



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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TABLE OF CONTENTS

13 February 1981

	<u>PAGE</u>
Prayer	334
Replies to the Commissioner's Address	334
Oral Questions	344
Questions and Returns	346
Consideration in Committee of the Whole of:	
- Bill 1-81(1) Appropriation Ordinance, 1981-82	349
- Northwest Territories Housing Corporation	349
Report of the Committee of the Whole of:	
- Bill 1-81(1) Appropriation Ordinance, 1981-82	374
Orders of the Day	374

YELLOWKNIFE, NORTHWEST TERRITORIES

FRIDAY, FEBRUARY 13, 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, Mr. Sayine, Mr. Sibbeston, Mrs. Sorensen, Hon. Don Stewart, Hon. Kane Tologanak, Hon. James Wah-Shee

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): The order paper for the day. Item 2, replies to the Commissioner's Address.

ITEM NO. 2: REPLIES TO THE COMMISSIONER'S ADDRESS

The hon. Mr. MacQuarrie.

Mr. MacQuarrie's Reply And Motion Of Appreciation Seconded

MR. MACQUARRIE: Thank you, Mr. Speaker. Better late than never it is often said and that no doubt applies to my response to the Commissioner's Address.

As one of the Members for Yellowknife, I would like to welcome all Members once again to this exciting cosmopolitan city. Since meeting here for the last budget session a year ago, we have also met in both Baker Lake and Frobisher Bay and I must say that I found it very interesting and personally very enjoyable to spend several weeks in those locations. Contrary to the suspicions of some Members that I resent having to spend time away from Yellowknife, I will say unequivocally that both of those sessions afforded me a welcome break from keeping my apartment in shape and particularly from having to eat my own cooking. In fact, if there were no other factors to consider, from a purely personal point of view, I could easily support the position that all sessions, other than the budget session, should be held away from Yellowknife. Of course, there are other factors to consider and not the least of these is the additional cost, which was something more than \$50,000 for Baker Lake and more than \$100,000 for Frobisher Bay.

Now, I know that there are additional benefits from holding sessions in various communities, benefits to the people of the host communities. I could certainly see those for myself, and they are not insignificant and not to be ignored the moment the tally of dollars is cited. None the less, in view of the very significant difference in cost between holding sessions in Yellowknife and holding them elsewhere, we have at the very least, I think, if we intend to go on holding them elsewhere, to define very carefully what our objectives are, to produce evidence that our objectives are in fact being realized, and, to satisfy the public, they are worth-while objectives warranting whatever expenditure is made on them.

During the remainder of this session, I am looking forward to a number of things. First of all, to the discussion on uranium exploration and mining. I am very sensitive to the concern that a number of Members have in this area, an area that is so new in historical terms and so complex and which has serious questions associated with it. Yet the area has unquestionably been studied thoroughly and extensively, more so, no doubt, than problems that have been with us for centuries. There is a wealth of information on the subject, and I am pleased that Members are showing themselves receptive to thorough discussion and to input from several sides of the question. In the final analysis, I hope that if there is a specific decision made, we make a decision about what to do on the basis of sound information and not prejudicially on the basis of misinformation.

Political Rights For Public Servants

I am also looking forward to a continued discussion on political rights for public servants. I feel that we really did not do justice to that particular matter in Frobisher Bay. This is a new session and thus we have the chance to start afresh on this topic and in starting it afresh, I hope that every Member will start from the position that in a democracy every citizen has political rights.

---Applause

It is a serious matter to deny or seek to deny these rights to certain people and where that aim is pursued because it seems necessary, the onus is on those who wish to deny political rights to demonstrate conclusively why it is necessary to do so. Blanket actions that are applied indiscriminately in this area simply will not do.

HON. DENNIS PATTERSON: Hear, hear!

MR. MacQUARRIE: I also look forward with very great anticipation to the visit of Mr. Paul Tellier, the Deputy Minister of Indian Affairs. A visit from him will be tremendously exciting, I think -- a little like bringing in a fortune teller to find out what fate has in store for you -- unless, of course, Mr. Tellier graciously declines the invitation, in which case we might wish to consider whether we can rephrase the invitation as to make it a little more compelling. I also look forward to our discussion on the development of an agricultural policy. And of course, as much as anything, I look forward to the tabling of Mr. Wah-Shee's promised report on this government's role in aboriginal rights negotiations and to some subsequent discussion on it.

Negotiations Between Federal Government And Native People

I raised the questions publicly concerning that role in December, not because, as some might suspect, I wish to see an independent status for this government. That matter was raised in the original paper that was brought to this House by Mr. Wah-Shee and rejected and I accept that. I see the negotiations as properly being a matter primarily between the federal government and native people. I raised the questions not because I want the Government of the Northwest Territories to do an end run around native associations and to try to subvert their legitimate interests so that the settlement will leave this government holding a horn of plenty and native peoples left with but a few crumbs.

I have already said on many occasions, and I still deeply believe, that any attempt by the federal government and the Government of the Northwest Territories to sew up the North without due attention being paid to the concerns of native peoples would be immoral and, without question, politically unwise, because it would result in a political jurisdiction that was racked by continuing tension and dissent. Rather, I have raised these questions, and I will raise them again, because this Assembly has already acknowledged that settlement can have important

implications for political and constitutional development in the Northwest Territories. Therefore, there is no question but that the results of aboriginal claims settlements are a matter of some considerable public interest.

Living Under A Public Government

I raised the questions because after aboriginal rights claims are settled, if present federal policy continues to prevail -- and given the strong tradition that exists in British parliamentary democracies, I think it will prevail -- all of us will yet live under one or another public government. There will be in every part of the Territories public government that is concerned with the rights and benefits of all citizens. At the moment this government, the Government of the Northwest Territories, is the representative of public government in the North. That may change to be sure, but until it does, we, all Members of this Assembly have the obligation to represent the general and ongoing interests of public government...

MRS. SORENSEN: Hear, hear!

MR. MacQUARRIE: ...and the people it serves to the very best of our ability.

MRS. SORENSEN: Hear, hear!

MR. MacQUARRIE: Thus, we must be completely clear on what interests we are trying to protect and what objectives we intend to pursue, and we must do our job in these regards in the most effective manner possible. We know that native associations will have the best possible people present at aboriginal rights negotiations, well briefed, perfectly clear about their interests and objectives, and ready to pursue them with all the vigour they can command. And that is as it should be.

Assembly Given A Limited Role In Negotiations

We know that the federal government will be prepared in the same way to defend what it perceives to be the interests of the people of Canada as a whole. And that is as it should be. But we can do no less. We have been given a limited role by the federal government in these negotiations. That is fair enough. Let us gladly accept that limited role but then let us be sure to discharge it with all the effectiveness at our command. I say this because I have complete confidence that the best possible settlement, best for natives as aboriginal peoples, best for natives as citizens under future public governments in the North, best for all others under public governments in the North, and best for the country as a whole, will result from strong representations and absolutely frank exchanges among those who have legitimate interests in this matter.

Achieving the best possible settlement for all concerned is a matter of utmost importance, especially since it is conceivable that aboriginal rights, as defined in these negotiations, will be entrenched in a new constitution. In view of all of this, it is our clear duty to ensure for all of our offspring that the public government or governments they elect to serve them in the future, whether this might be a public government elected to govern Nunavut and comprised primarily of Inuit, or some other public government, that this government or these governments will be able to serve their needs fully and well.

Importance Of Constitutional Struggle

To turn to another matter, I intend, during this session, to give Members whose unfortunate shortsightedness induced them to scuttle my motion on the federal constitution at the last session, I intend to give them a chance to redeem themselves and do things right this time. Somewhere along the way I will introduce a motion, seconded by my very honourable colleague from Pine Point,

expressing this Assembly's condemnation of the method chosen by the federal government to try to patriate and change the constitution of Canada. I know that there may be some Members, and indeed, perhaps many of the public in the North, who may not see this matter as relevant and important. With respect to the House, I would remind Members that the Commissioner referred to its importance in his Address. But in fact, we do not need the Commissioner to verify the relevance and importance of this topic because, in truth, there is a tremendous constitutional struggle being waged in Canada today which, in one way or another, will alter the very nature of the country. It is for this reason that the issue is of major importance to this Assembly and to all the people of the North.

I know that in the committee hearings in Ottawa, the Liberal party has consented to grant, and I will put it in quotation marks, grant "rights" which in a previous week it had denied, and I recognize the people who are on the receiving end of those "rights" might find it very difficult to oppose the Liberals' unilateral action. I suppose that if I were a woman or a native or disabled, that I might be tempted to grab what I could get and forget about the rest, but there is an old, old saying that applies here. I believe it is "Beware of Grits bearing gifts." It is something like that, anyway.

HON. TOM BUTTERS: Not exactly.

MR. MacQUARRIE: Not exactly, well...

MRS. SORENSEN: Wrong again.

MR. MacQUARRIE: ...it is similar to that. "Beware of Grits bearing gifts."

---Laughter

I will ask Members here and Mr. McLaughlin will ask Members once again, Mr. Speaker, to condemn the federal government's actions, because our position is that quite apart from any items which may or may not be included in the Trudeau constitutional package, which is now before parliament, and which at some point might well have to be dealt with on their own merits, that quite apart from the substance of the joint resolution, we find the method chosen by Mr. Trudeau to try to achieve his ends to be unjust and ill-advised and, therefore, utterly and absolutely unacceptable -- grounds enough for this Assembly's and for the country's condemnation of Mr. Trudeau's actions.

Federal Government Not The Boss Of Provinces

Many Members, and Canadians generally, will not, perhaps, think of Mr. Trudeau's actions as unjust if they have a mistaken understanding of the fundamental nature of Canada and it is apparent, regrettably, that there are so many Canadians, including college professors whom I have heard on the radio, who do have a mistaken understanding. I remember myself being rather surprised and even somewhat disappointed after looking into things a bit, when I at last came to understand that the federal government was not the creator of and, therefore, not the automatic "boss" of the provinces.

It is important for all Canadians to understand that this country is a federation, not a pure federation, I admit, but a modified federation which was created by the joining together of pre-existing colonies or states which are now provinces. What this means is that these British colonies, which were to become provinces, reserved to themselves certain powers such as education, civil rights and property, and surrendered others to the central government, the Government of Canada, which they created. I suppose, at the time, little did they think that they were acting out the role of Dr. Frankenstein.

What this means is that Canada's constitution is a solemn agreement arrived at by the provincial delegates and at that time, the government of Great Britain. What it means is that confederation is a partnership between the provinces and the government that the provinces created, the Government of Canada; not an equal partnership, because it is not a true federation, but a partnership nevertheless. Justice demands, I think, that if the nature of the solemn agreement is to be changed significantly, that such changes should have the consent of the partners. I would ask Members to notice, Mr. Speaker, that I said "justice" demands, and not that the law demands.

Acting Within The Law

I am certainly aware that three out of the five judges of the Manitoba supreme court believe that the federal government is acting within the law in seeking unilateral patriation and amendment of the constitution. That decision does not surprise me because I have recognized all along, and said so publicly, that in a strictly legal sense the federal government is possibly acting within the law. However, all Canadians must understand that the law is concerned mainly with legalities, technicalities and precedent and not primarily with justice, as one would hope and have some right to expect. Thus, it was somewhat misleading when Mr. Chrétien said with delight in response to that court decision, something to the effect that the federal government has been vindicated, and that the judges have said that the government is "right", and I put that last word in quotation marks, "right" in doing what it is doing.

Now, that situation would be something like a black in Alabama in 1950 protesting in a court of law that he was being made to ride at the back of the bus. There is no doubt that if an Alabama court had reviewed such a case it would have found (a) that the plaintiff was a black, (b) that the state had passed a law saying that blacks had to ride in the backs of buses, and therefore, (c) that enforcement officers had the authority to insist that he ride at the back of the bus. Mr. Chrétien then, in this context, is the equivalent of an Alabamian legislator who would then have crowed publicly, "Aha! You see, we are vindicated. The courts say we are 'right'." Again I put that word in quotation marks.

All that the majority of the Manitoba judges have really said is that there does not appear to be a legal impediment standing in the way of our federal government acting unilaterally on the constitution. Or to put it another way, that the colonial delegates who got together to create Canada more than 100 years ago, simply did not foresee, and therefore did not cover, all the angles. The legality of the federal government's approach is not the crucial question where established fundamental relations among the people and political jurisdictions in this nation are in jeopardy. The crucial questions are these. Is the unilateral action just and conscionable? Is it wise? The answer to both of these is an unequivocal "no".

It is unconscionable of one partner, by finding legal loopholes, to try to change a fundamental agreement with another partner without that partner's consent. It is ill advised because even if the attempt should succeed in a technical sense, it will result in a constitution that is bitterly resented by a large number of the people in this country and it will result in a country that is divided against itself. If I may be allowed to use one of Churchill's rhetorical devices, and reverse its emphasis, I will say "some constitution, some country".

Constitution Requires A Guardian

Moreover, if Canadians are fully to appreciate what is presently happening in Canada and in Great Britain with respect to the constitution, they must come to understand that every constitution requires a guardian. There is not a civilized democratic country in the world that does not have a guardian for its constitution, to ensure that the constitution is protected and that its terms are observed. In no civilized democratic country is the guardian of the constitution that selfsame individual who wields the day-to-day political power in the country for the very simple reason that permitting that individual to be the guardian of the constitution could be tantamount to asking a fox to guard the chicken coop.

The Prime Minister of this country is not now and, unless he usurps that role and is permitted to get away with it, never should be the guardian of Canada's constitution. He certainly has no democratic or moral right to change the constitution unilaterally. At this point in Canadian history, who is the guardian of the constitution? It is unquestionably the parliament of the United Kingdom. That is why, if the United Kingdom is asked by the federal government, only one of the partners in confederation, to intervene in order to alter the constitution, it must do so in a responsible and thoughtful manner and not merely, in the Prime Minister's words "hold its nose" and pass the resolution through.

Mr. Anthony Kershaw is precisely right, and acting in a very moral and responsible manner, when he says that if the British parliament were faced with a united request from Canada to change the constitution, that it is morally bound to do so without objection. But that if it is faced with a unilateral request, a request from only one partner that the relationship between partners should be modified, then that parliament must exercise discretion. In fact, it would be morally wrong for it not to do so.

All of the statements I have just made are very good reasons for us to consider, to conclude rather, that some of Prime Minister Trudeau's recent statements are those of a desperate man who is reduced to trying unfairly to generate ill feelings among Canadians against the British for doing what is unquestionably their legal and moral obligation to do.

Subtle Approach Of Prime Minister

Apparently the Prime Minister will stop at nothing to ensure that his will, that his view of Canada prevails. The Prime Minister is a very clever man, and his approach to the matter of so-called British interference is subtle and no doubt very appealing to the unwary. He knows what the truth of the matter is, yet he offers a humorous metaphor that is not accurate at all though it serves well enough to reinforce prejudices and to raise ill feelings -- "Constitutional Star Wars" and "The Empire Strikes Back" -- clever, funny, but very misleading. That is a game anyone can play. I picked up the program of the local Capital Twin Theatre for the month of February. I find, ironically, that this very night in Twin Two, there is a Clint Eastwood movie that describes with unerring accuracy Mr. Trudeau's attempts to change the constitution and impose his will on Canadians. It is called "Any Which Way You Can".

---Laughter

---Applause

Turning over the leaf, I see that there is a movie starting up in Twin One on Sunday, February 22nd, that describes the way Mr. Trudeau would like the British to handle this mess, just hold their noses and serve as "The Silent Partner". Or perhaps that better describes the way he would like the provinces to act. And finally, the movie that opened in Twin Two on February 1st...

MS COURNOYEA: That is advertising.

MR. CURLEY: You are in the wrong place. You are in the theatre.

MR. MacQUARRIE: ...certainly describes to a T those hundreds of thousands of unthinking Canadians -- too many Canadians at any rate -- who lie back in a state of torpor while a single willful man ravages their constitution, and then applaud him for his efforts, and it is called, most appropriately, "The Grateful Dead".

---Laughter

Unfortunately, my examples probably are not as funny as Mr. Trudeau's and perhaps that is maybe only one of many reasons, Mr. Curley, why Mr. Trudeau is in Ottawa at the centre of power in a position to manipulate the constitution, and I am out in the boondocks trying to stop him.

Statement Misleading

In the final analysis, funny or not, Mr. Trudeau's statement is misleading, and sadly so, because the result of this and other statements he has been making recently could be devastating in terms of the damaged relations between this country and the United Kingdom. Even more sadly so because I find it very difficult to believe that Mr. Trudeau, who has written a book on federalism, honestly misunderstands the situation and believes that Britain has any desire to interfere in our affairs, or is doing so.

We must remember that Mr. Trudeau is asking the British to become involved, to intervene. Mr. Kershaw is simply advising the British House that due to the unusual, unilateral nature of the request, it should act as a responsible body and intervene thoughtfully. It must not allow itself to be put in the position of pulling a trigger merely because someone influential tells it to. Who is doing the telling? What is the target? Are there other parties of interest to be consulted? What are the consequences of the act?

The question of guarding the constitution has one other important aspect. This crucial matter has not even been addressed in Mr. Trudeau's frantic haste to patriate and amend. If he succeeds in his attempts, what will Canada's relationship be to the British monarch? Will he or she still be responsible for appointing the Governor General? If not, does this mean that the Governor General, who then would be the only potential guardian of the constitution around, that the Governor General would have no mandate of his own and would merely be a compliant agent of the Prime Minister, the man who wields the day-to-day power, and who might thereupon enthrone himself as a Sun King, or decide that the people need his wisdom and strength so much that he must make the ultimate sacrifice and declare himself to be Prime Minister for life? And will he not be able to do this, if troops and police have sworn their allegiance to someone who is merely a prime minister's puppet?

Governor General Should Exercise Role

I think that this crucial constitutional question arises. It is raising its head right now and I think that our Governor General already has some small role to play as guardian of the constitution. My opinion is that he must exercise that role to the maximum extent possible, and that appears to me to be that he should refuse to co-operate in transmitting the resolution to the British parliament. He must act in accord with the wishes of the majority of the people of this country. He must act in consideration of the challenge of the provinces to the Prime Minister's actions. He must act to protect the constitution of this country until such time as it is evident that there is widespread agreement on when and how to change it. He must act to uphold the dignity of this country by preventing, if it is not already too late, by preventing its international embarrassment caused by the insensitive actions of a headstrong and desperate man.

There comes a time, every three or four decades, when a Governor General is required to sing for his supper. It appears to me that the present Governor General, Mr. Schreyer, is now in a situation where he will soon have to sing for his, and I hope that he will not, at the crucial moment, be stricken with laryngitis.

You will be relieved to know, Mr. Speaker, and I suppose my colleagues will as well, that I will not repeat all of this when I introduce the motion at a later date, asking the Members of this House to condemn Mr. Trudeau's unilateral actions. I wanted to say these things now, so that Members will have the chance to think about them in the meantime and perhaps offer support this time, even if they did not in Frobisher Bay.

Need For Quick Resolution To Political Problems

Today I would also like to comment on what I see as the need for a fairly quick resolution to the political problems in the Northwest Territories. Whether we like it or not, the threatening winds of change are hovering above us, and they are about to descend. And as long as we, the various peoples of the North, have not agreed among ourselves upon the proper political course of action to follow, we will be in disarray and extremely vulnerable to the impending storm...

MRS. SORENSEN: Hear, hear!

MR. MacQUARRIE: ...powerless to stop it, without question, but unable even to channel the power of the storm's winds to our least detriment or to harness their strength to our greatest advantage.

As a single example, and there are many others of the gathering winds, I would refer you to a document that our northern media, unfortunately -- which usually are very good about getting on top of things, but of which they have scarcely taken note. It is Dome Petroleum's submission to the National Energy Board forecasting the timing and rates of oil production from the Beaufort Sea. This document describes the potential spending of \$40 billion on oil and gas production in the Beaufort Sea over the next 10 years, with at least two billion dollars of that being spent directly in the Northwest Territories.

Plans For Beaufort Sea

This document describes first enlarging the capacity of Canada's shipyards to build shipping, and it calls for the building of dredges and of huge ice-breaking tankers that will ply the Arctic waters year round. It describes the building of production and loading atolls in the Beaufort Sea, maritime ports. The projection calls for the first oil production from the Beaufort Sea in 1985, four short years away and for the production rate to reach 750,000 barrels a day

by 1990, which is nine years from now. I would ask Members to compare those figures with the Norman Wells project, about which a great deal of fuss has been made; \$750 million -- less than one billion dollars -- and 25,000 barrels of oil a day, and of course, that is just one example. There are other major hydrocarbon and mining developments proposed in the North. This is but a sample.

I do not say that this proposed development by Dome will necessarily come to pass. That depends on many things, not the least of which is the disposition or attitude of the federal government, but it might come to pass. When you read it, one thing is very clear. It is not idle speculation. It is, in fact, in the nature of a proposal. What the company is saying is that if the Government of Canada will give it the right to go ahead, that it is prepared next year to begin making the enormous investments that are proposed here. So, it might not go ahead, but on the other hand, it might very well go ahead.

Federal Government Impatient

Certainly, as I say, Dome is not speculating idly about it. Certainly, the federal government is showing a determination to proceed with its energy policy, particularly its intention to make Canada secure and self-sufficient in energy before the end of this century. The federal government is showing signs of impatience, signs of a resolution to do what it deems necessary, without too great a regard for decorum, or some might even say for principle, in its dealings with northern resources and the people of the North. Certainly, there are signs that many, many Canadians who perceive an energy crisis, and in the final analysis it is the perception and not the fact which is important, Canadians who perceive an energy crisis -- there are many signs that they will support the federal government in its determination to control resources and perhaps people in the North.

I think that the Committee for Original Peoples Entitlement recognized this possible development before many of us, and that is why it set out quickly to try to act while it still had time. I will not judge, I suppose because I cannot judge, whether their decision to try to go it alone was the right decision or not, but at least it is obvious that the rest of us better get our act together soon.

Paranoidal Suspicions Preventing United Action

As an example of our disarray that I mentioned earlier and of our paranoidal suspicions of one another, and of the future, which are preventing effective united action, I could point to an apparent reluctance on the part of some, for example, to discuss a response to Bill C-48, as though our refusal to deal with it will somehow make it go away, or as though, by preventing this government from trying to deal with it, that that will somehow benefit others.

In this same matter of being, sort of, in a disarray and divided against ourselves, I will refer also to another very significant item, in my opinion -- that the media generally, and especially Mr. Jack Sigvaldason, publisher of News/North and the Yellowknifer, seem to have overlooked -- and that is the Dene and Metis land claims position as described in the Native Press of December 18th, 1980, in which these organizations call for the Western Arctic to be divided into two territories, one being, and I will quote "the greater Yellowknife area excluding Detah, Block 500, Rae-Edzo and other native communities" which despite the description that is given, means in effect the "lesser Yellowknife" area, and the other territory being everything else inside the tree line.

Well, I can assure everyone that that position will not contribute to a quick settlement of the northern political problem. I deeply and firmly believe that a political settlement must be agreed upon. I believe deeply and firmly that there should be no imposition. So for my part, I can guarantee that I will never struggle to impose this present government permanently on the Dene and Metis if they cannot willingly accept it in a form so modified so as to make it acceptable. I will not do that, but I can also guarantee this. I represent people in a Yellowknife constituency who have every legal and moral right to be here, and if I and the people I represent are to be excised from an existing Western Arctic territory, I simply -- maybe not desiring it -- but I simply would have no alternative, no choice, but to fight as strongly as I could to ensure that the remaining territory left to us was not an island of impotence, but a potentially viable territory from the point of view of geography, of transportation and resources. That sort of struggle, if it were once embarked upon, does not promise any quick resolution at all.

Ideologies In The North

As I said, I do not condone imposition but if we, as peoples, cannot adopt reasonable positions and agree among ourselves but insist on the maintenance of ideology, then there will continue to exist briefly a series of ideological outposts which will then be overrun by the march of time. Momentous events will occur, are occurring, and they will simply pass us by. If we cannot agree to get together, we will be like ol' Dan Tucker in the American folk song. "Get out the way for ol' Dan Tucker, he's too late to eat his supper. Supper's over an' breakfast's a-cookin'. Ol' Dan Tucker's just standin' there a-lookin'."

In view of the impending storm, it is unquestionably time for all peoples in the Northwest Territories to consider seriously the kinds of compromises that will be necessary in order to win for themselves the best possible settlement. We have many ideologies in the North. Ideology is the stuff of dreams. It is great for reading and for bar-room conversations. If it is well-founded, there is nothing better than ideology as a guide to action or at least as a beacon for direction. It makes sense to stand on well-founded ideology if its proponents have the power unilaterally to bring it to fruition and to enforce it. Unless leaders have that kind of power to bring an ideology to life and to sustain it with their own efforts, they run the danger of doing a disservice to their people by refusing to recognize realities, and by refusing to make whatever compromises are necessary to bring maximum benefit to their peoples. Let it not be said in a review of history that the leaders in this Assembly, who have been elected by the people of the Northwest Territories to serve their best interests, lacked a healthy regard for reality, and failed to do what was necessary when it was necessary. Mr. Speaker, it gives me pleasure to second the motion of appreciation for the Commissioner's Address.

---Applause

MR. SPEAKER: Thank you, Mr. MacQuarrie. Further replies to the Commissioner's Address. The Hon. Mr. Butters.

HON. TOM BUTTERS: Mr. Speaker, I rise on a point of personal privilege. This request in no way reflects on the remarks of the previous speaker but is there any way to reduce the temperature of this room? It seems to me that it is inordinately hot and it is difficult to carry on our deliberations in the temperatures such as we are being subjected to.

MR. SPEAKER: They were working on the thermostat just a few moments ago. I do not know if it is going to get any better or not. We will have to wait and see I guess. Replies to the Commissioner's Address. Item 3, oral questions.

ITEM NO. 3: ORAL QUESTIONS

The hon. Mr. Arlooktoo.

Question 51-81(1): Oil Tanks At Lake Harbour

MR. ARLOOKTOO: (Translation) Mr. Speaker, I have been asked by the people whether Local Government or DPW at the Lake Harbour -- the oil tanks at Lake Harbour are very close to the residential area and they are not in use. The settlement councillor of Lake Harbour asked me to direct this question.

MR. SPEAKER: Sorry. We are having trouble with the sound system again. Would you try again on channel four please?

MR. ARLOOKTOO: (Translation) Mr. Speaker, a question I have been asked to direct by the settlement council of Lake Harbour. There are surplus oil tanks around the residential area. The settlement council of Lake Harbour has asked me if there is a possibility to have the tanks removed this coming summer and that the lot being occupied by the tanks, the co-op is considering acquiring the lot that is being occupied by the tanks at this time. Thank you.

MR. SPEAKER: Mr. Tologanak.

HON. KANE TOLOGANAK: Mr. Speaker, I will take the question as notice and provide a written reply to the honourable Member.

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

Question 52-81(1): Offshore Resource Revenue Sharing

MRS. SORENSEN: My question is for the government leader, the Hon. George Braden. During federal-provincial energy and constitutional negotiations last year, the federal government offered to provide 100 per cent of provincial-type revenues to provinces adjacent to offshore resources, and I refer here to provinces such as Newfoundland and the Hibernia oil fields. This offer apparently was subject to the stipulation that when the province reached an agreed level of wealth, the revenues would be shared with other Canadians. It appears as well that the provinces have turned down that offer opting for full ownership and full revenue rights to offshore revenues instead. May I ask the leader whether the same or a similar offer has been made to this government in anticipation of production in oil and gas in the Norman Wells area and the Beaufort Sea, and further, in recognition of the fact that the people of the Northwest Territories aspire to responsible government or province-like government at some time in the future?

MR. SPEAKER: The Hon. Mr. Braden.

Return To Question 52-81(1): Offshore Resource Revenue Sharing

HON. GEORGE BRADEN: Thank you, Mr. Speaker. The answer to that question is no. An offer has not been made to this government respecting offshore resource revenue sharing. As I understand it, the national energy program which was tabled by the federal government last October made it very clear what the federal

government's position is concerning Canada lands, and jurisdiction over resources on Canada lands. The honourable Member will recall that in the maps within the national energy program document, offshore areas within the Northwest Territories boundaries are considered to be Canada lands and, therefore, under the jurisdiction of the Government of Canada.

Also, with respect to resource revenue, all revenues, I would assume, would accrue to the Government of Canada from any developments that take place in these offshore areas. I might indicate to the honourable Member, for her information and for the information of the House, that the Government of the Northwest Territories is currently preparing documents in anticipation of our possible participation in upcoming constitutional conferences. One of the issues that we will be addressing in these papers is, of course, the whole area of offshore jurisdiction, offshore development and offshore revenue rights. These documents will be in the form of a draft position paper, they will be tabled before the House and will be discussed, in order that, if we do ever get invited to come and talk on these issues, we will be able to go with a mandate which has been clearly discussed by this House. Thank you.

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

Supplementary to Question 52-81(1): Offshore Resource Revenue Sharing

MRS. SORENSEN: Just a supplementary to that, Mr. Speaker. My question referred to offshore only as an example of what the federal government was willing to negotiate in the area of revenue sharing. So having said what you said about offshore, does the same then apply to Canada lands as described in the energy policy, that we know as the Northwest Territories, and are you developing a paper with respect to our position on those lands as well?

MR. SPEAKER: The Hon. Mr. Braden.

Return to Supplementary to Question 52-81(1): Offshore Resource Revenue Sharing

HON. GEORGE BRADEN: Thank you, Mr. Speaker. The Government of the Northwest Territories, primarily through my honourable colleague, the Minister of Finance and Mr. Nerysoo, is currently pulling together information on resource revenue sharing. We hope to have developed a plan in the near future, for our Executive Committee's consideration anyway, of various options to proceed on. I do not want to go into the details of it, but to enter into a resource revenue sharing arrangement at this time or in the near future will require, as I would understand it anyway, a re-examination of the formula financing arrangement we hope to be getting into in the very near future with the Government of Canada.

I regret that I cannot provide any more detail on it, but we are certainly developing position papers internally to examine and come to some preliminary conclusions anyway on this subject. As I indicated earlier, we believe it is of great significance to not just the Executive but to the whole Legislature and we will be returning to the House with the various position papers so that they could be discussed and some mandate or direction provided by this Assembly.

If I can just put this into a timeframe of sorts, the honourable Member will recall in a response I gave to Tagak Curley the other day, we in the government feel that once all the controversy and difficulty over the national energy program and resolution to Her Majesty has been resolved, we have pretty good indications that the federal government is going to take a very, very serious look at the constitutional future of the Northwest Territories. Now, I cannot really say whether that is in the decade of the 1980's or up to the year 2000, it is hard for me to predict at this point in time, but I think we, as a

Legislature, as we have in the government, must recognize that it will be important for us to have a debate and make some fairly serious decisions about our future. One of the important factors in our future will be finances. So, I would hope that, perhaps in the May session, we could begin debate on these kinds of issues, one of which will be the important issue of revenue sharing and revenue generation, as my honourable colleague has mentioned. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Item 4, questions and returns.

ITEM NO. 4: QUESTIONS AND RETURNS

Written questions. The hon. Ms Cournoyea.

Question 53-81(1): Situation At Inuvik General Hospital

MS COURNOYEA: I have a question for the Minister of Health and Social Services, Mr. Arnold McCallum. Is the Minister of Health and Social Services aware of the continuing depressing situation of the Inuvik General Hospital? Is the Minister aware that the public health unit of Inuvik General Hospital has been closed down for a minimum of two weeks to provide nurses to the also understaffed settlement nursing stations? Is the Minister aware that there is no anaesthetist at the hospital? Is the Minister aware that the surgeon has left the hospital? Is the Minister apprized and knowledgeable that over the last year the prime discontent has been with lack of respectful atmosphere toward the medical staff, by the administration? Is the Minister aware that the administrator has left for the Yukon?

Mr. Minister, I ask you to assure this Assembly that the lack of pressure from your department is not because your department continues to press for documentation and rationale to establish a full referral centre in Yellowknife. Finally, what kind of action do you intend to take in your capacity to pressure for action to get this hospital back in working order?

MR. SPEAKER: Written questions. The hon. Ms Cournoyea.

Question 54-81(1): Regional Economic Development Operations

MS COURNOYEA: I have a question to the Minister of Economic Development. Could the Minister of Economic Development and Tourism apprise this Assembly if there has been an internal investigation of the Inuvik and regional economic development operation in order to determine proper policy governing employees' conflict and misuse of their position.

MR. SPEAKER: Written questions. The hon. Mr. Kilabuk.

Question 55-81(1): Baffin Region, Increase On Polar Bear Quotas

MR. KILABUK: (Translation) I have three questions for the Minister of Renewable Resources. The three questions which I was told to ask you are related to one another, all are on the topic of polar bears. The people of my constituency tell me that there is a limited number of polar bear quotas. The people that are not employed and some of the young people are asking for a polar bear quota increase. The quotas that we do get are not enough in Pangnirtung. The people of Clyde River and Broughton Island are also asking for an increase in quotas. I think that the people know for a fact that there is an increase in polar bears too. I would like to know if the Minister is going to look into this matter of increasing polar bear quotas in these communities.

MR. SPEAKER: Thank you, Mr. Kilabuk. Written questions. Mr. Kilabuk.

Question 56-81(1): Fish Size, Pangnirtung

MR. KILABUK: (Translation) This question is also directed to the Minister responsible for Renewable Resources. This question is from Pangnirtung. The Pangnirtung area has different types of fish. Some lakes have smaller fish than the other lakes. Those fish do not grow any bigger than the small ones. The size of the nets are too big to catch the fish in some lakes because the fish are really small. After a study was done of these lakes regarding the size of the fish -- if there is a study and they find out that they are small, can you lend us some...

MR. SPEAKER: Thank you, Mr. Kilabuk. I did not get the last part of your translation. Do you have another written question?

Question 57-81(1): CB Radio Frequency

MR. KILABUK: (Translation) Mr. Speaker, I have another question also directed to the Minister responsible for Renewable Resources concerning CB radios. I was asked to bring this question regarding CB radios. A lot of people are using CB radios now in Baffin region, Keewatin and the Central Arctic. They are all on the same frequency. It was mentioned that at the wildlife conference and they all came to an agreement that there should be separate channels for Baffin, Keewatin and other regions, on each of the radios in order that they will be able to communicate regionally. Would you be able to look into this matter? I would like an indication whether you would be able to look into the matter. Thank you.

MR. SPEAKER: Thank you. Written questions. Are there any returns? The Hon. Mr. Butters.

Further Return To Question 16-81(1): Government's Participation In Workshops Re Lancaster Sound Region

HON. TOM BUTTERS: Mr. Speaker, on February the 9th, the hon. Mr. MacQuarrie asked a question regarding the Lancaster Sound development. On that occasion I responded orally and noted that there was participation by the Northwest Territories in the development of the paper and the paper I was referring to was "The Lancaster Sound Region, 1980-2000" which I believe was tabled the same day as the question was asked.

I think I should make it clear to the House that we are not outsiders to this Lancaster Sound study. We have been very much involved in the first phase of the study through the regional director in Baffin region, Mr. Britton who is a member of the working group which wrote the draft green paper. We are also represented on the steering committee which is directing the study. In the next phase, the public review phase of the study, Mr. Britton will attend on our behalf, community meetings at Pond Inlet, Arctic Bay and Resolute, and he will take part as a member of the working group in the workshops at Resolute and Ottawa.

The workshop at Resolute is primarily a forum for the communities most affected by the possibility of resource development activity in the Lancaster Sound area to discuss the draft green paper and to make their views known. We have agreed with the federal government that it would not be appropriate to load that workshop with a large number of government officials. We intend, however, to be fully represented at the Ottawa workshop by people who are able to effectively express this government's point of view. The Executive Committee has not yet had a chance to discuss the draft green paper but I expect that we shall ask the resource development committee to contribute to our assessment of the green paper and to the formulation of our position on the various potential uses of the Lancaster Sound area.

I think honourable Members will agree that it would be a mistake for this government to adopt too hard a position before the public review phase has even started. To some extent our position will be determined in the light of public reaction to the draft green paper, not least by the reaction of the residents of the Lancaster Sound area and their representatives in this House, Mr. Pudluk and Mr. Evaluarjuk.

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

Return To Question 8-81(1): Fishing Test At Crooked Lake

HON. RICHARD NERYSOO: Yes, Mr. Speaker. I would like to respond to an oral question asked by Mr. Pudluk on November 7th, 1980, and on February 6th, 1981. That was with regard to the test fishing at Crooked Lake.

There has been no test fishing activity carried out in Crooked Lake, Prince of Wales Island. As soon as the wildlife officer's position is filled at Resolute Bay, the wildlife service will apply for a test fishery permit and a provisional commercial quota for Crooked Lake. The data collected from the test fishery will assist resource management, Department of Fisheries and Oceans, to establish a firm commercial quota for the lake providing sufficient fish stocks are available.

I would also like to indicate to the Member that we have already filled the position and I will ensure that my officials in fact carry out the information that I have given you.

MR. SPEAKER: Thank you, Mr. Minister. Any further returns? The Hon. Mr. Nerysoo.

Return To Question 55-81(1): Baffin Region, Increase On Polar Bear Quotas

HON. RICHARD NERYSOO: Yes, Mr. Speaker. I would just like to reply to the question that was just asked by Mr. Kilabuk with regard to polar bear increases in Pangnirtung. It is on Information Item 15-81(1) in the information item booklet. Now, it is also responsive to Petition 11-80(2) that was tabled by Mr. Kilabuk on November 4th, 1980.

The original polar bear quota for Pangnirtung was changed from eight to 14 in 1976 based on an agreement by the hunters' and trappers' association that the additional bears would be hunted after January 1st, thereby protecting productive females. The association now has requested an additional quota of 30 bears or, a 200 per cent increase to their quota. The wildlife service will review this request as soon as the report from a three year study in that area has been fully assessed and a new management program drafted. The program will be completed by the end of this March. The service will present their recommendations for consideration at that time.

A preliminary review of the information suggests that the current kill in the Pangnirtung and Frobisher Bay area equals or exceeds the reproductive potential of that subpopulation of bears and therefore it is unlikely the recommendations will be positive. This information was passed to the Pangnirtung Hunters' and Trappers' Association last October.

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

Item 5, petitions. Are there any petitions?

Item 6, tabling of documents.

ITEM NO. 6: TABLING OF DOCUMENTS

The Hon. Mr. Wah-Shee.

HON. JAMES WAH-SHEE: Mr. Speaker, I would like to table Tabled Document 14-81(1), We're Together Again. It sounds like a country and western song.

AN HON. MEMBER: What is on the flip side?

HON. JAMES WAH-SHEE: The latest hit.

---Laughter

AN HON. MEMBER: What is the flip side?

HON. JAMES WAH-SHEE: The flip side is "Help Me Make It Through This Session".

---Laughter

This is a souvenir booklet put together by my department to honour the athletes, staff, volunteers and supporters of the Northwest Territories team which participated in the 1980 Arctic Winter Games in Whitehorse, Yukon.

SOME HON. MEMBERS: Hear, hear!

---Applause

HON. JAMES WAH-SHEE: Thank you.

SOME HON. MEMBERS: Very good, very good.

MR. SPEAKER: Tabling of documents.

Item 7, reports of standing and special committees.

Item 8, notices of motion.

Item 9, motions.

Item 10, notices of motion for first reading of bills.

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; the Ninth Report of the Standing Committee on Finance; and Motion 4-81(1), Response to Bill C-48, with Mr. Fraser in 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

Northwest Territories Housing Corporation

CHAIRMAN (Mr. Fraser): The committee is studying Bill 1-81(1) and we were dealing with the Housing Corporation. Mr. McCallum, do you wish to call the witnesses in again?

HON. ARNOLD McCALLUM: Yes, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Fraser): Agreed.

---Agreed

Total O And M

Page 3.01, Housing Corporation budget, O and M. When we concluded last night's sitting, I abruptly cut off Mr. McCallum who was in reply to a question asked by Mr. MacQuarrie. I wonder if we could just continue from there. I think Mr. McCallum was about to ask Mr. Forrest to make a brief statement. That is on page 725, I think, Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I was indicating to the committee those areas where we found an overrun on our O and M and I was relating 1978 and 1979 overrun costs. I had talked about extraordinary maintenance, the administrative overrun and the amortization overrun in both of those years. To continue on with that, Mr. Chairman, the overrun in 1978 on the operation of our apartments was \$102,000 and in 1979 it was \$201,000, so that there was in 1978 a total overrun on the Housing Corporation's budget of \$2.884 million and in 1979, \$3.328 million.

Now, there was overbudgeting in both of those particular years as a result of the timing differential and you will recall again the difference in the fiscal years; the calendar year of the corporation and the fiscal year, April to March, of the government. Our total overrun in both of those less the surplus that had been accumulated over the years 1974 to 1977 of \$3.835 million gives us a total accumulated loss of approximately \$4.5 million which is the amount of the supp that was referred to which this committee will be asked to support and pass when we come to that particular operation. Those then are the kinds of overruns that we had, in rounded figures, and that is the kind of information that I was giving to Mr. MacQuarrie yesterday just before we ended.

CHAIRMAN (Mr. Fraser): Before you were so rudely interrupted.

HON. ARNOLD McCALLUM: Well, I did not say "rudely". You said it.

CHAIRMAN (Mr. Fraser): Are you finished Mr. McCallum? You mentioned that Mr. Forrest was going to comment on that question. Are you satisfied, Mr. MacQuarrie, with the answer? Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. Yes, it is becoming clear to me what did happen. I notice that the Thorne Riddell report results from either a report or a comment made by someone from the Auditor General's department. I suppose for now, my last question would be, can you give us information on what that report said? Why did it set things to happen, as apparently it did?

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

HON. ARNOLD McCALLUM: Mr. Chairman, I refer that to Mr. Forrest.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

Reasons Behind Thorne Riddell Report

MR. FORREST: Thank you, Mr. Chairman. The cause of this report was by the Northwest Territories Housing Corporation, that initiated the report and set out the terms of reference for the report, which coincided with the Auditor General's report, dated April 1st, 1980, and was received by myself on or about June 12th, which was the commissioning of the Thorne Riddell and Co. chartered accountants, to assist the board of directors and the administration in identifying the problems of the management of money, trust money, that we are responsible for.

Whilst it is dated in August, the report was concluded in October and we received, that is the board and the administration, received this report on the second day of October of this year. The Auditor General's report crystallized what we believed to have been happening and had happened and, therefore, feeling that we acted in a responsible manner, we immediately took this action of commissioning Thorne Riddell and Co. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. I have next on the list here, Mr. Curley. Mr. Patterson, then.

HON. DENNIS PATTERSON: I am interested, specifically, in who in the corporation requested the Thorne Riddell report?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: It was myself, Mr. Chairman.

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

Executive Committee Should Not Be In Control Of Housing Corporation

MR. CURLEY: Yes, Mr. Chairman. I have a proposed motion, but before I get into it I would just like to express to the House my concern with the way the Housing Corporation is presently structured. I realize that the Deputy Commissioner, the chairman of the board has, I would think, pretty good control of the corporation and is doing his best to make sure that the corporation responds to the needs, the housing needs of the Territories. My feeling is that, with all respect to your integrity, I think you have quite a lot of other responsibilities, which are very huge responsibilities, such as Public Works and the other responsibilities vested in you as the Deputy Commissioner of the Territories.

So in particular, taking those into account, I think the corporation, in my mind, would be much more effective if it were to appoint a chairman of the board, other than a civil servant of the Executive branch of the government. I do not think it would restructure the government, the Executive Committee and whatnot, because it still is accountable to the government, because this Assembly must approve of its act, the act that sets up the corporation. We have to improve the accountability. We have to review the act and make sure, you know, there is a proper accountability to the Assembly somehow. But to continue on with the Executive branch of the government as the chairmanship, in my mind, will only continue to have questions raised by the public, whether or not the Commissioner has too much control or not.

Experience In Construction And Real Estate Development An Asset

I think to try and resolve that feeling, my recommendation, my thinking is that I think we should move fast to try and appoint a chairman of the board with experience in the private sector and experience in construction development, real estate development. I do not know whether the board would have a problem

with it or not. They may have a qualified member already there who could be promoted to the chairmanship of the board. Then they would probably have to appoint some other people to fill needs, you know, the urgent expertise need there.

My other concern is having the Assembly Members, Members of the Assembly as board members of the corporation. I am raising that as a concern now. I think we are preventing them from active participation right now. I believe we have, in the Northwest Territories, positively qualified businessmen that could possibly replace some Members that are sitting on the board and who are Members of this Assembly. I am not criticizing them. I think it could get into such a situation, that they could be put into a difficult position if they would continue to support having Members of the Assembly on the board. So, I would like to hear some reactions to that, because if the Members are not going to support an independent crown corporation to deal with the housing, then I would be reluctant to move with the motion. I think it is only fair that the Members be given a chance to react to that. Thank you.

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

Serving The Best Interests Of People Of The NWT

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I think it is generous of Mr. Curley to ask for other Members' reactions to this proposal of his. May I suggest, Mr. Chairman, that since we are really asking Mr. Pilot to step down, may I suggest that we invite Mr. Pilot to comment on this proposal, and particularly if he would comment on whether or not, as a member of the Executive Committee, albeit a non-elected member, he feels that the best interests of the corporation and the people of the Northwest Territories would be served if chairmanship was handed over to an outsider, to someone from private enterprise, as Mr. Curley suggests.

I might also ask Mr. Pilot to comment on Mrs. Sorensen's view expressed yesterday, that in fact -- I think the implication was that people like yourself are too busy to pay the kind of attention to the corporation that needs to be paid. Could I invite Mr. Pilot to respond, Mr. Chairman?

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

DEPUTY COMMISSIONER PILOT: Mr. Chairman, I think first I would like to comment on the Thorne Riddell report. It has to be understood, I believe, by this committee that it was we in the corporation who identified and recognized that we had difficulty in ascertaining our financial position and in particular, the division between capital and O and M. The Auditor General, in his letter to us, as referred to by Mr. Forrest, gave us an indicator and in fact, the Auditor General's office has been extremely helpful to us in identifying the problem and recommending solutions.

It was the corporation's feeling that rather than looking at the problem that has been identified themselves, to bring in an outside agency, such as Thorne Riddell and ask them to identify to us in a clear and precise manner, the problems facing the administration of the corporation, and this the report did in a very -- as you probably all recognized and as Mrs. Sorensen mentioned -- in a shocking manner.

Restructuring Upper Echelon Of The Corporation

It was not something that we, in the administration, found as a surprise. We knew that we had problems and what we wanted to know is how to correct those problems. As a result of that report, we are now very actively restructuring our financial position or our financial organization within the Housing Corporation and in fact restructuring the upper echelon of the corporation in total. These proposals have gone before the board, as I mentioned earlier, and I hope to get some formal direction from them at our next meeting.

I also believe that the changes that we expect to put into place will bring our corporation into line with our provincial counterparts. What I mean in that respect is that if you look at Alberta or Ontario, for examples, the Housing Corporation reports to the ministry of housing for those two provinces. The proposals that will be going before the board of directors, and has to go before the Executive Committee for policy direction, will be in that direction.

I will give you an example. In both Ontario and in Alberta, the minister responsible for housing is the chairman of the board and I believe the main thrust or the main concern is that the total expenditure within the housing corporation is government money and the responsibility is social housing. We are not in a profit making venture and we are spending total government funding.

To just go back a step in the history of the development of this Northwest Territories Housing Corporation, it is my humble opinion that in the exuberance to be independent or to be a corporate body, they very rapidly stepped away from the regulations and the ordinances governing agencies of the Government of the Northwest Territories. If you read the Northwest Territories Housing Corporation ordinance it states that the corporation is an agent of the Commissioner and as such they are not permitted, I suppose the best word would be, to exercise any authority beyond those that are granted to them by the Commissioner or by this Legislature if the ordinance is changed.

An Air Of Independence

As I mentioned earlier, I believe, in the exuberance to be independent and to show an air of independence as a corporation, the corporation stepped away from the regulations of government and were not brought in under those regulations until just recently. I think it is only fair that when you do set up a corporation, that they should have that air of independence. If you are choosing a board of directors selected from all walks of life from across the Northwest Territories to represent all areas of the Northwest Territories, you must give that board some responsibilities.

Now, I believe that as a result of the Thorne Riddell report and as a result of the Auditor General's observations, we will make changes this coming year which will allow the corporate body, the corporate structure, to change. We will also be able to place the finances under the territorial regulations. That will mean that the finance management board of the government through the various analysts that we have working within the finance management board secretariat will monitor and review the expenditure of the Housing Corporation. They will provide the corporation with the necessary direction and guidance throughout this coming year.

Other Changes Planned Within The Corporation

Other changes that we planned in the corporation are cosmetic, I suppose you could say. One is the changing of the title of the managing director to that of a "president" in keeping with corporate names or corporate structure; the recruitment of a senior vice president responsible for finance and a vice president responsible for construction. The other changes that are required are within the ordinance itself and will have to be reviewed by the standing committee on legislation. It will have to be reviewed by our legal division to see whether they are in keeping with or are permissible changes and will also have to be reviewed before the Executive Committee.

I believe that in this coming year I will be able to give a considerable amount of my time to the necessary changes to the corporation. Both Mr. Forrest and I, and his senior people, have worked many, many long hours these last eight months attempting to identify and bring forward the concerns that we are addressing today.

The Thorne Riddell report was not hidden under the table. We are not proud of it in the corporation but we certainly made it known to the standing committee on finance that that report was completed. I was, in fact, very pleased that the chairman of that committee had asked for it to be tabled because I think it is only fitting that when we have problems that we air them as openly as possible in this form.

---Applause

AN HON. MEMBER: Hear, hear!

Housing Corporation Committees Formed

DEPUTY COMMISSIONER PILOT: I think also I should just make mention again of the board of directors. Over this past year, I have been responsible as the chairman of the board. I have developed various committees within the board of directors, one being an audit committee, and this audit committee is now coming into its own being chaired by one member of the board of directors with other members of the board of directors as members of that committee. They will be responsible for reviewing the Auditor General's management letter and identifying and requesting certain answers to be given by the administration in response to that letter. They will also be able to say to the Auditor General that there are certain areas within the corporation that they would like to have looked at and examined by the Auditor General.

Another committee that is being formed within the corporation is a budget committee, the committee that reviewed the estimates of the corporation prior to it being tabled at the board of directors and also prior to it coming to the finance management board. This allows a committee of board members to examine and see whether or not those directions that have been given to the corporation are in fact being followed and are being reflected in the budget that is being developed.

There are other committees that we will examine over the coming year to ask the board to consider taking on because I think the strength of a board of directors is allowing them to participate meaningfully within the overall structure of the corporation which they are responsible for. I must say of all the board members that they are very dedicated and concerned citizens and each and every one of them brings to the board table a concern of their area and are very eager and responsive to our requests to participate on the various boards and on the various committees.

So, I believe if this committee would indulge, and allow me to chair that corporation for one year longer, and see what the end results of that year of direction will be, I will be very pleased to sit at this table a year from now and take the volleys that may come if we fail in our attempt to swing the ship around, or if I can use a pun, put our house in order. I think at that point in time it will just prove itself that irregardless of who is chairing the board of directors, it is a matter of what type of co-operation we get from the Government of the Northwest Territories and in particular from the finance branch, because that is the area which we must rely on totally in the future. Thank you.

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

Best Of Times And Worst Of Times

MR. MacQUARRIE: Thank you. I am really pleased that we had that opportunity to hear from Mr. Pilot because with respect to the suggestion that was made yesterday, I was a bit concerned. I do not want to be too swift to change and maybe wind up with something that is not as good in some ways as what we have now.

In a sense, it seems to me, the Housing Corporation is the best of times and the worst of times. They have certainly been doing apparently some things right and very, very well, and that is commendable, but there are some things obviously that are very wrong too and have to be rectified. I would not want to see us leap too quickly to change if these things are well in hand. Perhaps, from the point of view of the board, they are.

In the difficulties that we have seen though, certainly they are not necessarily difficulties of policy but of management and I would be very pleased to hear from Mr. Forrest in his own defence because there was some implied criticism as well yesterday of his role with respect to the management difficulties. Incidentally, in responding perhaps, Mr. Forrest, you would comment too on the proposal -- the one thing that I was a little concerned about in Mr. Pilot's address -- that there will be a senior vice president in charge of finance and a vice president in charge of construction. I have heard it said that one of the problems already with the corporation is that it is top-heavy; and I do not repeat that in order to try to promote that idea. I honestly do not know whether that is so or not and so I would appreciate a comment about that.

So, Mr. Forrest, then if you would not mind commenting, do you feel that whatever management difficulties there have been are explainable from your point of view and that there is no question in your mind that you have a handle on things for this coming year, just as Mr. Pilot feels that he has in respect of policy of the board?

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

MR. MacQUARRIE: No, Mr. Forrest was asked the question.

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

HON. ARNOLD McCALLUM: Mr. Chairman, I wonder if Mr. Pilot may be allowed a brief comment prior to Mr. Forrest?

CHAIRMAN (Mr. Fraser): Mr. Pilot.

On The Housing Corporation Being Top-Heavy

DEPUTY COMMISSIONER PILOT: Thank you, Mr. Chairman. I just would like to comment on the concern expressed that the administration may be top-heavy. What, I believe, has been one of the weaknesses of the corporation is that it has not been top-heavy. It has been top-weak and what I mean by that is that Mr. Forrest has been carrying on the duties of two or three or perhaps even four people at times, not having someone in the construction division or having someone senior and very knowledgeable in the finance. So, as I said to Mr. Forrest at one point in a memo to him, that he is caught running a one man show and a \$24 million or \$30 million corporation. It is top-weak and we have to strengthen that portion by increasing the responsibilities to a senior finance and a construction individual. I should mention also that these people will be officers of the board and they will be answerable to the board of directors. At the present time, only Mr. Forrest comes to the board meetings because he is a member of the board, so he has to carry many hats into the board room with him. By having a senior vice president of finance and a vice president of construction, this then shares this responsibility with two others.

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

Corporation Staff Dedicated People

MR. FORREST: Thank you, Mr. Chairman. Thank you, Mr. Pilot. I would like first to comment on the several kind remarks that Mrs. Sorensen made yesterday as it related to staff. I support totally the quality and dedication of our staff and I never have nor will I ever say anything to the contrary to that. One of the objections I have to the Thorne Riddell report was their statement of the morale of the financial staff. I can assure you that the morale is high. It is nervous, it is very concerned, and especially under these trying days when so much of our work in that department has been dedicated to responding to the Auditor General and to this House, the work that is being generated by these people is many hundreds of hours in the last two months, for which they have not claimed overtime and whatever. So, it makes my life much easier, for the support of this House to these dedicated people.

I believe historically that we have developed very fast, maybe too fast. Seven years ago we began with \$3.8 million. This year we will be turning over, and to be accountable for \$61 million. Now, you may question, well, that is not the sum total of your budget. Your budget is half that, but what I talk about when I mention turnover of money, this is the money that comes in and out of this corporation that we are responsible for. We have in excess of 300 accounts. We will be working on 1200 houses this year all with separate accounts, so the logistics are rather difficult.

I totally agree with Mr. Pilot, not in my own defense, but I totally agree that we have been top-light and we have been top-light for the history of the corporation and particularly now. The sophistication that is demanded of us in finance, is that of a crown corporation or its equal in the South of Canada. No longer is it the frontier spirit of handling ones money and the accountability.

Dramatic Changes In The Corporation In The Past Three Years

I also want to state that in the past three years, three things dramatically have happened. Number one, we have disentangled from Canada Housing and Mortgage Corporation. We have reversed the role from that of being in the master-servant relationship to us being the senior partner. This has put an added burden and strain on our finance department. We have also decentralized into our communities in all areas. Currently, it is the construction activity. This puts an added strain on the finance department for financial controls. We have also devolved our major responsibilities; 90 per cent of our responsibilities in the area of our operating budget is controlled and spent by the people in the communities. These are neither bookkeepers, nor are they trained accountants and we have paid a price for this, but it has not been through lack of effort or lack of concern.

We may have moved much too fast in devolving our responsibility, from the comfort of rigid accounting controls from a head office, to that of trusting people in the communities, but we have also failed in that to the communities by not creating the proper methods and procedures and the control procedures of accrual accounting and fund accounting, which we are now implementing. But I do honourably suggest that this \$4.5 million was not wasted. It is accounted for and the money went into the houses, and there is no indication of any mismanagement in this area at all.

Difference In Government And Corporation Year Ends

We have another problem, and a very serious problem, and we will have the problem this year and we will have the problem next year if we do not change our year end to that of the government. If we do not change the year end, it will mean another deficit this year of about one and a half million dollars and in 1982 considerably more than two million dollars. This is a mechanic of the difference in our year end to the governments year end.

Now, we would appreciate, as a corporation, to receive your direction for us to approach Canada Mortgage and Housing Corporation formally, to determine that if a change in this ordinance, in our Northwest Territories Housing Corporation Ordinance, can be made. So, whilst we have incurred a deficit of \$4.5 million, a good portion of this is because of the difference in our year endings. For example, this year, if our proposed budget to you proceeds, it would indicate that we would receive two million dollars per month for the next 12 months. Well, that does not happen in that manner. For the months of January, February and March, we will be receiving three twelfths of last years budget, which is about a million and a half dollars a month. So, by the time this budget becomes firm and we begin drawing down our two million dollars per month, that will be in April, so we have automatically incurred a one and one-half million indebtedness.

Now, this is difficult to explain why it happened, but to the best of our records and to the best of our ability, there was a misunderstanding that developed in 1976 between the corporation and the Government of the Northwest Territories on the method of drawing our funds down. Now, I cannot be more clear than that, but there was a gross misunderstanding at that time and, of course, I have perpetuated that misunderstanding since I have been here. It has really been only in the last month that we have discovered why and where we went wrong, and so I will assume that responsibility.

Training People In The Field

Again, we have thrown a great deal of our energy into training and maybe we have -- no, I cannot say that we have spent too much time in the field and not enough time in our own house, but we were torn, or I was and I must speak for the administration, between people development, which we interpreted as a board, your wishes to turn our responsibility over to trained people, and we have spent a phenomenal effort in the field. But we hear from our housing associations and our federations and the delegates that say, do not only teach us and train us, but also educate us to be able to manage our fiscal affairs and our money affairs, because after all, when they are responsible for 90 per cent of this budget, hopefully to be approved, they have identified this, as well as ourselves.

Now, as a corporation, we are at risk because we are development oriented. We are development of people oriented and we are development of the physical plant oriented. So this is the direction that the corporation has taken and we did not keep up our house to supply this direction, and we are all currently suffering with this. Thank you.

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

Accrual And Fund Accounting

MR. MacQUARRIE: Thank you, Mr. Chairman. Along the way somewhere you did mention accrual and fund accounting and I noticed in the report the corporation was criticized for that, for not having such accounting, and yet I understand that the rest of our government departments, do not have that type of accounting either. I am not sure about that, but is that so?

CHAIRMAN (Mr. Fraser): Mr. Forrest.

MR. FORREST: Mr. Chairman, if I may answer the honourable Member's query, the corporation, for some reason or other, developed a commercial type accounting in the housing associations which said how much money they had received and how much money they had spent but in the system of accrual accounting it says how much money that you have received, how much have you spent and how much have you committed yourself to. It is the areas that were never reported to us that the housing associations committed themselves to which was never accounted for until six to seven to eight months later. So the housing associations went over budget without a control and without a direction from us. So therefore we have decided

to go onto the accrual accounting system in a very simplified form to the housing associations and they will be audited four times a year internally by our district and once per year by an outside audit. In other words, if they are overcommitting themselves and we can catch it before the contract is made or the purchase order is made, then we can keep within our budget. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. The time being coffee time, we will take a 15 minute break and I will recognize Mr. Curley.

---SHORT RECESS

CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum. Call the committee back to order. Mr. MacQuarrie, have you any further questions before I let somebody else talk? Mr. MacQuarrie.

MR. MacQUARRIE: Yes, just a last comment that I would make. It was indicated that if the House would pass a motion to make the financial year of the corporation accord with that of our financial year, that they would appreciate it. Well I can only say certainly if the Minister brings in such a motion, I would be happy to support it.

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM. Mr. Chairman. It would take a change in the ordinance and that is what we would be looking at. If we did come in with these, we would anticipate getting the kind of support for it.

CHAIRMAN (Mr. Fraser): Thank you. Any further questions? O and M budget. Mr. McLaughlin.

Membership Of Local Associations

MR. McLAUGHLIN: Just on a slightly different topic, going back to the local housing authorities again. In your handbook it mentions that the people that can be members of the local associations are the people that live in the houses. It says that they can elect directors, but it does not say whether the people they elect have to be members that live in houses. Can they be people from the public at large or does it vary from community to community?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, in the local housing associations, to be a member of the board you would be a tenant. You would have to be a tenant. The association is an association of tenants, if you like. I think that is across the Territories. Mr. Forrest?

MR. FORREST: Yes.

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

MR. McLAUGHLIN: I was just wondering then, is the housing authority in Pine Point operated differently than the ones in the rest of the Territories?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, we are saying in associations. Pine Point is a housing authority. That would make the distinction, in authority. A housing authority is distinct from a housing association. Copacetic?

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

MR. McLAUGHLIN: Do you have housing associations in most of the places and housing authorities only in a few places?

CHAIRMAN (Mr. Fraser): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, there are 47 housing associations and five housing authorities.

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

Expertise Is Needed

MR. CURLEY: Thank you, Mr. Chairman. Listening to some of the questions that are being posed by some Members, I am beginning to think that they are taking advantage of educating themselves when they could actually be doing that throughout the whole course of their responsibilities as MLA's. I do not think they should come here and just ask meaningless little questions that are only of benefit to you rather than to your constituents. Having said that, I think, Mr. Chairman, you will guide us as we proceed with this detailed study of the Housing Corporation's budget.

I am concerned and I welcome the Housing Corporation's assurances that they will attempt to tighten up the operations as well as putting in people with experience in construction and other fields. I think the idea of putting in vice presidents in finance or construction is a darn good idea. I think that will help straighten out -- I also hope that the same effort will be taken into the regional areas. For instance, in my riding, the contractors who are trying to meet their deadlines have had awful problems in knowing, this summer, as to who was in charge. At one point, they had a couple of people or so from this area come in there and manage the Housing Corporation's operations for a while, and at one point they were told a man at Frobisher was in charge. So this kind of thing was going on. They really did not know who they should approach in meeting their technical requirements. The expertise is needed in the field because the contractors end up losing a lot of money. The corporation I represent, IDC, Inuit Development Corporation had a small contract but the larger contractors really had to do a lot of runaround and yet, I think, they had quite a large overrun as a result of having to do the runaround for the Housing Corporation.

Assurances To Improve Field Operations

So I would like to seek some assurance as well whether or not this kind of problem will be alleviated, that steps will be taken to ensure that not only the Housing Corporation's field representatives will be socially acceptable people but technically competent people in that area because the construction of houses is where the main work is done. They like to have some people with experience in the construction. So could I have some reaction to that assurance, if they have any, to improve the field operations as well?

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

HON. ARNOLD McCALLUM: Mr. Chairman, I think the comments the Member makes are very pertinent to making sure that the corporation is responsive positively in the various districts, not the least of which is the district office in Rankin Inlet. The district manager changed over the last year, as the Member will recognize, and we are decentralizing certain aspects of the total operation. Therefore, there was a need during that time for some kind of disruption in things once we were changing particular managers. We would expect though that the manager that we have now in the area would be able to be responsive to what goes on. I think as well the last comment the Member made, that not only should one be socially acceptable but obviously very much competent, and I would trust that that would be the kind of criteria, the guidelines, that we would, as a corporation, pursue in attempting to do this. Now that obviously comes in with the day-to-day operation of the corporation, and maybe Mr. Forrest may want to comment on the set-up of the district offices.

MR. FORREST: Thank you, Mr. McCallum. Mr. Chairman.

CHAIRMAN (Mr. Fraser): Mr. Forrest.

Tough Attitude Taken With Contractors

MR. FORREST: Thank you. This year we have taken a very tough, nasty attitude with our tender document for southern supply contractors. Last year we faced many, many shortages and these shortages were not reported to us until the material was needed and then time went by before we could have materials flown in. So we have, by decentralizing our construction activity -- and particularly in the Keewatin. Come March the 1st, there will be a permanent man there, and this will be the man that Mr. Curley referred to -- from Frobisher Bay -- who is our most qualified man. He will live in the community, and he will work within his district, as opposed to flying back and forth to Yellowknife. I know at this time next year that that particular observation will not be able to be made. I think that that, plus the fact that our own people will be on the beach when the material is received, and if the manifests are not correct, it will be so noted then, and any shortages will be flown in to the peril of the supply contractor.

Also, just to mention, on the Keewatin in particular, there are two assistants supporting this man I had previously mentioned. One is a trainee who is native to the Keewatin, and is coming along very, very well. So, within two years, we will have a total local district office in all ranks, from the district manager down.

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

Contractors Help Themselves

MR. CURLEY: Yes, the last comment I have with respect to the need for an experienced representative in terms of construction and technical related supplies that normally the contractors run into. In the business community in Rankin Inlet the contractors have a saying that, because it is so difficult to get any response from the Housing Corporation, when they are short of material, they just go around stealing material and picking up supplies. So, as they say, when they cannot do that, they get into a real problem because they cannot get any assistance from the Housing Corporation. This kind of problem is real and I think the Housing Corporation, in my mind, loses a lot of material that cannot be accounted for. I know housing associations do, because the contractors, when they do not have the supplies immediately available, when the materials have not arrived, they just go down to the housing association warehouse and help themselves and stock themselves up. The company I represent has not done that but they have been doing that in some places.

I am just a bit concerned that I think there has to be every effort made to try and resolve that problem so that there is proper accountability in the region. So often, even though the supplies arrive, they normally are not the correct ones. That is what many of the problems were. So, I would just like again, to get some assurance that steps will be taken to ensure that the proper materials are given, proper accounting is done when people take materials from each other, particularly from the housing associations, as well. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Curley. No question, no answer. Mrs. Sorensen.

Background Of Housing Corporation

MRS. SORENSEN: I have a few remarks with respect to Mr. Curley's opening statement about going out to private enterprise for the chairman's position and also in reply to Mr. Pilot's comments on that idea. I guess my problem is that I have been around too long and I have watched...

HON. ARNOLD McCALLUM: You are only a young girl.

MR. MacQUARRIE: Years and years and years.

MRS. SORENSEN: ...the Housing Corporation evolve, you know, from 1974 on. It is like this thing I have about NCPC. I have been around and watched NCPC too. I am going to give you a little bit of background, at least my view, of why the Housing Corporation was established in the first place, and why the position of chairman has remained, or was even in the first place, under the control of the government.

To give you some background I have to go back to the Hodgson era. I think most of you know that Mr. Hodgson used to very often travel across the North and very often when he did so, and this was before the days of the Housing Corporation, he would hear in nearly every community, the people complaining bitterly about the housing situation and blaming the government for the situation with respect to the condition of, or lack of housing. Mr. Hodgson, being the wily, crafty fellow that he was, came back to Yellowknife and said, now, how can I get myself out of this pickle? I do not have the amount of dollars that I need to build houses next year in all these communities, so why do we not create a Northwest Territories Housing Corporation so that when I go on my trips across the North, I can say to the people, and quite rightly so, well, housing in your community is not my responsibility. It is not my government's responsibility any more. It is the responsibility of this Northwest Territories Housing Corporation and on that board there are people that represent you.

COMMISSIONER PARKER: Your history is all wrong.

Government Should Be Removed From Crown Corporations

MRS. SORENSEN: It may be, but it is my interpretation of history. But what he failed to tell these people when he was hearing about their problems in the communities was that he did still have the ultimate control and that ultimate control was with respect to the chairman's position. It was his right hand man, Mr. Hancock in the first place and Mr. Parker in the second place, and now through Mr. Parker, Mr. Pilot.

So, having said that, I just want to make it perfectly clear that I have no objection to Mr. Pilot. I believe that he is a good and able administrator. I agree that in the last eight months that he has been in the role as chairman, he has been attempting to turn things around. However to me it is a basic principle when you set up a corporation, a crown corporation, that the government removes itself, with the exception of financial accountability, and you obtain accountability through annual reports and through the financial structure and through the audits that are done. I truly feel that the time is either fast approaching or perhaps has come, for government and its officials to remove itself from the Housing Corporation. That is not to say that the government officials should not be on the board. I agree that when this Legislature makes a contribution to the Northwest Territories Housing Corporation, that it must have accountability and that would be necessary even with a non-government chairman of the board.

Now, having said all that, it is very difficult, in view of what Mr. Pilot said so eloquently with respect to giving him one more year to get things back on track, it is very difficult for me not to take your remarks, Mr. Pilot, to heart because I believe very unequivocally that they are sincere remarks, that you really do want to take a year and get things back on track. So maybe, in the interests of that poor individual, that poor private enterpriser who will come

in, maybe it is in the best interests of that person that you do clean things up and get things back on track. But, I want a commitment from this Legislature, and from the administration, that they will seriously consider handing over that chairmanship to private enterprise. I think it is a sign of growing up, in terms of creating our own crown corporations in the Northwest Territories.

Social Housing Causes Problems

Now, with respect to the structure of the corporation, I think we have to re-look at that. I realize that the major role of the Housing Corporation is social housing, and that causes all sorts of problems, and those problems are not easy ones to solve. I think we really have to consider a new structure. I do not know whether I am on the right track or not but discussion is what this Legislature is all about. I think it is discussing back and forth ideas, through input of people and their ideas, we come to the best possible solution, given the quality of ideas, to the problems.

So, I would like us to look seriously at giving the Housing Corporation the responsibility of doing what it could probably do best and that is construct housing of all types within the Northwest Territories, and that in doing so, they charge back to the individuals who are living in those houses 100 per cent of the cost. That means including amortization and utilities and whatever else is involved in the houses, and then we say to government, because government is set up as the protector of the people and government is the body that is set up to provide services to the people using tax dollars and a deficit grant, and is the body to whom people go for assistance when they require it, we say that it is the government's responsibility to provide a subsidy to the people who live in this housing.

It would be through various government subsidy programs. We have social assistance for those who live in the housing who cannot afford to live in there if they had to pay 100 per cent of the cost because they do not work. Another would be through a direct utilities assistance program, because we recognize that utilities in the far North are exceedingly expensive and beyond the means of the individual to pay for. Another might be through home owner grants particularly if the Housing Corporation had entered into a lease-to-own arrangement with the holder or the tenant in the housing. Therefore, this government as an incentive for people to do that, would provide them with home owner grants to assist them with those extraordinary costs.

Tax Exemptions For Northerners

Another might be tax exemptions, both through the federal government recognizing that northerners must have more disposable dollars in their pockets in order to pay for the costs that are incurred in living up here or through a territorial tax exemption of some sort. As much as I knock NCPC, I agree with the act when it stipulates that it must conduct itself as a business. In other words, charge back within a zone on an equalized basis 100 per cent of the cost of providing power. I think that there are other alternatives for the Housing Corporation. I notice that you gentlemen are smirking as I talk...

HON. TOM BUTTERS: Shame!

MRS. SORENSEN: I really feel that it is important that we discuss this. Mr. Stewart -- he is not here now, but...

CHAIRMAN (Mr. Fraser): Sorry. Your 10 minutes are up.

SOME HON. MEMBERS: Proceed. Agreed.

---Agreed

CHAIRMAN (Mr. Fraser): Carry on.

MRS. SORENSEN: Mr. Stewart and Mr. McLaughlin have both said that we have got to start recognizing, and make people recognize, how much it is that is costing this government and all its subsidiaries to operate in the North. That is just another means of charging back to the individual and then providing assistance from the top. I just offer these ideas as suggestions and comments and would suggest that we seriously discuss them.

Now, I have had a conversation with Mr. Forrest earlier, and he said that when he originally came into the Northwest Territories, it was his opinion too, that the corporation should build houses and that is it. He has since had a change of mind and what he said to me made, indeed, a lot of sense and I would ask him to repeat the things that he said with respect to the concept of the Housing Corporation. I do think that what he said can be worked within the revised system that I am talking about. His comments had a lot to do with the housing associations and how they are conducting themselves at the local level. Having said all that, I wonder, Mr. Forrest, if you would say a few remarks with respect to how you answered my questions earlier.

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

Northern Housing Different From That Of The South

MR. FORREST: Thank you, Mr. Chairman. That is quite correct. I guess no different than any other person coming from the South only brings with him his knowledge and his experience and his desire to learn, and particularly in my position, what I was to manage, and yes, having lived in the South all my life and across Canada, involved for a number of years in housing, it was my impression that housing in the North would be similar to that in the South, which was public housing. It did not take very long before I came to realize, and I was influenced and I was tutored to a great extent by our chairman, and my own observations, that my knowledge of public housing in the South stood me in very little stead in the North, because in the North we are so closely involved with all the social aspects of the community, and particularly and totally in housing, my thinking switched from that of public housing to that of social housing.

I further believe that the corporation is going in the right direction as it relates to the social aspects of housing from a community point of view, from a housing association point of view and from a local municipal point of view; that the responsibility therefore in and for the community on housing is now, and I maintain should always be, their responsibility in all aspects of housing, both the social, the design, the build, the maintenance and so on. I would not personally like to see a disentanglement of those two prime aspects of housing. I would be more than willing to accept the difference in cost of maintaining a house from the difference -- with the rent being deducted from another source. I think that would be a good business proposition but it would only merely mean a changing of hands. My concern and my recommendation is that the housing associations have assumed the responsibility for the total aspect of housing, and therefore I support that.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Forrest. Mr. McCallum, did you want to add to that?

Problem Of Economic Rent

HON. ARNOLD McCALLUM: I would simply want to say that in relation to the question that Mrs. Sorensen posed, wanting a commitment to seriously consider going to the private business sector, if you like, for a chairman of the board, I would have some concern about having a private person in the corporation dealing with social housing. If the corporation were there to make money or at least stay in the black and not have money roll around the government, then all right, I think I could be more amenable to it. I have no difficulty indicating to the Member though that as long as I would have some kind of responsibility, that I would have no difficulty saying that I would seriously consider it, giving that commitment.

I think the difficulty that we have here is actually with the business of the Housing Corporation providing housing. If we were to go to economic rent, to charge an individual the economic rent less the cost of living or whatever, or if we were to even sell every house that we would have for a nominal amount and provide a utility grant, I still do not believe that people would be able to afford them.

If the Department of Social Services were to have another \$25 million, I guess we could go to economic rent. I think that Mrs. Sorensen is amenable to the kind of corporate structure we are looking for, trying to bring everything together, before the act would be changed to allow for other things. I think that there have to be certain changes, that will come about regardless, within the corporation. I think that there has to be a greater amount of responsibility taken by the board of directors, whom this Legislature appoints. We determine who will sit as board members and, if you like, for how long.

Changes Are Being Made

I do not, or cannot talk about or comment about the history lesson because I was only there outside as well but I would say that possibly Mr. Parker may want to comment on that aspect. I believe that we are in a situation where we are making changes. As Mr. Forrest indicated, the overexpenditure was done to meet certain needs that were expressed by people in the communities. We did that. We are trying to bring things together financially. I am not really convinced that we should be going to economic rent. It simply means coming from some place else. It is a real difficulty but I think we should make up our mind one way or the other because we are going -- a little bit of this and a little bit of that. Mr. Chairman, I would suggest maybe to you, sir, that Mr. Parker may want to comment on some of the comments that were made by the Member.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Mr. Commissioner, do you care to comment?

Concept Of This Legislature

COMMISSIONER PARKER: Thank you, Mr. Chairman. I appreciate the opportunity to make a few comments on this subject because housing is a subject that perhaps every Member here is concerned with and has an understanding of.

First of all, the concept of a housing corporation, the concept of taking housing and placing it one step away from government was the concept of this Legislature. Mr. Butters, at the time, was one of the leading lights in developing the concept. I must say, and in fact insist, that it was not the dream of the administration to do it that way but the administration willingly accepted the task force on housing's report and sought its implementation.

There is no question but what the Housing Corporation has had some financial difficulties and I would not make light of them, but I submit to you that the corporation has done a tremendous number of good things and it has done these things during a period when it has been forced to grow from a very small operation to a very large operation, simply to be able to fulfil the housing needs of the Northwest Territories. So, during this time it has had to change and it has had to provide these programs and it has had to do this with three changes in managing directors. Well, that is unfortunate, but two previous managing directors decided not to stay in their roles and that itself is disrupting to some extent.

Budget Overspent Not Mishandled

What happened with regard to the finances was this, the demand placed on the corporation by every Member -- well, nearly every Member of this Legislature -- and by the housing associations was tremendous. There was a great desire to get units in peoples' hands, to redesign the units, and to do all of this with northern workers, and those are all objectives that should be sought and met. Now, the corporation was never provided with any working capital and that was a mistake in the original design by the territorial government. So, we sought to assist them by making what we thought were short-term advances or loans. There was no money mishandled. The error that was made was that we did, indeed, for a period of two years overspend our budget and we should not have done that. We should have had better controls. There have been some explanations given, but when the chips fall, we overspent our budget. We are having to vote supplementary funds and find them from lapses in other programs to cover those overexpenditures. You will be faced with that again when we look at the supplementary estimates. But there has been no misuse of funds. The Auditor General's people, and we are grateful to them, came to us and said, look, you cannot carry loans over from one fiscal year to another. You have to vote the authority for this. We admitted our mistake and we are now putting this on the proper footing, but do not say to yourselves that the corporation is in horrendous shape, because it simply is not the case.

Now I will get off that one, but the other aspect is this. The corporation is never going to satisfy everybody in the Northwest Territories because, as all of you have said and admitted, its role is to provide social housing. If everybody was well employed and had an income that matched the cost of living and we were living in an area where supplies could be brought in by roads and railroads and all those good things, we would not need a housing corporation, but we need the Housing Corporation because our people do not fit those categories and they need the services, the provision of social housing. Now, the federal government has created a huge structure to provide social housing, Canada Mortgage and Housing, and whether it is good, bad or indifferent, I am not here to judge, but they have recognized that there is a need in Canada for social housing and to some extent our operations are an extension of that.

Housing Corporation Not Profit Oriented

The Housing Corporation, therefore, is not and cannot be a profit oriented organization. I am not saying that you claim it should be either, of course. Mr. Pilot expressed very well the situation that the operation has to be made efficient. We can always have more efficiency, but it certainly is not going to show a profit. If we were to examine some of the things that Mrs. Sorensen has suggested, and they have to be examined, all of the various alternatives -- and may I also say that many of them have been, perhaps they need re-examination -- but what we will find is that the element of subsidy that would be necessary considering the amortization -- that is, the pay back of original costs, together with the cost of operations -- it is a horrendous amount of money. Really, we have to be pretty grateful in some ways that southern Canadians, through our deficit grant structure, give us the kind of assistance that we need in housing in the North.

Now, I believe that the people deserve it and it is essential to life and limb, and that has been recognized by this level of government and by the federal government, but let us not forget the level of that subsidy. It is around \$800 of subsidy for every house that is provided, per month, something in that neighbourhood, I believe. And that is not counting the cost of amortization.

An Instrument Of Government Policy

Now, one final point with regard to the role of chairman. The Housing Corporation is a creature and a creation of the Legislature. It spends entirely government money, either federal or territorial money. It is an instrument of government policy. It delivers social housing programs and, therefore, it is an instrument of government policy. As such, the government, both the Legislature and the administrative side, must play a major role in the corporation. The suggestion has been made that there could well be an outside chairman. Now, that has been dealt with, and both the Minister and Mr. Pilot have suggested that they have some rather major changes in mind that will be submitted for study to the Executive Committee and from the Executive Committee to this House, and I think those changes will probably satisfy you. But just let me say from experience, that in a corporation like that, you cannot have two full time people at the top running it. Therefore, you do not need a full time chairman and a full time president or managing director. You can only have one of those people if the job is going to be done right. Mr. Pilot can manage the job of chairman because it is not a day-to-day job. I would like to think that in some small way I managed the job of chairman -- not as good a job as he is doing, but it is not a full time job.

It is necessary, though, that government remain very closely enmeshed in the whole operation. Having independent persons on the board of directors is absolutely essential and it fulfils the mandate of the corporation, which is to bring a business sense to the operations. Having a chairman who is either an administrative person or, as I believe soon to be the Minister himself, brings in government at the policy level and I certainly think that is an essential aspect. But all of these matters, I am confident, will be brought back to you, after Executive study, for approval in this Legislature. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Commissioner. I am going to let Mr. Butters reply.

HON. TOM BUTTERS: Thank you, Mr. Chairman. Possibly some of the things I will say will supplement or complement that which has been provided by the Commissioner. As he indicated, I did have an early involvement in the development of the Housing Corporation. I may mention that 10 years ago, when the Seventh Assembly gathered, there were many questions raised about the inadequacy of housing in the Northwest Territories. Questions about the design, questions about the materials, questions about the provision of housing, and questions as to when the people that were inadequately served then would be provided with proper housing.

NWT Government Involvement In Housing In 1971

Mrs. Sorensen is absolutely correct. The Commissioner received all kinds of approaches with regard to these needs, but what she did not indicate was that housing was then not one of the responsibilities which this Legislature or this government managed. The major provider of such housing was the federal government. The Commissioner answered us, as he answered the people in the communities when these questions were raised, that it was an area in which he could not respond.

Now, I will just read from the Debates in 1971, when the Commissioner responds to a question to set up a committee on housing, and he said: "But remember that we are going to work on programs, two of them anyway, that are not our programs. We do not control them. We are only agents for them and this is the northern housing, as it affects Eskimos and as it affects Indians. We have what we call a northern program and it is for those people that do not necessarily fit in with and qualify as, number one, a treaty Indian or as an Eskimo."

So that the involvement in housing of this government at that time was very minor. In 1972, as a result of the concern of this Assembly, we established a task force on housing which I chaired and with all possible haste, I think, we brought in, five major recommendations. I would like to take the time of the House to repeat those recommendations as well.

Recommendations Of The 1972 Task Force On Housing

We recommended, during the June-October 1972 session, or I moved "that the Commissioner and Council of the Northwest Territories accept these four major recommendations established by the Northwest Territories Council task force on housing, namely:

1. The responsibility for all housing programs be placed under the control and policy direction of the Government of the Northwest Territories." That was a major recommendation to effect, because we had really to consolidate and bring together programs which were managed and carried out by other jurisdictions.

"2. That the Northwest Territories Housing Corporation be established and headquartered in Yellowknife to create, co-ordinate and give direction to housing programs based on need, environment and research, so as to make available an adequate standard of housing to all residents of the Northwest Territories.

"3. That incentive programs, as outlined in the report be placed in effect to encourage and facilitate home ownership."

One of the shocking things that the task force discovered was that in the Northwest Territories about five per cent of the people live in homes that they own themselves; 95 per cent are accommodated in rental accommodation, and I doubt that that ratio has changed very much in nine years. Interestingly enough, when some of us went to Newfoundland last year we found that the ratio was just about the other way around. Most of the Newfoundlanders own their own homes.

"4. That the Government of the Northwest Territories subsidize to a base rate the cost of domestic utilities in areas of the Northwest Territories where those rates were excessive."

So, the task force addressed itself to the problems of home ownership, it saw the corporation as a body which would consolidate and manage housing at arm's length from this government. If you examine the debate on the legislation which established the corporation, you will notice that we wished to have it at arm's length but over the past few years, little by little, we felt that maybe we gave it too much autonomy and too much freedom, because we could see problems arising from this.

Over the last, as I say, five years, it has moved back closer to the administration and, more important, closer to this Legislature so that we could give it a bit more direction than it may have received in its early days. I think the direction the Housing Corporation is going is satisfactory. I think that there may be shortcomings but they have tackled -- it is a task of Hercules and it is never going to be solved to our total satisfaction, I think that the recommendations that have been heard here over the last four days will be valuable to the board of directors and to the management, I agree that in a year, I think Mr. Pilot will have made a number of changes, and that the Members will be satisfied with the direction that it is going and the management it is receiving.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Butters. Mr. Butters is one that has not spoken today and that is the reason I let him speak. Mr. Stewart is next and then I have Mr. Patterson, Mr. MacQuarrie and Mr. Curley. Mr. Stewart.

Chairman, A Government Person Or Person From General Public

HON. DON STEWART: Thank you very much, Mr. Chairman. I was busy with duties of the House but I was listening to the debates upstairs in the Clerk's office, so I have been tuned in all afternoon, so I know what has been said here.

The matter of the chairman, whether or not he should be a government person or come from the general public -- I think that on this particular point there are arguments, and good arguments, on both sides. For example, the Northern Canada Power Commission board at the present time has no representation. That is not exactly correct. At the present time we do not have an active government person on the board. The Deputy Minister is an appointee to the board and has not yet attended a meeting to my knowledge and I have been at every one so it is safe to say he has not attended. Now, the difficulty -- we have asked the Minister who is the master, the Minister of Northern Affairs, who controls Northern Canada Power Commission, to meet with the board to give us direction on things that do not quite fit into all the guidelines but a broad interpretation of guidelines might permit it to be done, but you need the concurrence to do these types of things. Well, we have sat in limbo for two years. The Minister has never shown up. He is busy with other things and the net result is that the board cannot function in the manner that it should.

Advantage Of Having Government Person As Chairman

Now, when you have a member of the government, especially a senior member such as the Deputy Commissioner, you do not run into these types of roadblocks because he can take immediately to the government the problem at hand, and the board has answers forthwith because there is a melding of the two. Now, I think this is particularly important when you are starting out a new corporation in a field that nobody has really travelled before because what is true and okay for yesterday might be entirely different tomorrow and there are really no set guidelines that you can really set down hard and fast. Certainly you can with regard to the amount of money you are going to spend for housing and these types of things, but there are so many other things that the board members must deal with, if you are going to have a board that is efficient and accomplishing those things that need to be done.

I suggest to you that when you are developing a crown corporation, breaking new ground, that although in many instances it may not be completely desirable, it is by far the lesser of the two evils to have as a chairman of that board a senior government official. Now, I can see that changing as you go down the line four or five years, when things get stabilized and we know more about what we are doing, then that could change. But in this day and age when we are faced with all the complexities of servicing areas spread so far apart and with different people who require different types of housing or want different types of housing, I think it is very, very important that we have a board that can act and that action is possible if the chairman is a senior government official because he can get action within the government to get the authorization to go ahead.

Implementing Changes

When you get into a situation like the Northern Canada Power Commission -- we sat two years and we have not been able to change anything -- if there are a lot of things the board wants changed, the only person that can change them is the Minister in the Government of Canada, and we do not have that link between the two. The net result is limbo, dissatisfaction of the people and I can assure you it is not the board's fault. We have done everything but we cannot get the action because we do not have the man there who can give us the authorization to do these things.

So when you are considering the chairmanship, you should think of this particular point because I think that you can get far more work done and far quicker especially because of the shortness of seasons and everything else -- delays here can be very expensive in the time constraints that we are faced with. I think the board can operate far more efficiently at this time with a senior member of government because you have got the two working together instead of somebody sitting at a board meeting having to come over, go through all of the details with government again to convince them that that decision is right and they should support it.

That has already been done in the board room, and the selling job is much easier than to the rest of his colleagues because he knows first hand. I know that there are reasons why this is not necessarily the best method but I say it is the best of the two that we have at hand right now, at this present stage of development. Thank you.

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

Corporation Should Be Operated More Efficiently

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I think this has been a very important discussion this afternoon. It seems that we are having a strong concern expressed on everyone's part that the corporation should operate in a more efficient, businesslike manner. I guess Mrs. Sorensen would suggest that that is to be accomplished by removing the presence of government from the board and from chairmanship of the board. I agree that -- and of course the Thorne Riddell report suggests -- the operation has to be tightened up but I just cannot help wondering whether we would have seen that report so readily if Mr. Pilot had not been on the Executive Committee and part of this government.

At the same time, the corporation for many reasons cannot operate as a private corporation. We have this social housing obligation and I believe that it is not going to solve anything to turn the problem over to Social Services and say, well, we are going to run the corporation, charge people economic rents and reflect it in Social Services. It will just transfer massive administration problems to Social Services. I think we can probably see the real cost of housing within the Housing Corporation rather than transferring it to Social Services. I think we can recognize that goal of provide housing for people who do not have the resources to pay the rent.

Clearly if the accounting and management of the corporation's money is presented to the board and this Assembly in a way where we can identify those costs, that is all we want to do, is be aware of to what extent we are subsidizing the poor. I have had some chance to study a submission made by Mr. Stevenson who worked for the corporation and seems to have been involved in housing for some time. It has been passed around, and he seems to think that the answer is that the Government of the Northwest Territories and the Executive Committee take an even more active role in the corporation to make sure that native people get involved in management. I am not satisfied with the progress that has been made in that area. I am convinced that the corporation has not gone nearly as far as it can, that too many training positions have existed without any real future in them, that the corporation seems to be plagued with a lot of turnover and maybe a higher proportion of southern experts than they really need to do what is ultimately a relatively simple job of building houses. I recognize that experts are needed but I am just wondering whether we are utilizing northern resources the way we can.

Lack Of Incentive For Private Home Ownership

I am coming around to thinking that we should take Mr. Pilot up on his offer to continue cleaning house, and with Mr. Forrest, put the recommendations of this report into place. I am willing to, I think, look at it again in another year and I do not know if I am quite as optimistic as Mr. Butters, because I think

there is an awful long way to go. I am really concerned about the lack of incentive for private home ownership, especially in the Eastern Arctic. I know that initiatives are being started, but we should be like the Newfoundlanders. There is no reason why people cannot build their own houses and sometimes I think that there are too many experts around doing it instead of permitting people to do it for themselves.

However, I am sure the corporation is aware of those objectives. One thing I would like to say is I think we should, probably in caucus, take a very close look at our appointees, our recommended appointees, to the board of directors. Are they attending meetings regularly? Are they working hard? I think there is no reason why we cannot review the people we recommended be appointed and make recommendations if they are not performing as they should be and I am not satisfied that some of them are performing as they should be.

Generally, Mr. Chairman, last year we spent an awful lot of time on the Housing Corporation in these debates and it was not just because we were fresh and full of questions either. It was because we are very concerned about this area and if we follow Mrs. Sorensen's suggestion and further release the corporation from the authority of this Assembly, maybe we will not have this kind of scrutiny and concern which I hope is useful to the corporation. So I am inclined to express gratitude for the work that has been done on exposing the problems and concern that there is a lot yet to be done and, you know, interest in doing what we can to help. And I think the Executive Committee has a role to play in monitoring the corporation between sessions of the Assembly. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Patterson. I have Mr. Curley next.

Role Of Chairman

MR. CURLEY: Thank you, Mr. Chairman. Yes, I would just like to comment further on the executive structure again, particularly the role of the chairman. I certainly am willing too to wait another year to see what kind of progress has been made with regard to the top executive offices of the corporation but I am a little amazed at some of the Members from the southern Mackenzie area, to support having the government in the top position of the corporation. After all they have not been supporting that Deputy Commissioner and Commissioner be accountable to the Assembly and now they are saying well, it is a darn good idea to retain as the chairman of the board the Deputy Commissioner of the Northwest Territories, amazing.

I personally think if the corporation had appointed the chairman of the board from the private sector in the first place, you know, this kind of mess would not have occurred, the financial mess of the Housing Corporation, because he would not have allowed it. He would not have sat on it and been complacent about it. He would have, possibly long ago, established vice presidents for finance and vice presidents for various responsibilities of the Housing Corporation. Now we are just finally getting around to exposing it because this Assembly was not particularly satisfied with the way the Housing Corporation was being operated when we considered the estimates last year. I think this particular exposure is not necessarily by the effort of the chairman. I think it has a lot to do with this Assembly because sooner or later someone was going to ask questions about it so it had to come out.

In my mind, the sooner we move to try to not interfere with the operations, that it can best be run by the people in the private sector with experience. I think until then we are not going to see programs effectively being carried out, so I am prepared to wait. But I would strongly urge the Members to not just give support because Mr. Pilot, with all the integrity that he has, has been a good buddy of ours for a long time. No doubt he can carry on the work, I have confidence in him but I think we should make room because I just believe that he has such a heavy load of responsibilities as the Deputy Commissioner.

Housing Corporation Has Moved Too Fast

The other point that I would like to ask a question about is -- I think the Housing Corporation, in my mind, has moved too fast in trying to put the housing programs into one pot, for instance, integrating native housing which the federal government used to be responsible for. I think it still carries on providing housing to Inuit people in Quebec. I believe that provincial government is really not subsidizing very much, other than the federal government providing the housing, in northern Quebec. In this particular case, I think Mr. Hodgson wanted to equalize everybody so he could lump every program into the Housing Corporation. Therefore, in my opinion, the Housing Corporation is losing money where this heavy subsidy for native housing could actually be handled by the Indian Affairs department. I am wondering whether or not -- maybe I am wrong. My information is probably not correct, that Indian Affairs really should have the responsibility of providing native housing and surely you guys can administer it, but if that were the case, I think there would be more opportunity to develop housing and incentives for home ownership if we were given more assistance for native people. Could I have some reaction to that please? Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Curley. Mr. Commissioner, do you want to respond?

Involvement Of Federal Government In Housing

COMMISSIONER PARKER: No one else seemed anxious, but I would be glad to. I think that the original direction that was taken was that when the housing was basically being provided by the federal department, it really was not responsive to what was being said in the North. That was the whole thrust of Mr. Butters' task force, to bring the decision making out of Ottawa and into the North and to put it into one corner or one corporation, I might say, because otherwise the various programs were competing with each other. The territorial government had a program for some people and the federal government had a program for other people and they were not in step with each other, and there were contractors running in to do work on one group of houses and another set of contractors going to the same place. It just was something of a mess it seemed, and I do not mean that they were doing that bad a job, but it was unco-ordinated.

I think that we have fairly well avoided trying to do the same thing for everybody because I believe the corporation is now delivering houses and housing programs that fit all different kinds of people. So I would just caution against trying to reinvolve the federal department in an active sense. We constantly go after them on the basis of financial requirements, that is, there is a federal responsibility for native people and they should continue to fund the territorial government in a proper manner so that we can carry out that responsibility. I think we have to continue to press for the right amount of money.

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

MR. MacQUARRIE: Thank you, Mr. Chairman. I said earlier that I felt we should not be too hasty to change what we have and certainly having listened to further arguments, I would like to reiterate that. We should not be hasty to remove the corporation from government control nor at all, in my opinion, to put the operation on a purely economic or financial basis. That, to me, would be unacceptable. I am sure of that.

Disparity Between Earnings Of Rich And Poor

I am not alarmed at the public assistance aspect of public housing. We live in an economic system where there is a pattern of rewards distribution, where at the top of the list you have entertainers, presidents of development corporations, professionals of one kind or another and down at the bottom of the list you have miners and taxi drivers and so on. Now, because that pattern exists, we tend to feel that it is right and just, but I suggest that it is not at all, that there is no real reason at all why the TV and radio appearances of say Gordon Sinclair merit perhaps 100 times the income of a hardrock miner in Yellowknife or a sewage truck driver in Baker Lake, people who are making important contributions to society. There is this disparity between the earnings of the rich and poor in society and over the years there have been many attempts to try to reduce that disparity and in almost all cases, the efforts come to naught. They find that today, in 1981, there is still approximately the same gap as there was in 1930 but it is reckoned that there are at least two programs -- if the gap has been narrowed a little -- there are at least two programs that have helped to narrow it and those are medical care assistance and public housing.

So, if that is the effect of public housing, and I believe that the awards distribution system is not fair in the first place anyway, I am not going at all to knock the fact that the Housing Corporation is subsidizing people in public housing and I would not want to see the rents these people have to pay put onto an economic basis and have them then receive straight welfare assistance to make up the difference. I think that the crucial question is really whether the policies that the corporation follows are the wisest possible; whether the board and the management exercise the kind of firmness that is maybe needed at times in setting priorities and so on, and then finally, whether the corporation is being managed in the most efficient way.

It seems to me that we have some undertakings and some assurances from the chairman of the board and from the general manager that satisfy me, certainly, for the time being. I am willing, also, to wait a year to see whether things really are in hand and in a years time, to see where we are at.

Total O And M, Agreed

CHAIRMAN (Mr. Fraser): Thank you, Mr. MacQuarrie. Any further questions?
Page 3.01, \$24 million, O and M. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Fraser): That concludes the Housing Corporation budget. What is the wish of the House Member?

HON. RICHARD NERYSOO: Progress.

CHAIRMAN (Mr. Fraser): Report progress. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Fraser): Would you find the Speaker, please?

LAW CLERK (Mr. Johnson): You could take the chair.

CHAIRMAN (Mr. Fraser): No, I cannot. I have to ask something, myself.

MR. SPEAKER: 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 have considered the Housing Corporation's budget and wish to report progress.

MR. SPEAKER: Thank you, Mr. Fraser. Are there any announcements from the House? Mr. Clerk, have you any announcements and would you give us the orders of the day? Mr. Curley.

MR. CURLEY: (Translation) I received one letter. I was very glad that I received one letter, but I would like to let the people, the MLA's, hear that Mr. Evaluarjuk -- when there are going to be letters going out, do not let Evaluarjuk carry them, because he -- I have received letters since 1975 that Evaluarjuk was supposed to carry out.

MR. SPEAKER: I am not exactly sure what kind of privilege that is, but we got the message in there, I presume. Mr. Clerk, the announcements and the orders of the day.

CLERK OF THE HOUSE (Mr. Remnant): Monday, February 16, there will be a caucus meeting at 9:00 a.m., in Katimavik A. The ninth meeting of the subcommittee of the special committee on impact at 12:00 o'clock noon, in room 301. Tuesday, February 17, at 9:00 a.m. in Katimavik A, a meeting of the standing committee on finance. At 12:00 o'clock noon, in room 301, a meeting of the executive committee of the Northwest Territories branch of the Commonwealth Parliamentary Association.

ITEM NO. 14: ORDERS OF THE DAY

Orders of the day, February 16, 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: This House stands adjourned until 1:00 o'clock p.m., February 16, 1981, at the Explorer Hotel.

---ADJOURNMENT

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