very well tuned to the problem and the Housing Corporation should be taught a little bit of a lesson in this regard. It has been mentioned many times that if a hunter is not able to find a job in the community, then they will be charged \$28 per month rent. You should seriously investigate this matter.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Kilabuk. Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, let me get back into the right song then. There were senior citizens in the Northwest Territories in housing that is provided for them, that are paying \$28. It is not just for hunters and trappers. Senior citizens in the Territories pay a minimum of \$28 for their housing that is provided for them. If an individual is paying more than \$28 rent, then they must be making more than the food allowance, the monthly living allowance in those particular zones. I do not question whether in fact there are people, maybe even senior citizens, who are paying more than that, and as the Member says, maybe \$100, less than \$100 and more than \$28. That is because their gross income on which rent is based is greater than the basic monthly living allowance. That is why.

CHAIRMAN (Mr. Fraser): Mr. Curley.

Transporting Construction Materials

MR. CURLEY: Mr. Chairman, I have a question to the Minister responsible for housing, Mr. McCallum. I suppose that one of the major problems, in terms of supply, is the different shipping seasons when construction materials are coming in, and so on. The Housing Corporation, in my region, normally only ship construction materials through regular NTCL shipping. You know, I notice, for instance in Baker Lake, the housing construction material did not get there until late September and by that time the ground was already freezing up. My question is, why does the Housing Corporation not take into account the fact that there are very few months of decent construction weather in our area? Taking that into account, why do they not normally try to make use of the Hercules to ship those materials, even just before break-up, so that the contractors will have enough time to erect the buildings in the communities? Private industry does it up there. You know, private companies normally bring in the supplies by Hercules, by the fact that they have enough load to make use of the Hercules. So, could you tell me why the Housing Corporation does not normally make use of that transportation?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, may I have Mr. Forrest answer the Member's question?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Thank you, Mr. Chairman. I wish to be corrected if I am wrong here, Mr. Pilot, but there is an agreement between the Government of the Northwest Territories and the Ministry of Transport, or NTCL, whereby in order to ensure transportation, there is an agreement by our government, including ourselves and either NTCL for the Keewatin or MOT for the Baffin. Now, we are bound by that. We have recently, as recently as this week, met with the Ministry to get dispensations so we can use other carriers and local carriers, but we have been turned down. So, I do not know whether the problem comes back to the

House or not. In so far as Hercules transport is concerned, the only place that we Herc into is Pelly Bay, because of the ice or another community that happens to be icebound by armour ice of that year, and this year, Fort Franklin because of the lack of the road system. So, again sir, we are bound by those agreements.

CHAIRMAN (Mr. Fraser): Mr. Curley.

NTCL Agreements A Problem

MR. CURLEY: Yes. Thank you. This is really a major part of the problem, I think. You know, where there is no other mode of transportation in our area except the summer shipping season, other than air, and yet the problem -- you know, the contractor is normally incurring further expenses. I know many of the contractors in my area are losing money, even if they have included it into contract, for instance, when some of the materials are missing. They cannot get it, and due to the freeze-up, they cannot complete the houses.

An example is Eskimo Point. It is really cold. I think they were having difficulties for a while, but they may have gotten over some of them. So, I would certainly like to know during this debate whether or not all the departments, major departments, should attempt to lobby together to try and get out of this protection business for NTCL, which is really creating more problems than anything else in terms of meeting the deadlines and so on, because the business community only operates on a certain fiscal policy. I will be asking the Commissioner later on as to what he has done about his promise to look into amending the agreement, that other carriers be allowed to ship supplies and so on to the communities. That might be helpful, but I wonder if George Forrest would indicate to me whether NTCL, agreements like that pose a problem to construction seasons or not. I think it does create a problem to the contractors. It certainly creates a problem to the community, not being able to keep up with the schedules. Could you react to that, please?

CHAIRMAN (Mr. Fraser): Thank you, Mr. Curley. Mr. Forrest.

MR. FORREST: Thank you, Mr. Chairman. I am very narrow in thinking because my trade and desire demand it of me. If I could get, by any means, a housing package or resupply 10 days, two weeks ahead of what we do now, I would be, personally, fully supportive. We have such a short building season, we do have resupply problems. In the Keewatin we are fortunate if we have one sailing per year, sometimes we have two sailings per year, sometimes three and four weeks apart, and it becomes very frustrating when the ship is within eye view and it is stalled in the roads, when we are waiting to build.

This also creates a problem with our contractual obligation with the contractor and it again puts the corporation at peril, along with the contractor. His forces are there waiting, because we have to specify a date, the date we are given by NTCL, and failure by NTCL or MOT is not accepted -- their responsibility is not accepted by them, so therefore, we must assume that responsibility. These are only comments of rather frustrating times that we do have in our supply and resupply.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I would just like to go back, if I may, to the business of rent, to possibly give everybody the correct method by which rent is determined, if Mr. Curley does not have a supplementary question along the lines that he was pursuing.

CHAIRMAN (Mr. Fraser): Mr. Curley. Supplementary.

Exemption From NTCL Agreement

MR. CURLEY: Yes, one. One question. As the president of the corporation, would it be desirable for you to have to be exempted from that NTCL agreement, which only presents problems? If you had your name as chief executive officer, or whatnot, if you were, would you prefer to be able to deliver and supply construction material, even if you had to use a Hercules, rather than using the present system that government has tied down?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Thank you, Mr. Chairman. I trust I am just being requested, as a personal comment, as the president of the corporation. The answer is in two parts. If I could have more time to build, I would support that totally, but then I must be authorized for the differential in cost between Hercing in and coming in by sealift. So, there would be an additional cost to do business, in that respect. We could alleviate a tremendous percentage of our problems if we could get closed in before the snow and before the cold weather, so our people could work in comfort, number one. Number two, we do not have such great losses of equipment that is buried under snow and material that is buried under snow and that cannot be found, and therefore you get the resupply equation coming in there. So, we share in your frustration, because it is our frustration, but there are two points, two answers to your question. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. McCallum.

Method Of Assessing Rent

HON. ARNOLD McCALLUM: Mr. Chairman, just to explain, hopefully, very briefly, the method by which rent is assessed an individual, be they a senior citizen or not. What occurs is that the total amount of money that an individual brings in as the result of any kind of an endeavour or social assistance, any kind of money coming in, from that total amount is subtracted the basic living allowance, as determined by the Social Services department and what is left is assessed 25 per cent. In other words, one quarter of what is left is the amount of rent that an individual pays. Now, in the case of Pagnirtung, if an individual has a gross income of \$285 a month, from that is subtracted the zone four basic living allowance, which is \$168, that individual, then, would pay rent at 25 per cent of the difference between \$285 and \$168, which is approximately \$117. Then taking 25 per cent of that, it works out to just a little bit more than \$28, which is the minimum amount of rent that is assessed an individual.

Now, if an individual takes in \$500 a month in Pagnirtung, the basic living allowance is subtracted, which leaves \$332 remaining, and one quarter of that, which is roughly \$83 a month, is the rent. In order to have to pay \$83 a month rent, a senior citizen or that individual must have a gross income of \$500 a month, which is \$6000 a year. I just wanted to give that example, Mr. Chairman, so that Members will understand how rent is assessed.

CHAIRMAN (Mr. Fraser): Thank you very much, Mr. McCallum. Mr. Patterson.

HON. DENNIS PATTERSON: Well, I will yield to Mr. Nerysoo.

CHAIRMAN (Mr. Fraser): Mr. Nerysoo.

Construction Cost Overruns

HON. RICHARD NERYSOO: Yes, Mr. Chairman. Well, you mentioned that in the present policy and the future policy in the area of rural and remote housing, there will be protections for overcost that occur from construction. Is that true? Then, I have to ask you a question and that is whether or not in the past, these costs were paid by the Housing Corporation or any other agreement by the Housing Corporation.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Mr. Chairman, the people that went over their budget have not been penalized by increasing the mortgage, interest rate...

CHAIRMAN (Mr. Fraser): There is no sound. Have you got your light on?

MR. FORREST: It is now.

CHAIRMAN (Mr. Fraser): Try again.

MR. FORREST: Mr. Chairman, the...

HON. ARNOLD McCALLUM: The light is on but it is not coming through.

CHAIRMAN (Mr. Fraser): No sound coming in.

MR. FORREST: I do not really need it, Mr. Chairman.

HON. DON STEWART: The interpreters do.

CHAIRMAN (Mr. Fraser): The interpreters do. We have run out of sound here.

MR. FORREST: Hello -- I guess I will never make Commissioner. Thank God for that. Mr. Chairman, to answer Mr. Nerysoo's question, the cost overruns were borne by Canada Mortgage and Housing Corporation and this corporation, much more by Canada Mortgage than by ourselves. In essence, and in fact, the mortgage that is now registered was registered in the original amount that we all understood it to be, namely \$47,000. The house cost in excess of \$60,000 via mortgage so the difference was paid by both Canada Mortgage and ourselves. Again, this is why we must ensure that the people fully understand what their responsibilities are and we must respond with our responsibilities. This was not successful.

MR. CURLEY: Question.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. Nerysoo.

Protection To The Individual For Cost Overruns

HON. RICHARD NERYSOO: I am looking at some figures in front of me and there are some cost overruns that have gone as high as \$36,000 and as low as \$2000. I am not sure who made the mistake but \$36,000 is a lot of money to overcost any house and my own experience has been that there was delay in houses in the sense of construction; materials were not available and the padding is not sufficient. Many of these people, as you said, are now in a situation

where they have to bear costs that they never knew about and will have to bear them in future. Now we are protecting those people that will apply from now on but we never really at any time in the past protected people that had these cost overruns and at times it was not even their fault.

MR. CURLEY: Question, question.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Nerysoo. Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I think the Member is making a comment. I did not recognize a question in it. The only comment I would make in it was that, they are things that have gone on in the past. The president, chief executive officer, or myself were not involved so I do not know what I can do other than comment that way.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you. First, Mr. Curley keeps calling question. Is there a motion on the floor?

CHAIRMAN (Mr. Fraser): No.

MR. MacQUARRIE: Or is he having a gas attack or what?

MR. CURLEY: Yes, a motion for first reading of bill.

MR. MacQUARRIE: Is there a motion on the floor?

CHAIRMAN (Mr. Fraser): No, there is no motion on the floor.

Rental Rates For Public Housing

MR. MacQUARRIE: Thank you. I did not think there was. Someone had raised the question of rents and that is an area that I did want to go into so I will take a moment on that. I do not have the figures but I can remember that last year you brought to us a table that showed what, everything considered, was making equalization allowances for differences in cost of living and so on; that the Northwest Territories rental rates for public housing were, I would say, far below the rates for public housing in all other areas of Canada. Am I correct in remembering that and if I am, has that situation changed significantly?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I would ask Mr. Forrest then to comment.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

Rental Collection Rate

MR. FORREST: Thank you, Mr. Chairman. I can quote tables here but two things have happened since last year. We are collecting on an average, and I can go into each community if you wish, but we are averaging 98 per cent of our rent collection per our assessment in the Territories. However, that is one part of it.

The second part is that the Department of Social Services have increased the cost of living allowance which gives us a seven per cent lesser rent collection this year and if you added to that the cost of inflation of 11 per cent, it could be 18 per cent less. Now, it is physically going to be seven per cent less so we are very pleased to report that our rent collections are almost 100 per cent of our assessed rent. Furthermore, this is such a heavy problem in the

communities and in our districts, that in the Keewatin and also in the Baffin, the housing federations have completed -- or have completed in the Keewatin and almost completed in the Baffin -- a community by community forum to receive suggestions and comments of how better the rent can be assessed and will be presenting to the board of directors of the corporation, their recommendations and their comments.

Their guideline is, and the guideline has been by myself, how can we better collect rents more equitably, not necessarily increasing the total amount of rent collections to that point of inequity, but how can we make it more equitable and more responsive. So that is the process that we are going through today.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. MacQuarrie.

Rental Rates Lowest In Canada

MR. MacQUARRIE: Thank you. Yes, I was going to ask that question too, and I thank you for the answer. I am pleased to see that the rental collection rate is that high. My specific question was that when you consider all of the costs that people have who are in public housing, and then I think you said the 25 per cent of the net amount was what was charged for rent -- I remember a table last year that indicated that what we were asking for rent of people in public housing with all things considered, and that included cost of living differences, that we were asking a lesser amount, a lesser proportion than any other jurisdiction in Canada. My first question: Do I remember that correctly? The second question: If so, has that changed significantly in this past year or are we still the lowest in Canada in that sense?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Mr. Speaker, the honourable Member is quite correct. We are still the lowest in Canada, almost inversely proportionately lower because theirs has gone up between 18 and 22 per cent within all the provinces, whereas ours has come down seven per cent so the equation becomes larger and larger and larger each year. It also has a very detrimental effect with our dealings with the Government of Canada through CMHC because, number one, they will not accept our rental scale, and they are not really too concerned about our problems in the North. Our operation per unit cost has gone up this year, or for 1981, almost \$1000 and yet our rent has come down. So we are constantly caught between increasing costs and decreasing rent because of the cost of living in the Northwest Territories.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. MacQuarrie.

Collection Of Rents

MR. MacQUARRIE: So it is certainly very important then that whatever rate we do have, that we do have a system where almost all of our rents are collected. I can recall in that connection that Mr. Patterson was going to provide a package that would show us how effectively to collect those rents. Has that been done? Do we have a good system now?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Mr. Chairman, yes. On the direction and by way of motion of this House last year, we have followed the direction and we are currently -- there is a trained person that Mr. Patterson had alluded to last year or alluded to a company or a method. Now there is a trained person and that trained person has had -- we have had two workshops in the Keewatin and one of the topics on the agenda was small claims and the collection of small claims, to teach our housing association managers and boards of directors the procedure to follow.

This will be done in the Baffin on March the 9th, 10th and 11th, so we are pursuing that area. Now, whilst we have not taken a tenant to small claims court as yet, the housing associations are prepared now to use this vehicle, now that it is becoming understood.

Secondly, the system is very, very complicated for lay people and the process is now going on in writing it in such a manner that the lay people of the housing associations, without recourse to lawyers, can proceed through the court with it. So, that will be in place by this fall.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. So finally, in this regard then, I am concerned, along with a lot of other Members, that we do set what would be considered to be just rental rates, all factors considered in peoples' lives. Having done that then, do I understand that there is a strong resolve on the part of the corporation, once that is done, to collect rents that are owing?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

Rent Collection An Integral Part Of Housing Associations' Budget

MR. FORREST: Mr. Chairman, the honourable Member can be totally assured that we do have strong resolve, but more important than the corporation's strong resolve is that of our partners, the associations, and they realize the significance of rent collection as an integral part of their budget. We have heard it said and we have read it in newspapers, that housing associations cannot pay their maintenance men because they do not have any money, but whether it is the rent portion or whether it is our portion, is never said, but the two portions together form 100 per cent. If they were to collect 15 or 13 per cent by rent historically, and we budget on that, and then they collect one or two per cent, then they are 10 to 12 per cent short in their budget, so they have to make the decision of where they are going to cut. They realize this and they are concerned about, and they understand it. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. Patterson.

Guidelines For The Board of Directors

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I would like to turn to the subject of allocation, which we dealt with yesterday. I have had a chance to review the allocation guidelines that were kindly made available to me this morning by the corporation and I must say, for the information of Members -- it is found under the management section of section four of this purple manual that we got -- I must say that the allocation guidelines are quite impressive. I must also say that as far as I can see they bear little relation to reality.

For example, there is a policy on page 4.8 about companies and agencies and basically it says that where people who are employed by a company, a church or another agency, like the federal government, where they are entitled to housing are not in need of housing; if an agency or person tries to apply pressure on a board of directors to give an employee or a friend special preference at the expense of others, then the district manager should be contacted. It goes on to say that such agencies or companies should get an economic lease on a house, and that the housing association would then rent the house to the company and that the employee or person living in the house then is not a member of the housing association. Well, I can cite all kinds of examples in Frobisher Bay alone, where I know that is not being done.

Also, I notice in the tenancy agreement that no vehicles other than privately owned, registered vehicles used for domestic transportation, may be stored on the premises or the lot on which the premises is located. All you have to do is drive around Frobisher Bay and see company vehicles using public housing electrical outlets, for block heater and battery and all that. I do not think that is being followed.

District Managers Overruling Boards

I also feel that there are other times, as I mentioned yesterday, where the allocation guidelines just are not being expressed. Now, I guess I have a question to ask. On page 4.9, it says that if poor allocations take place, the district manager can overrule the board, which makes sense to me since really the district manager, as I understand it, represents the owner of the house, namely, the Housing Corporation, whereas the housing association is only the manager. Now, what I would like to ask specifically is, this sounds nice, you know, that the district manager is going to supervise and make sure that houses are allocated fairly and equitably, according to need. What I would like to ask is, is this happening and specifically, are district managers overruling boards where there are unfair allocations?

Now, I know the district manager is not doing it in Frobisher Bay, because I have approached the district manager and been told that he does not want to interfere with the board. Can you tell me, is this rule just a nice phrase here on page 4.9 or is it happening? If it is not happening, I am going to propose a motion to urge the board to make sure that it does happen, because I think there are abuses going on. I would like some reaction on that.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Mr. Patterson, there is action and there is reaction. I am reading page 4.9 and it comes to mind, on the top left corner, of emotional stress, which is a consideration, and many of our housing associations themselves find themselves under an emotional stress, and that, plus what was said yesterday of patronization, is a fact that we must face. However, to answer your question, in three communities now our district manager has, in effect, overruled the board but with the board's support and blessing and those inequities have been cleaned up.

Frobisher Bay Housing Association

In so far as Frobisher Bay is concerned, you are quite correct. I have personally taken action to enforce our district manager to enforce the rules, or the guidelines that have been set down. Frobisher Bay has a difficulty, however, here. There are two difficulties. Number one, many years ago, due to circumstances that were not there at the time, a ruling was made to allow certain government people, both federal and others of the territorial government, to move into family housing. This is gradually being reversed but it takes time, because of a previous promise. But you can rest assured that that is happening.

There have been several cases whereby the housing association have allocated a house even to their own manager, who already owned his own house. Eviction notice has been served there. So we tread a very fine line. These housing associations are growing in stature and they are our partners, so firmly and fairly we gradually insist that they abide by these guidelines of equity in allocation. But it is, I guess, our most delicate problem.

We have, in certain communities, further, we have eviction proceedings in place now, where these abuses are being made. In the Baffin and the Keewatin, for example, our car plug-in costs us \$17,000 a year.

So, we are very aware of these abuses and when they are brought to our attention we assist the association in bringing it back into line and equilibrium.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. I would just like to remind the Members that we are dealing with capital, not O and M. Some of the questions that are coming off the floor are strictly O and M and if we finish with the capital, then we can go into the O and M budget, but we are dealing with the capital budget on page 3.03, 3.04 and 3.05. If we just maybe complete that, then we can go into the questions on O and M. Mr. Patterson.

HON. DENNIS PATTERSON: My apologies, Mr. Chairman, but the chairperson yesterday told me that capital was the proper place to discuss housing allocation. That is why I raised this.

CHAIRMAN (Mr. Fraser): Yes.

HON. DENNIS PATTERSON: So, you want me to desist. Is that what you are telling me?

CHAIRMAN (Mr. Fraser): It is the wish of the House; you know, if we could go right ahead and deal with the housing budget all the way through. It does not matter to me. If you want to deal with it that way, fine, and then when we pass the budget, the capital budget, we could pass the O and M at the same time. It does not matter to me. Go ahead, Mr. Patterson.

Motion To Endorse Guidelines For Allocation Of Houses

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. The reason I appreciate that is because I have just circulated a motion and I would like to make it now, on the question of allocation. The motion, which I think everybody should have a copy of, reads: That this Assembly endorse the existing guidelines for "Allocation of Houses to Individuals" under the management section of the Housing Association Operating Manual; and further that the Northwest Territories Housing Corporation board be urged to require its district managers throughout the Northwest Territories to immediately and continuously review present allocations in light of the guidelines and overrule allocations where local boards of directors have clearly allocated houses contrary to the guidelines. I believe that that has been translated and circulated as well, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Patterson. I am just curious, on the motion, whether when you were talking about the district manager -- each region has a district manager and they could overrule the housing authorities in the settlements. Is that right, Mr. Patterson?

HON. DENNIS PATTERSON: Well, Mr. Chairman, looking at page 4.9 of the guidelines, from this manual that was circulated, it says and I quote: "What happens if poor allocations take place or the board favours friends or family?" Answer: "The district manager can overrule the board if houses are not allocated fairly and equitably according to need."

Duties Of Association

I also have, Mr. Chairman, a copy of the management agreement between housing associations and the Northwest Territories Housing Corporation. Number four, under "Duties of Association" -- and this is also covered in the manual -- says: "General duties. The association covenants and agrees, part B, to be governed by and to perform its duties in accordance with the provisions of the Housing Association Operating Manual, as amended from time to time, provided by the corporation with this agreement."

CHAIRMAN (Mr. Fraser): Thank you. That is fine, Mr. Patterson. Thank you. To the motion. Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I made a speech on this yesterday, so I do not want to drag us all through it again. I just do want to say that I have looked over these guidelines and, you know, I think they are quite fair. The first thing that we should all notice is that it says occupancy is based on need, with no restrictions of race, colour or creed.

Then it goes into the requirements and it looks at family size, it looks at rent payment which I had suggested in the motion I withdrew yesterday to reward tenants who pay their rent. It looks at living conditions in the house that a person who applies for has to meet. It looks at the care that a tenant has taken of his house. It looks at this issue of companies and agencies which I have already referred to and it is prepared to accept compassionate grounds such as if a family has suffered a bereavement or has to move out of a home for emotional reasons. It looks at availability of other houses.

Guidelines Must Be Enforced By District Managers

I think these guidelines are good but I am making this motion because I think that they have to be drawn to the attention of the associations. I think that the associations should be made aware of the fact that by their agreements with the corporation, the district manager has the power to review those allocations and, if necessary, change them if the association has not acted in accordance with these rules. All this motion really asks is that the guidelines be communicated to -- well, not communicated -- but the guidelines be enforced by the district managers and I think the rules, if we accept that they are fair, there is no reason why the district managers cannot review the allocations and overrule them where they are obviously not fair.

I am thinking of situations where there are private companies -- this is the one that really bothers me -- where there are private companies or private individuals who have their own housing, sometimes standing vacant in a community and they apply for and obtain and occupy public housing and there are people in a community who have a far greater need. I would like to see those district managers tell local housing association boards that they have misallocated a house and overrule it so that these sorts of problems will not occur. That is the reason why the village or the town council in Frobisher Bay wants to take over housing in Frobisher Bay. It is because of these obvious abuses and when you live in a small community, they are not difficult to see.

When you see private vehicles parked in front of public houses, using up power, valuable power, and our resources are there; when you see federal civil servants who are entitled to housing or at least work for a government that probably is better able to look after their needs than ours, lavishing in territorial public housing, something has to be done. If the district managers have to be the bad guys, I presume they are well paid enough to be able to take some of this flack. I realize it is delicate and I may be unpopular for saying these things but there are people in the communities who have greater needs than others. I just would like to see this enforced because I think the allocations are fair but I do not think they are being followed.

You know, the manual talks about a point system, a point rating system based on family income and present housing conditions and how long the family has lived in a community and their record of rent payment. Well, I am not sure if that

point system really is being used the way it should be and this motion is designed to draw attention to these guidelines which obviously have been developed with a lot of thought. I think they are good guidelines but I just think they should be implemented. Thank you, Mr. Chairman.

---Applause

CHAIRMAN (Mr. Fraser): Thank you, Mr. Patterson. I agree with you 100 per cent. I am just wondering -- I notice this housing allocation in the manual is dated 1979. I wonder if the housing associations have it in their possession. I wonder if the managers have it.

HON. ARNOLD McCALLUM: Every last one.

AN HON. MEMBER: Question.

Motion To Endorse Guidelines For Allocation Of Houses, Carried

CHAIRMAN (Mr. Fraser): A question is being called. All in favour? Mr. Curley. To the motion. All in favour? Down. Against? Thank you. The motion is carried.

---Carried

Capital. Agreed?

AN HON. MEMBER: Agreed.

MR. MacQUARRIE: One request. One request.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie. One quick question on capital.

MR. MacQUARRIE: It was just before that motion came up and I did not want to disturb it. Did I hear you say that to plug in, to use a car plug-in in the Baffin region costs \$17,000? Or was I, like yesterday, a little fuzzy or something?

MR. CURLEY: You have always been.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Mr. Chairman, the honourable Member heard correctly, \$17,000 a year for a car plug-in, 24 hours a day less eight for 300 days per year at a rate of 32 cents per kilowatt hour. You will notice on our new housing designs we do not have exterior plug-ins any more.

CHAIRMAN (Mr. Fraser): Better off to buy them skidoos. They do not need to plug them in. Capital budget. Mr. Nerysoo.

Motion To Investigate Construction Cost Overruns, Deferred

HON. RICHARD NERYSOO: Yes, Mr. Chairman. I have a motion that I would like to put on the floor. I have not circulated it or typed it and would like to explain. The motion reads: That this Assembly urge the Housing Corporation board of directors to investigate cost overruns of units constructed through the rural and remote housing program prior to the fiscal year 1980-81 and where such costs are due to errors made by the Housing Corporation, then that additional cost be paid by the Housing Corporation. Further, a report of this investigation be tabled in this House by the board of directors.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Nerysoo. Has that been typed and translated?

HON. RICHARD NERYSOO: I just said that.

CHAIRMAN (Mr. Fraser): It has not been typed?

HON. RICHARD NERYSOO: No.

CHAIRMAN (Mr. Fraser): I wonder if we could just hold off on it. We could still come back to it on O and M, could we not? If we could get it typed and come back to it on O and M -- is that agreed, that we could come back to it on O and M?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Fraser): Agreed.

---Agreed

Thank you. Mr. Wah-Shee. Capital budget.

HON. JAMES WAH-SHEE: Mr. Chairman, I would like to make a motion please.

CHAIRMAN (Mr. Fraser): Is it on capital?

HON. JAMES WAH-SHEE: It is regarding urging the Housing Corporation to develop a cost sharing arrangement regarding the SSHAG program with the federal government.

CHAIRMAN (Mr. Fraser): I just wonder -- that will come under capital. Okay. Mr. Wah-Shee, proceed with your motion.

HON. JAMES WAH-SHEE: I have the motion already typed and copies have been circulated. Do you have a copy?

CHAIRMAN (Mr. Fraser): Has it been translated?

HON. JAMES WAH-SHEE: In what? Dogrib?

CHAIRMAN (Mr. Fraser): We will just -- maybe the interpreters could get it -- it is very short anyway. The interpreters could probably pick it up.

HON. JAMES WAH-SHEE: Yes, it is very short.

CHAIRMAN (Mr. Fraser): Proceed with your motion, Mr. Wah-Shee.

Motion To Develop A Cost Sharing Agreement With Respect To The SSHAG Program

HON. JAMES WAH-SHEE: That this House urge the Housing Corporation to develop a cost sharing arrangement with the federal government in respect of the SSHAG program so that it may be extended.

CHAIRMAN (Mr. Fraser): To the motion. Mr. Wah-Shee.

HON. JAMES WAH-SHEE: Yes. The SSHAG program is a good program for the Mackenzie Valley, mainly because the people in the Mackenzie Valley have the opportunity to take advantage of this program to build log houses and it is also a very good program for home ownership. At the present time this particular program is not under a cost sharing arrangement with the federal government and I would like to have the support of the other Members of this House to urge the Housing Corporation to enter into an agreement with the federal government on a cost sharing basis. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Wah-Shee. To the motion. Mr. McCallum, did you want to speak to the motion?

HON. ARNOLD McCALLUM: I would just like to make a comment and then have Mr. Forrest comment as well. It seems to me that, from what I know, the federal lending agency, CMHC, will not mortgage log houses. If this is what the motion is asking it to do, then there would be problems. It very well may be that there are other agencies or other arrangements that can be met such as -- I think we used last year or the year before LEAP, Local Employment Assistance Program moneys. Now, if that is what is being asked, there may be a possibility. I will have Mr. Forrest comment.

CHAIRMAN (Mr. Fraser): Thank you. Mr. Forrest.

The LEAP Program

MR. FORREST: Thank you, Mr. Chairman. I believe I understand what the honourable Member is saying. Last year we increased our SSHAG grant through our board of directors from \$12,000 to \$15,000 and this year from \$15,000 to \$18,000. Now the success of our program last year was based on three factors. Number one was the people that we assisted in the training. The second was our money and our architectural input. The third was through funds that were made available through the Department of Manpower and Immigration known as the LEAP program.

Now, I have some great concerns about the LEAP program. It is a federal program. It is never known until the last minute whether this money is available and inequities have resulted in their program last year by, in many cases, giving too much money to the prospective home owner. This may sound strange coming from me but what it has done and will do, it will dilute and defeat the program.

Now, we as a corporation, feel very strongly about this program. It has been very successful and it is becoming more successful and is becoming also more controversial. We recommend, as a corporation, if I may have the permission of my Minister and my chairman, to say that from an administrative point of view, if there could be a single source funding, regardless of who controls the funding, so that the prospective home owner deals with one agent, both for training and for funding totally, rather than running around to three different offices at the whims and fancies of the tremendous turnover in personnel, then this program could be extended as the honourable Member has -- I think he is saying -- and it could be very successful.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. To the motion. Do I hear a question? Mr. Patterson. To the motion.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. Utility hookup in Frobisher Bay and Rankin Inlet -- has the corporation discussed with local government...

CHAIRMAN (Mr. Fraser): Mr. Patterson, to the motion. We have a motion on the floor. Have you got a copy of it?

HON. DENNIS PATTERSON: Oh, yes. I am in support of the motion. Sorry.

CHAIRMAN (Mr. Fraser): Okay. To the motion.

AN HON. MEMBER: Question.

Motion To Develop A Cost Sharing Agreement With Respect To The SSHAG Program,
Carried

CHAIRMAN (Mr. Fraser): A question is being called. All in favour? Hands up. Against? The motion is carried.

---Carried

Now, Mr. Patterson.

HON. DENNIS PATTERSON: Has the corporation discussed with local government ways of relieving the front-end costs of utility hookup in Frobisher and Rankin? I gather these costs are really crippling in that they were unforeseen and quite significant. Is there any way out of this problem? You know, it has hit private home owners and, of course, it has also hit the public housing sector. Is there any way that you see out of this sort of cost?

CHAIRMAN (Mr. Fraser): Mr. McCallum. Mr. Forrest.

Costs Of Utilidor Hookup

MR. FORREST: Thank you, Mr. Chairman. I believe you quoted me, Mr. Patterson, yesterday, as to what I had said previously. We have and are continuing to deal with this problem, which I consider a problem, with and through the capital planning committee and our recommendation is very, very strong that we do not have utilidor. For example, in the event that a utilidor goes past our northern territorial rental houses, including 512's, in order to connect to that utilidor the connection is \$10,000 but we must up-grade that house to the point of about another \$30,000 so we have a new, brand new money \$40,000 investment in a house that is not worth \$10,000. So I have requested, in all meetings, that they re-think the utilidor program totally.

The cost of a utilidor per service lot is about \$20,000 and this is an additional cost that is placed on the unit that is non-recoverable and excessive. I have always, and I often heard it said too, that it reduces the employable people in the community on the supply and waste removal, the supply of water and waste removal. So that is our position; it is dollars.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I would like to ask further of Mr. Forrest. There often is advanced the argument that the utilidor will provide a higher level of cleanliness and sanitation than alternative systems. In fact, I have heard advocates of the utilidor say that if it does not go ahead, we will be inviting epidemics and disease and plague upon us. Now, have you given any consideration to the health aspect of it? In other words, is the pump-out system, the truck system, in your mind as healthy an option in public housing as the utilidor?

CHAIRMAN (Mr. Fraser): Thank you. Mr. Forrest.

Health Aspect Of Utilidors

MR. FORREST: Thank you, Mr. Chairman. I must qualify myself. I am not a hygienist nor am I a doctor but we are more than conscious and more aware, to the maximum of our ability, of hygienic and sanitary conditions not only in the design of our houses but in the supply and the waste removal from our houses. Historically we have 4100 houses under operation and with the exception of two

contaminations in my term, we have never ever been accused of not following proper hygienic standards in the operation or ever building improper sanitary design. We do not allow any cross-contamination from water supply to sewage. We take a great deal of concern on that. Our internal systems, internal to the house, our sewage tank is inside the house now but completely sealed hermetically from atmosphere and from the balance of the house, and I happen to be an advocate of a self-contained housing unit not only in light, heat and power but also in waste so that that house can live for weeks at a time independent of services, of pipe services and electrical services. Does that answer your question, Mr. Patterson?

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. Nerysoo, would you like to introduce that motion now?

HON. RICHARD NERYSOO: Yes, Mr. Chairman. I do not know if it is translated.

CHAIRMAN (Mr. Fraser): I think maybe if the interpreters read it out -- yes. Okay, proceed with your motion.

Motion To Investigate Construction Cost Overruns

HON. RICHARD NERYSOO: The motion reads as such: That this Assembly urge the Housing Corporation board of directors to investigate cost overruns of units constructed through the rural and remote housing program prior to the fiscal year 1980-81 and where such costs are due to errors made by the Housing Corporation, then that additional cost will be paid by the Housing Corporation. Further, a report be tabled in this House by the board of directors.

CHAIRMAN (Mr. Fraser): To the motion. Mr. Nerysoo.

HON. RICHARD NERYSOO: Yes. I guess I am not really telling you that whatever additional costs the people themselves incurred, we pay. It is the additional costs that we have made mistakes on that I feel we are responsible for paying. I do not think that we should be responsible for the mistakes that they have made but certainly responsible, as I said, for mistakes that we have. I know that it may cost a few more dollars and I am certainly not one to suggest that we do not have enough problems in finances, but I would certainly urge people to support the motion.

CHAIRMAN (Mr. Fraser): Was that to the motion, Mr. McCallum? To the motion. Mr. Patterson.

HON. DENNIS PATTERSON: This is outside my territory but I have heard a bit about the problems in Fort McPherson and Aklavik and I certainly support the motion. I also do not think we would lose anything by investigating cost overruns in those years because when the Hay River reserve built houses under the SSHAG program -- I have got a program on that -- I understand that it was a model of cost efficiency. I would like to get a report on why the corporation was not able to achieve those kinds of efficiencies in McPherson and Aklavik. I think that more and more the corporation should be working towards operating the way a business corporation would operate and I realize that it is in many ways not able to operate like a private corporation.

For one thing, it is providing social housing. For another, its chairman is appointed by the government, but I think we should try and encourage the corporation to be as businesslike as possible. This kind of a report would be useful for the board of directors and useful for the House and may give us information that we can use to provide advice for the more efficient operation of this program in future years. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Patterson. To the motion. Do I hear a question?

AN HON. MEMBER: Question.

Motion To Investigate Construction Cost Overruns, Carried

CHAIRMAN (Mr. Fraser): A question being called. All in favour? Down. Against? The motion is carried.

---Carried

Capital budget, 3.03, 3.04 and 3.05. Is it agreed?

SOME HON. MEMBERS: Agreed.

Detail Of Capital, Agreed

CHAIRMAN (Mr. Fraser): Agreed.

---Agreed

Operations And Maintenance

Turn to page 3.01, the operations and maintenance. Mrs. Sorensen.

MRS. SORENSEN: Thank you, Mr. Chairman. I would like to just make a few comments with respect to the Thorne Riddell and Co. report. As I see it, Mr. McCallum, there are two issues facing this government, this Legislature, with respect to the Housing Corporation. There is the number one issue, which is the difficulty that we have experienced over the last two or three years with cost overruns in the O and M area, and this outstanding loan, which is being written off in supplementary estimates by our government. Those supplementary estimates by the way are somewhere in the area of \$4.5 million!

Now, certainly the finance committee has learned that there are all sorts of factors which contributed to that number one issue, including problems with our own government. In other words, not all of this overexpenditure could have been avoided. We will be dealing with that when we deal with the supplementary estimates.

Factors Contributing To Cost Overruns In Housing Corporation

The second issue, and one which is difficult for me, personally, to pass off by saying that it should not ever happen again and leaving it at that -- the issue that I am talking about is the lack of financial management and control as outlined in this report. Now, the Housing Corporation has been in existence since 1974. This year will be its seventh year of operation and it appears that for seven years it has been operating:

Number one, without clear definitions as to accounting concepts for fund accounting, and that is identified on page nine of the Thorne Riddell report.

Number two, with an extensive management control monthly report, which some management personnel indicate they use little or not at all for management control, and that is described on page eight and nine of this report.

Number three, with a deficiency in accounting and reporting of capital grants, and that is on page 10 of the report.

Number four, with accounting staff -- it is operating with accounting staff who find the present accounting system inefficient. They find it difficult to understand and therefore, in their estimation, extremely ineffective, and that is described on page 10 of the report.

Number five, we have been operating without clear definitions of individual responsibilities in the finance division, with no effective staff training program, a heavy turnover of staff in the finance division. That is on page 11 of the report, and finally, with an overall poor staff morale.

Now, Mr. Chairman, I am very much a supporter of independent corporations, but only if those corporations can demonstrate that they can operate at least as efficiently as they would if they were under the direct control of the government. Now, this Legislature has been talking about setting up power corporations, energy corporations; we have begun discussing the development of a Northwest Territories economic development corporation. Quite frankly Mr. Chairman, I am extremely concerned because I am not sure whether we can afford to set up these corporations if they are going to operate in any similar manner, as the Housing Corporation has been operating over the last seven years.

Staff Not To Blame

I am not talking here about the difficulties experienced in trying to do a good job of housing in the Northwest Territories. I know it is expensive. I understand that cost overruns will occur and I understand the difficulties in coping with social housing, with the problems in the lack of payment of rents, with amortization. What I cannot tolerate is the fact that the bookkeeping is not in order. I also have some difficulty accepting that the staff is to blame, and I would not want the Housing Corporation staff to be the scapegoats in this situation. I really would not want them to be. I would not want the staff blamed for the lack of financial control, because if there are no guidelines, if what they have to follow by way of financial management is not clear, then we really have to ask ourselves, is it the staff? In fact, who is to blame? I say not the staff, but the managing director and the board of directors.

Now, we have had three managing directors since 1974, so it is difficult to lay blame with one, any one individual manager. You cannot single out any one person and say, you are to blame for this mess. So, therefore, it comes back to this board of directors. So, then I have to say, you know, who is on the board of directors, who has been on this board of directors since the beginning? The first names that come to mind are Mr. Hancock, he was around in the beginning, then it was Mr. Parker and now, for the last year, it is Mr. Pilot. So then I say, what do these three individuals have in common? Well, they are all government individuals.

So in fact, Mr. Chairman, the real control for this Housing Corporation has never left the government. The chairman of the board, for the last six, seven years, has been a federal or territorial public servant. Now, if I were a Conservative, I would be claiming that that is exactly why the Housing Corporation is in this mess, because the government could not let go of the control of the board and because government is not efficient in the management of business and industry and a corporation is, in fact, a business.

Mr. Chairman, I have sat in the audience during the deliberations of the Housing Corporation in past Legislatures, particularly with the Eighth Assembly, during the main estimates of the Housing Corporation. I was around when the Housing Corporation was first created and it was clear then, to me, that the politicians and the elected representatives of the time felt that that chairmanship should not be a government official. However, it was clear that the elected representatives of the time were prepared to compromise and agreed, in the early stages of the development of this first, this very first Northwest Territories corporation, and that it made sense to keep government's finger on it, to keep some control on the corporation.

Changes Must Be Made

However, Mr. Chairman, we have kept that control as a government through the chairmanship and look where it has got us. A \$4.5 million deficit in the year 1980 and this Thorne Riddell report which says the financial management is in a mess. So, I think we really must ask the question -- two questions. Should we look seriously now at soliciting a chairman from the private sector and let the corporation be a true corporation in the fullest sense, as the Eighth Assembly had envisioned, an independent corporation with an independent board of directors? Or should we bring the whole thing completely back under the government with an elected minister of housing, and have it subject to all the controls of the government in this House?

Mr. Curley over there, has mentioned earlier that he would like to give the corporation another chance, in response to the standing committee's recommendation that we at least discuss bringing the Housing Corporation back under the government. In thinking about it, you know, perhaps he has convinced me that maybe we should try again, and there is a reason for that. I think it is mainly because we of the Legislature really do not want our first attempt at setting up a Northwest Territories corporation to end in dismal failure and I would interpret bringing it back under the government as a failure. So, if we decide that we should go out there and find an expert, I would want it to be understood that the government should keep its nose out of the operations of the Housing Corporation.

CHAIRMAN (Mr. Fraser): Thank you, Mrs. Sorensen.

MRS. SORENSEN: Let us get a...

CHAIRMAN (Mr. Fraser): Mrs. Sorensen, your 10 minutes are up. You would have to ask unanimous consent.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Fraser): Agreed.

---Agreed

Continue Mrs. Sorensen.

Free Enterpriser Needed

MRS. SORENSEN: Well, in conclusion, Mr. Chairman, I would urge the Members to think very seriously about authorizing the solicitation of a free enterpriser who knows -- and it would have to be, I admit, an expensive individual -- who will know how to get this thing back onstream and who will head up the board of directors. I think that we do know that things operate differently under the eye of a bureaucrat than they do under the eye of a top notch businessman. That is not to say that Mr. Pilot has not been doing a good job in this last year. The standing committee on finance has heard that he, himself, and his board have developed a plan of action to correct the wrongs that exist in the Housing Corporation. That plan is to his credit since he has only been in there for a matter of months. However, I still think that we should get a free enterpriser and most importantly, get the government to heck out of the Housing Corporation and give it a chance. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mrs. Sorensen. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. I just wanted to pursue the extent of the problem a little further. Yesterday, I guess it was a day before, when I was making general comments, I had just reached a point where I was trying to pursue something and Mr. Curley rightly pointed out that I could do it later, so I would like to do it now.

That is the matter of having asked in the 1980-81 estimates for \$19,863,000 and then having the revised forecast for that year, \$24,373,000. Two days ago the first question I had, was how was that going to be financed or how had it been financed, because I could not see where the money was coming from to pay that. I since have had a chance to go through a few other materials that we have. I see that in supplementary estimates, under the Executive Department, there is a considerable request for more than four and a half million dollars. First, very briefly, am I correct in understanding that is where this overrun is being taken care of? Yes. A nod, saying yes, so thank you.

Causes Of Overrun

What I would like to do now then, that I understand how it is being paid, is to find out a little bit more about what the problem is. How did that come to pass? As I said, it cannot simply be that there is an unforeseen and large increase in fuel costs and that sort of thing, because as I understand it, the costs are considerable, but we know that we are in that kind of an age, so you can account for the fact that you have to have considerable increases to cover them. So, what I am saying is that if that is all it were attributable to, then we would expect the corporation is asking for a same kind of increase in the coming year, a proportional increase, and yet, that is not the case.

Their revised forecast for 1980-81 is \$24,373,000 and yet in 1981-82 they are asking for \$24 million as a contribution for operation and maintenance. So, to me that says, unless I am wrong, that something extraordinary took place that needed to be handled and I would like to know what it was. What created the problem and was there any fault, or was it something that was totally unforeseen and how was it handled? Finally, why is it being handled in the way it is? Mr. Minister, please.

CHAIRMAN (Mr. Fraser): Thank you, Mr. MacQuarrie. Mr. McCallum.

O And M Overexpenditure

HON. ARNOLD McCALLUM: Mr. Chairman, I indicated, I think yesterday or the day before, when the question was asked by Mr. MacQuarrie whether it was a capital overexpenditure, I indicated that it was O and M. I indicated at that time as well, that in 1978 and 1979, where this figure was accumulated, I said that there was an overexpenditure in certain particular areas. I mentioned maintenance, extraordinary maintenance, and we went through the business of the definition of capital or O and M on that, the difficulty there; the administrative costs, the decrease in rent, the amortization, the increased amortization costs. Now, I can indicate or give the committee, Mr. Chairman, the figures under those four or five headings for the years 1978 and 1979, that will indicate that there is an accumulated cost in those two years of \$4.5 million, which is what we are looking for, will be looking for, in supplementary appropriations.

So, under maintenance in 1978, there is an overexpenditure of \$490,000. We budgeted a certain amount and we had to do, or the corporation did, approximately \$490,000 more of just ordinary maintenance in 1978. In 1979, that kind of maintenance increased to two million dollars more. Now, I can give you the figures, as I say, on these. In determining how this came about and why it came about, then I would have to ask Mr. Forrest to comment on these.

Extraordinary maintenance in 1978, \$1.3 million and change. In 1979, \$400,000. The administrative overrun in 1978 was \$375,000; in 1979, \$135,000. The amortization overexpenditure in 1978 was \$705,000; in 1979, \$150,000, and I am saying these in multiples of five or 10. Where it said 148, I would read 150, so I am simply rounding them off, Mr. Chairman. The difference in the rent, overestimation of the rent, in 1978 we budgeted that there would be, in fact...

CHAIRMAN (Mr. Fraser): I am sorry, Mr. McCallum. The time being 6:00 o'clock, I will have to ask that we report progress. Thank you.

HON. ARNOLD McCALLUM: You are sorry!

SPEAKER (Hon. Don Stewart): Mr. Fraser.

REPORT OF THE COMMITTEE OF THE WHOLE OF BILL 1-81(1), APPROPRIATION ORDINANCE, 1981-82

MR. FRASER: Mr. Speaker, your committee has been studying Bill 1-81(1), and wish to report slow progress.

---Laughter

MR. SPEAKER: Thank you, Mr. Fraser. Are there announcements for the floor? Mr. Clerk, announcements and the orders of the day.

CLERK OF THE HOUSE (Mr. Remnant): Yes, Mr. Speaker. Tomorrow, Friday, February 13, 12:00 o'clock noon, a meeting of the executive committee of the Northwest Territories branch of the Commonwealth Parliamentary Association in room 301. A lunch will be provided. That committee, sir, is chaired by you and consists of Mr. Fraser, Mr. McCallum, Mr. Patterson and Mr. Nerysoo as the other Members. Monday, February 16, 9:00 a.m., a caucus meeting in Katimayik A, 12:00 o'clock noon, a luncheon meeting of the subcommittee of the special committee on impact. This evening, 7:30 p.m., in room 441 of the Yellowknife Inn, a meeting of the special committee on education.

ITEM NO. 14: ORDERS OF THE DAY

Orders of the day, February 13, 1981, 1:00 o'clock p.m., at the Explorer Hotel.

1. Prayer
2. Replies to the Commissioner's Address
3. Oral Questions
4. Questions and Returns
5. Petitions
6. Tabling of Documents
7. Reports of Standing and Special Committees
8. Notices of Motion
9. Motions
10. Notices of Motion for First Reading of Bills
11. Introduction of Bills for First Reading

12. Second Reading of Bills

13. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Bill 1-81(1); Ninth Report of the Standing Committee on Finance, Motion 4-81(1)

14. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until 1:00 o'clock p.m., February 13, 1981, at the Explorer Hotel.

---ADJOURNMENT

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