



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

4th Session

9th Assembly

HANSARD

Official Report

WEDNESDAY, FEBRUARY 18, 1981

Pages 473 to 516

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

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

Speaker

The Honourable Donald M. Stewart, M.L.A.
P.O. Box 1877
Hay River, N.W.T., X0E 0R0
(Hay River)

Appaqaq, Mr. Moses, M.L.A.
General Delivery
Sanikiluaq, N.W.T.
X0A 0W0
(Hudson Bay)

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

Braden, The Hon. George, M.L.A.
P.O. Box 583
Yellowknife, N.W.T.
X0E 1H0
(Yellowknife North)
Leader of the Elected Executive and Minister
of Justice and Public Services

Butters, The Hon. Thomas H., M.L.A.
P.O. Box 1069
Inuvik, N.W.T.
X0E 0T0
(Inuvik)
Minister of Finance and of Economic
Development and Tourism

Curley, Mr. Tagak E.C., M.L.A.
Rankin Inlet, N.W.T.
X0C 0G0
(Keewatin South)

Cournoyea, Ms Nellie J., M.L.A.
P.O. Box 1184
Inuvik, N.W.T.
X0E 0T0
(Western Arctic)

Evaluarjuk, Mr. Mark, M.L.A.
Igloodik, N.W.T.
X0A 0L0
(Foxe Basin)

Fraser, Mr. Peter C., M.L.A.
P.O. Box 23
Norman Wells, N.W.T.
X0E 0V0
(Mackenzie Great Bear)
Deputy Speaker and Chairman of Committees

Kilabuk, Mr. Ipeelee, M.L.A.
Pangnirtung, N.W.T.
X0A 0R0
(Baffin Central)

McCallum, The Hon. Arnold J., M.L.A.
P.O. Box 454
Fort Smith, N.W.T.
X0E 0P0
(Slave River)
Minister of Health and of Social Services

MacQuarrie, Mr. Robert H., M.L.A.
P.O. Box 2895
Yellowknife, N.W.T.
X0E 1H0
(Yellowknife Centre)

McLaughlin, Mr. Bruce, M.L.A.
P.O. Box 555
Pine Point, N.W.T.
X0E 0W0
(Pine Point)

Nerysoo, The Hon. Richard W., M.L.A.
General Delivery
Yellowknife, N.W.T.
X0E 1H0
(Mackenzie Delta)
Minister of Renewable Resources and of Energy

Noah, Mr. William, M.L.A.
P.O. Box 125
Baker Lake, N.W.T.
X0C 0A0
(Keewatin North)

Patterson, The Hon. Dennis G., M.L.A.
P.O. Box 262
Frobisher Bay, N.W.T.
X0A 0H0
(Frobisher Bay)
Minister of Education

Pudluk, Mr. Ludy, M.L.A.
P.O. Box 22
Resolute Bay, N.W.T.
X0A 0V0
(High Arctic)
Deputy Chairman of Committees

Sayine, Mr. Robert, M.L.A.
General Delivery
Fort Resolution, N.W.T.
X0E 0M0
(Great Slave East)

Sibbeston, Mr. Nick G., M.L.A.
P.O. Box 560
Fort Simpson, N.W.T.
X0E 0N0
(Mackenzie Liard)

Sorensen, Mrs. Lynda M., M.L.A.
P.O. Box 2348
Yellowknife, N.W.T.
X0E 1H0
(Yellowknife South)

Tologanak, The Hon. Kane, M.L.A.
Coppermine, N.W.T.
X0E 0E0
(Central Arctic)
Minister of Government Services

Wah-Shee, The Hon. James J., M.L.A.
P.O. Box 471
Yellowknife, N.W.T.
X1A 2N4
(Rae - Lac la Martre)
Minister of Local Government and of Aboriginal
Rights and Constitutional Development

Officers

Clerk
Mr. W.H. Remnant
Yellowknife, N.W.T.
X0E 1H0

Clerk Assistant
Mr. D.M. Hamilton
Yellowknife, N.W.T.
X0E 1H0

Law Clerk
Mr. E. Johnson
Yellowknife, N.W.T.
X0E 1H0

Editor of Hansard
Mrs. M.J. Coe
Yellowknife, N.W.T.
X0E 1H0

Sergeant-at-Arms
S/Sgt. J. Morris
Yellowknife, N.W.T.
X0E 1H0

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YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, FEBRUARY 18, 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. Sibbeston, Mrs. Sorensen, Hon. Don Stewart, Hon. Kane Tologanak, Hon. James Wah-Shee

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for February the 18th. Item 2, oral questions.

ITEM NO. 2: ORAL QUESTIONS

The Hon. Mr. Butters.

Question 76-81(1): Staff Situation, Inuvik General Hospital

HON. TOM BUTTERS: Mr. Speaker, I have a question for the honourable Minister of Health. I have given him notice of this question. It is seldom that I rise to ask such questions, but there is a critical situation in Inuvik at the Inuvik General Hospital where extremely important staff members -- one anesthetist and a surgeon, positions are unfilled. At the current time some 7000 residents of the Northwest Territories, to receive such services, must travel to Edmonton. I would ask the Minister, in view of this situation, if he would examine it in some detail and make an urgent request to the federal Minister to provide the necessary staff to make those services available to the people of the Western Arctic and if he would report back to this House with all possible haste as to the result of his request to the federal Minister.

I suggest too, that if he runs into a road block in that area, he would approach and suggest that possibly the Department of National Defence might look at providing these services and these skills in the interim so that these people of the Western Arctic are not neglected in this regard.

MR. SPEAKER: The Hon. Mr. McCallum.

Return To Question 76-81(1): Staff Situation, Inuvik General Hospital

HON. ARNOLD McCALLUM: Mr. Speaker, I know that all three Members, or three of the Members who are concerned with that particular area, that is the Delta or the area serviced by the Inuvik General Hospital, have raised these issues and in the past, the Member for Mackenzie Great Bear, of course, has indicated concern as well.

I recognize that there are very grave concerns about the level of services that are presently, in fact, not being given to residents of that area. Those concerns are very real and I have, this morning, contacted department officials. Unfortunately, the zone director, Dr. Martin, is not in Yellowknife. He is in Frobisher Bay, along with other department officials, working out the arrangements of the contract whereby we will be, hopefully, performing services, that is, the Government of the Northwest Territories, will be providing these services to residents of Baffin Island and taking over the operation, hopefully, on a contractual basis, of the Frobisher Bay hospital. However, I would assure the Member that I have been in contact with officials of the Department of National Health and Welfare and should I not get very far with that group, then I would raise the issue with my federal counterpart, Madame Bégin, indicate to her the concern that has been expressed and the real issues that have been noted regarding the operations at the present time of the Inuvik General Hospital.

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

Supplementary To Question 76-81(1): Staff Situation, Inuvik General Hospital

HON. TOM BUTTERS: A supplementary, Mr. Speaker. I too have approached various officials in the department, federal Department of Health, and have not received a satisfactory reply to my questions. I suggest the Minister would be best served if he indicated to the federal Minister of Health immediately the omission in the Inuvik area, because in the final analysis, it is the Hon. Monique Bégin that bears responsibility for providing those services in Canada's Western Arctic. I think that she should be told as soon as possible that an establishment for which she is responsible is not doing the job that it was set up to do.

MR. SPEAKER: Thank you. Mr. Minister, have you any reply to that?

Return To Supplementary To Question 76-81(1): Staff Situation, Inuvik General Hospital

HON. ARNOLD McCALLUM: Mr. Speaker, yes, I would simply indicate that I shall contact then the federal Minister of National Health and Welfare and take the Member's suggestion about contacting National Defence as well, as regarding provision of services there.

MR. SPEAKER: Thank you. Oral questions. The hon. Ms Cournoyea.

Question 77-81(1): Discussion Of Bill C-48

MS COURNOYEA: I believe this question should be placed to the Leader of the Executive Committee. Since this afternoon we will be discussing Bill C-48 and the fact that the only thing that was supplied to this House was a heavy report, full report on Bill C-48, could the Leader of the Elected Executive Committee place on this table interpretation and analysis of that document, which I assume would have been done by his staff?

MR. SPEAKER: Mr. Braden.

Return To Question 77-81(1): Discussion Of Bill C-48

HON. GEORGE BRADEN: Mr. Speaker, we have a short report that was prepared for my colleagues, Mr. Butters and Mr. Nerysoo, who have been taking the lead role on this issue. It is, unfortunately, just in English, but we would be pleased to have that summary copied and provided to Members. It provides, as I say, a brief summary of the major aspects of the federal bill and a rather cursory interpretation of some of the implications of that. It is something which Members could read quickly and refer to for the debate. Thank you.

MR. SPEAKER: Thank you. Mr. Clerk, will you see that that is done immediately so it is available to the House when we get to Motion 4-81(1). Oral questions. Mr. MacQuarrie.

Question 78-81(1): Mr. Wah-Shee's Letter Re COPE Agreement In Principle

MR. MacQUARRIE: Thank you, Mr. Speaker. My question is for the Minister responsible for Aboriginal Rights and Constitutional Development. Will the Minister undertake to ensure that all MLA's receive a copy of the letter alluded to by Ms Cournoyea in her reply to the Commissioner's Address yesterday, and the substance of which was referred to on a radio report this morning, that is, the letter apparently sent by yourself to the federal Minister of Indian Affairs, concerning the COPE agreement in principle?

MR. SPEAKER: Mr. Wah-Shee.

MR. MacQUARRIE: No response?

HON. JAMES WAH-SHEE: I will take it as notice.

MR. SPEAKER: Thank you. Then I understand that you will give a written response, is that correct Mr. Wah-Shee? You are taking it as notice, Mr. Wah-Shee, and will give a written response? Oral questions. Item 3, questions and returns.

ITEM NO. 3: QUESTIONS AND RETURNS

Ms Cournoyea.

Question 79-81(1): BC Hydro Proposal, Mackenzie River

MS COURNOYEA: This is a question to the Executive Committee Member responsible for game, Mr. Nerysoo. Last year British Columbia Hydro started investigating the feasibility of damming the head waters of the Mackenzie River to generate hydro-electric power for British Columbia and for export to the United States. The success of British Columbia Hydro in developing its projects in the face of catastrophic environmental consequences is well documented. The Mackenzie Delta is recognized nationally and internationally to be a very rich area for wildlife. Generations of Indian and Inuvialuit peoples have made their livelihood from the Mackenzie Delta. I have been advised that effects of British Columbia Hydro's plans for the Mackenzie could be far more catastrophic than those in British Columbia and Alberta.

Could the Minister responsible advise this Assembly as to what action he and his department have taken to investigate what the effects of British Columbia Hydro plans might be on the wildlife and people who live in the Mackenzie Valley and Delta? Could the Minister also advise this Assembly on what action he, as Minister, has taken to alert British Columbia Hydro, Ottawa and the people living in the Delta to the significance of this hydro proposal? I would further like the Minister to tell us what plans he has to ensure that the people and wildlife will be protected and British Columbia Hydro plans stopped.

MR. SPEAKER: Thank you. Written questions. Ms Cournoyea.

Question 80-81(1): Polar Bear Tags For The Yukon

MS COURNOYEA: I have a question to the Minister responsible for game, Mr. Nerysoo, concerning his department's handling of polar bear tags for the Yukon. In November 1980, the Yukon government agreed to let the Department of Renewable Resources administer the Yukon tags for the North Slope for the people of Aklavik. Weeks ago we were advised that the Yukon had sent the tags to the Department of Renewable Resources. I am advised now that the polar bear hunters in Aklavik are still not able to get the tags to hunt in the Yukon. Could the Minister of Renewable Resources advise me, as soon as possible, what the holdup is and advise me how he intends to get those tags to the polar bear hunters before the end of the season?

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

Return To Question 25-81(1): Payment Of Room And Board In Correctional Centres

HON. ARNOLD McCALLUM: Mr. Speaker, I have a return to the oral question asked by Mr. Appaqaq on February the 10th concerning room and board charges at correctional centres. I have the following reply, sir.

An inmate is required to do a certain amount of work in the jail, such as keeping his living area clean, preparing and serving meals, doing laundry, etc. For this work he receives what is known as incentive pay on the basis of working five days a week. If they are assigned a job for more than five consecutive days they receive pay based on the number of days worked. The present incentive pay levels are: Level I, 70 cents a day; Level II, \$1.30 a day; Level III, \$2.65 a day. The level of pay an inmate receives depends upon their work performance, attitude, and general conduct.

Inmates at the Baffin Correctional Centre receive an extra 25 cents a day because of increased costs. The inmates at the correctional centre for women also receive 25 cents a day extra to assist in purchasing personal care items. Inmates use their incentive pay to purchase cigarettes, shampoo, candy, hobby craft materials, etc.

If an inmate is on a work release program in the community and is paid wages by an employer, he is required to pay \$10 a day room and board to a maximum of \$50 a week or 20 per cent of a total month's salary, whichever is less. Inmates do not receive incentive pay while on work release programs.

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

Mr. Speaker, I have a further reply to the series of questions that were raised concerning the Inuvik General Hospital by the honourable Member, Ms Cournoyea.

There were a series of questions that were asked of me. The first was whether I was aware of the continuing depressing situation in the Inuvik General Hospital and I will not draw out these questions. I know that the Member prefers a definitive answer and I would want to be the sole of brevity in this, and the answer obviously then to the first question is: Yes, I am aware.

The second question is if I am aware that the public health unit at the Inuvik General Hospital has been closed for a minimum of two weeks to provide nurses to the also understaffed settlement nursing stations. Again, yes, I am aware but concerning that closure, there is a severe nurse shortage. There are areas in Canada that have a great shortage of nurses not the least of which would be in the North. In particular one instance is Vancouver who is short -- from information that I have received -- approximately 500 nurses in that area. Apparently it is the opinion of Health and Welfare Canada that providing nurses to community nursing stations is a higher priority than the public health program in Inuvik and they have reassigned these nurses and others in the zone to other communities in order to provide community services.

The third question that the Member asked of me was whether I was aware that there was no anesthetist at the hospital and again, yes, I am aware. The federal Treasury Board sets the rates or establishes the rates at which doctors are employed by Health and Welfare Canada by which they can be paid. For a number of years, these rates have not been competitive to meet the needs of the North and as such we have that difficulty.

A fourth question was whether I was aware that the surgeon had left the hospital and again, my answer is yes, I had been and I suggest the previous note I made about an anesthetist pertains to surgeons as well.

What has happened is that Health and Welfare Canada have moved to short-term contracts at rates more in keeping with private practitioners' incomes in the South but even this has not noticeably increased the number of individuals interested in practising in the Northwest Territories. A further comment that I might make on behalf of Health and Welfare Canada is that there had been meetings taking place and will continue to take place later in the week, Thursday or Friday of this week, with the University of Alberta to provide resident surgeons and/or anesthetists on a monthly rotation basis. Those negotiations are under way as well with the University of Toronto. As well, the Department of National Defence has been approached to determine if they would provide one of their medical team to Health and Welfare Canada to cover the Inuvik situation until other arrangements can be made.

Rationale To Establish A Referral Centre In Yellowknife

A further question asked by the Member was whether I was aware the administrator had left for the Yukon. I was not until she had indicated that to me. Another question asked was that she wanted me to assure the Assembly that the lack of pressure from my department is not because the department continues to press for documentation and rationale to establish a full referral centre in Yellowknife. I want to very emphatically and succinctly indicate to the Member and to other Members of this House that that is not so. There has never been in the past, while I have been associated -- there is not now and there will not be in the future, any effort on my part or officials within the department for which I have responsibility, to increase a thrust to establish a referral centre in Yellowknife to the detriment of the medical health of other people in the Northwest Territories.

SOME HON. MEMBERS: Hear, hear!

---Applause

HON. ARNOLD McCALLUM: I would suggest, Mr. Speaker, in light of that, that one would look at the kinds of concerns that have been raised and the kinds of initiatives, and I say initiatives that this department has carried out in looking for other arrangements to provide medical services in the Northwest Territories. A good example of that is in Frobisher Bay and I would hope that if we can do the work in Frobisher Bay and Baffin Island, I would hope the Member, as well as other Members in that area, would support me again in having this department and this government take on contractual arrangements to provide and to administer the health services in the Inuvik General Hospital and I still look forward to that particular time.

Finally, Mr. Speaker, the Member asked the question, what action or kind of action do I intend to take in my capacity to pressure for action to get the Inuvik General Hospital back in working order. I would do just as the Member has done and as other Members of this particular House have indicated should be done. I will raise the concern with those people for whom the responsibility and operation of this hospital is and I would bring it to the direct attention of the Minister of National Health and Welfare and as I indicated earlier, the Minister responsible for National Defence. Thank you.

AN HON. MEMBER: Hear, hear!

MR. SPEAKER: Thank you, Mr. Minister. Are there any further returns?
Mr. Arlooktoo. I have days like that. I am sorry, Mr. Tologanak.

Return To Question 38-81(1): Volumes And Types Of Petroleum Products

HON. KANE TOLOGANAK: Thank you, Mr. Speaker. I have a return to the written question asked by Mr. McLaughlin on February 11th on the volumes and types of petroleum products. Neither the Government of the Northwest Territories, the federal government, nor federal crown corporations pay world prices for heating or motive fuels. The National Energy Program, NEP 1980, established a weighted average price which is a blend between Canadian cost and the world cost. Today the weighted average price paid by Canadians is approximately 50 per cent of world prices.

Listed below are the volume and types of petroleum products purchased and used by the various agents:

	<u>NWT Government</u>	<u>NWT Housing Corp./ Housing Assoc.</u>	<u>Government of Canada</u>	<u>NCPC</u>	<u>Private Sector</u>	<u>Total</u>
Heating oil	8,208,000	3,811,000	2,708,000		12,007,000	26,734,000
Diesel	644,000		967,000	12,243,000	18,365,000	32,219,000
Gasoline	1,408,000		440,000		6,952,000	8,800,000
Av/Gas	7,000		137,000		2,134,000	2,278,000
Turbo	47,000		835,000		11,040,000	11,922,000
Bunker	150,000			4,000,000	1,400,000	5,550,000
Propane					2,761,000	2,761,000
Total	10,464,000	3,811,000	5,087,000	16,243,000	54,659,000	90,264,000

Of the 90,246,000 gallons consumed in the Northwest Territories, the Department of Government Services, through the petroleum products division, markets 13,000,000 gallons, where private sector facilities are not available. I have a further return, Mr. Speaker, if I may continue.

MR. SPEAKER: Proceed, Mr. Tologanak.

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

HON. KANE TOLOGANAK: Thank you. I have a further return to the written question asked by Mr. Curley on February 12th, concerning northern preference policy. The administration is presently developing two separate policies in response to the concerns raised in Mr. Curley's Question 125-80(2), asked on October 24th, 1980 and, of course, Question 49-81(1). The Department of Government Services has completed a northern purchasing policy for the utilization of existing local northern business services to stimulate growth in those businesses and improve their capability and expertise. This policy will also encourage the establishment of new businesses. The policy has been completed and will go before the Executive Committee for final review very shortly.

The second policy concerns northern preference for construction contracts and this is being developed by the Department of Public Works. The final draft has been completed and will be sent to the Deputy Commissioner's office for review this week. Thank you, Mr. Speaker.

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

Item 4, petitions.

Item 5, tabling of documents.

ITEM NO. 5: TABLING OF DOCUMENTS

The Hon. Mr. Braden.

HON. GEORGE BRADEN: Thank you, Mr. Speaker. I wish to table the following document: Tabled Document 18-81(1), Spatial Price Survey, Yellowknife-Edmonton, June, 1980, prepared by the Bureau of Statistics, Government of the Northwest Territories. I am told that a summary has been prepared and translated, since the document is rather lengthy, but we are having translation back up problems right now. Thank you.

MR. SPEAKER: Thank you. Tabling of documents.

Item 6, reports of standing and special committees.

Item 7, notices of motion.

ITEM NO. 7: NOTICES OF MOTION

The hon. Mr. MacQuarrie.

Notice Of Motion 14-81(1): Legislative Assembly's Opposition To The Government Of Canada Re Amended Constitution Of Canada

MR. MacQUARRIE: Thank you, Mr. Speaker. I wish to give notice that on Friday, February 20th, I will move, seconded by the Member for Pine Point, that this Assembly declare its strong opposition to the federal government's present attempt to amend the constitution of Canada over the objections of a majority of the provinces, and without the support of a majority of the people of Canada. And further, that this opposition be made known by our Speaker to the following: In respect of Canada, to the Prime Minister, to the leaders of the opposition parties in the House of Commons, to the Speaker of the Senate and to the Governor General; in respect of the United Kingdom, to the Prime Minister, to the leaders of the Labour and Liberal parties, to the chairman of the foreign affairs committee and the chairman of the ad hoc all party committee studying this matter, to the Lord Chancellor of the House of Lords, and to Her Majesty the Queen.

---Applause

SOME HON. MEMBERS: Shame, shame!

MR. MacQUARRIE: Does that mean you are going to support it this time?

MRS. SORENSEN: Shame, shame!

MR. SPEAKER: Any further notices of motion? Mr. Butters.

Notice Of Motion 15-81(1): Annual Report Of Territorial Accounts To Committee Of The Whole

HON. TOM BUTTERS: Mr. Speaker, I wish to give notice that on Friday, the 20th of February, I will move the following motion; that is, that Tabled Document 16-81(1) be moved into committee of the whole.

MR. SPEAKER: Notices of motion. Item 8, motions.

ITEM NO. 8: MOTIONS

Mr. Butters.

HON. TOM BUTTERS: Mr. Speaker, I would ask the indulgence of the House to move into committee of the whole the tabled document for which I just gave notice.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Could you rephrase that question, please?

HON. TOM BUTTERS: Mr. Speaker, I wish to ask the House for unanimous consent to move the motion for which I just gave notice.

MR. SPEAKER: Unanimous consent has been requested. Are there any nays? You appear to have unanimous consent, Mr. Butters.

Motion 15-81(1): Annual Report Of Territorial Accounts To Committee Of The Whole

HON. TOM BUTTERS: Mr. Speaker, I thank Members. I should have done this yesterday with the Auditor General's report.

THEREFORE, I move that Tabled Document 16-81(1) the Annual Report of Territorial Accounts, be moved into committee of the whole for discussion.

MR. SPEAKER: Do we have a seconder? The Hon. Mr. Nerysoo. Discussion.

MR. FRASER: Question.

Motion 15-81(1), Carried

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

---Carried

Item 9, on the orders of the day, notices of motion for first reading of bills.

Item 10, introduction of bills for first reading.

Item 11, second reading of bills.

Item 12, consideration in committee of the whole of bills, recommendations to the Legislature and other matters.

ITEM NO. 12: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS, RECOMMENDATIONS TO THE LEGISLATURE AND OTHER MATTERS

Motion 4-81(1), Response to Bill C-48 and Bill 1-81(1), An Ordinance Respecting the Expenditures for the Public Service for the Financial Year Ending the 31st Day of March, and it will be the Departments of Finance, Information and Personnel, in that order. We will then move into committee of the whole, with Mr. Fraser in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Motion 4-81(1), Response to Bill C-48; Bill 1-81(1), Appropriation Ordinance, 1981-82, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER MOTION 4-81(1), RESPONSE TO BILL C-48; BILL 1-81(1), APPROPRIATION ORDINANCE, 1981-82

Motion 4-81(1), Response To Bill C-48

CHAIRMAN (Mr. Fraser): The committee will come to order, to deal with Motion 4-81(1), Response to Bill C-48. Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, I just have a few brief remarks, and I know that other Members would like to comment on this subject at some length. If I may proceed...

MR. MacQUARRIE: Mr. Chairman.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: As mover of the motion, would I be entitled to address it first?

CHAIRMAN (Mr. Fraser): I think it was Mr. Butters who wanted it in committee of the whole, Mr. MacQuarrie. If you want to speak to it first, as you are the mover of the motion, it is not that important.

MR. MacQUARRIE: It is not really a pressing matter. I will have other opportunities, certainly.

CHAIRMAN (Mr. Fraser): We are just wasting time. Mr. Butters, continue.

HON. TOM BUTTERS: Yes, sir. I was interested in seeing it in the House, because Mr. Nerysoo and I have a joint responsibility to put before the Executive Committee the position of this government to Ottawa, in regard to this Bill C-48. It is for this reason that we welcome the motion that has been made by the honourable Member for Yellowknife Centre and seconded by the honourable Member for Yellowknife South. Or have I got those twisted around?

MRS. SORENSEN: No, you are right.

HON. TOM BUTTERS: We do not have very much time to develop this response. We have an appointment to appear before the standing committee on energy, mines and resources on March 24th. This requires that any position developed by this government should be in the hands of the committee's secretary no later than March 9th, and that does not give us very much time to get input from Members of this House and make our position.

Interest In Our Offshore Regions

I will be very brief. Bill C-48 introduces a new monster in northern Canada. It is the Department of Energy, Mines and Resources, and a new major Minister, Hon. Marc Lalonde, who is the Minister of that department. Mr. Lalonde, in introducing this bill to the House, noted that the bill and his ministry is interested in our offshore regions, which cover an area of some two and a half million square miles, and these are described as Canada lands. Such lands include both the Yukon and the Northwest Territories and the offshore.

It is very interesting that in his remarks to the House, he indicated that the North and these offshore lands hold the key to Canada's energy security and he pointed out that although "Canada may not need its northern resources for domestic markets until 1990, we should press ahead with exploration." He indicated as well that this would require "the early assessment of the oil and gas potential of Canada's frontier regions". He also puts forward the caveat that "However, this will not be done at the expense of fisheries, resources or the environment."

It is interesting that I cannot find anywhere that the Liberal government has any thought that people live in the Territories, and there are many human concerns which have to be addressed and resolved before legislation such as this is implemented.

Elements Within Bill

The regime which the bill covers contains these elements. Mr. Lalonde indicated that:

1. There will be stiffer work requirements through negotiated exploration agreements which include firm drilling commitments.

2. They would reserve to the Crown a 25 per cent share of oil and gas rights in Canada lands to be exercised through Petro Canada or some other designated crown corporation.
3. There will be a minimum requirement of 50 per cent Canadian ownership through the private or public sector of production from Canada lands.
4. They would ensure optimum employment of Canadians and use of Canadian goods and services in oil and gas activities carried out on the Canada lands.
5. They would provide ministerial authority to order production to commence and be delivered to Canadian markets in quantities and at prices specified in the order.
6. They would be providing a greater degree of control in the timing, direction, rate and level of exploration, development and production by various means.
7. Lastly, they would ensure that Canadians receive a fair return for their oil and gas resources to a basic royalty of 10 per cent with an additional royalty of 40 per cent of the net profits of the field.

Great Benefits For Southern Canadians

As I say, the new act which the Minister proposes and his government proposes indicates very great benefits for Canadians. It would appear for southern Canadians; and that we in the North, if we are to get a window on this, will have to make urgent and early responses to the act and attempt to affect changes in the act as it is currently drafted. Thank you, Mr. Chairman.

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

MR. MacQUARRIE: I will speak a little later, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Mrs. Sorensen.

MRS. SORENSEN: Thank you, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Mr. Nerysoo, go ahead. Do you want to let him speak, Mrs. Sorensen?

MRS. SORENSEN: Well, I will just pass something out and then let him go ahead.

CHAIRMAN (Mr. Fraser): Mr. Nerysoo.

HON. RICHARD NERYSOO: Yes, Mr. Chairman. A little earlier it was requested that we provide more information to the Members of this House, and we have the paper that was prepared for myself and Mr. Butters. It has not been translated, as was indicated. I would like to ask if you could have the Pages pass the information out.

CHAIRMAN (Mr. Fraser): We have an amendment. Is this the paper you are talking about?

HON. DENNIS PATTERSON: Mr. Chairman.

CHAIRMAN (Mr. Fraser): Mr. Patterson, we have an amendment. We have a bill plus a proposed amendment plus there is another amendment coming in. Could you explain things, Mr. Patterson?

Explanation On Proposed Amendment

HON. DENNIS PATTERSON: Yes, thank you, Mr. Chairman. Part of the explanation, I think, arises from the relatively short time all of us have had to consider Bill C-48 which I only got yesterday. I am responsible for that lengthy amendment that has been passed around. I do not want to confuse or undermine

or anything else. I have not moved the amendment yet because I think the Members should have an opportunity to comment and generally discuss it. I have passed it around for Members' information because if I had had more opportunity to prepare it, I would have circulated it before now, but it is just for information and it is being translated. I apologize for any confusion. It was I who passed that around, Mr. Chairman. I intend to move it during the debate.

CHAIRMAN (Mr. Fraser): Mr. Patterson, you say that it is being translated now?

HON. DENNIS PATTERSON: Yes, it is being translated. It is not complete. I apologize for that but I have not had, no one has had much time with this business.

CHAIRMAN (Mr. Fraser): We will not deal with it then until the translation is completed. Is that right?

HON. DENNIS PATTERSON: Yes:

CHAIRMAN (Mr. Fraser): Thank you. Ms Cournoyea.

Analysis Has Not Been Provided

MS COURNOYEA: Mr. Chairman, I am somewhat concerned that we are being asked to deal with this situation. I, for one, know that Bill C-48 has been on the table for many, many months, and my general comment is we have not been provided with an analysis or interpretation. We are being asked to debate the position of the Northwest Territories government. How can we do this responsibly by pursuing a motion that relates to PetroCan and who knows what PetroCan is set up to do? We do not have any material to deal with and the analysis that is supposed to be provided to us is not translated. I wonder if we could urge Mr. MacQuarrie to give us some time so that we can responsibly reply to his motion, because while I realize there seems to be an urgency, why is it urgent when Bill C-48 has been on the table for, as far as I understand, six months anyway?

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie, do you want to respond to that?

MR. MACQUARRIE: I brought it forward as a motion simply because -- as I am entitled to do, I think, and there may be some Members who believe that I am not but I certainly am -- because I saw it as a very important matter which I did not see being addressed in any other way and I thought it should be addressed.

I am not saying it is urgent. It is a motion that I brought forward. It is now the property of the House and the House can dispense with it if it wishes, very quickly, by defeating it, if that is what it would like to do. I believe that it is urgent, but all of this is not being done to serve my feelings of urgency. The truth is that our government has been asked to address the committee that is studying this bill in Ottawa, about the third week of March. Now, our government, I suppose, could say we are not going to bother addressing it. I cannot see that as being a very responsible action since the federal government -- the bill obviously has serious implications. Incidentally, I have a note saying that it was tabled December 9th, 1980, in the House of Commons. So I could not see that it would be responsible for our government to say we are not going to bother talking to that committee: "You know, it has serious implications, but you people really do not have a moral right to govern our lives so we will refuse to have anything to do with it." I cannot see that that is a proper responsible action.

Direction From Assembly Before The Hearing

The next step would be if we do nothing about it, then our Executive Committee, feeling compelled to attend that hearing and feeling compelled to make some kind of presentation, will go down there and make a presentation based on what seven people and some advisers thought about for a period of time on the sixth floor of the Laing Building. Well, that would be better than nothing. It still would not be as good as if our Assembly, as a whole, could give them some direction as to what they ought to say when they go down to the committee in the third week of March.

Part of the urgency is if they are going to have a position, they have to have it in Ottawa at least two weeks prior to the committee hearing so that it can be put into both official languages. That means that they have to have time here to get Assembly input and then prepare a position and have it checked, typed, everything like that and then get it to Ottawa. So certainly it is not -- although somebody may be trying to give the impression that it is me who is rushing things here. It is not my intention. If we do not act reasonably soon, there will be no point in acting at all. That is a simple fact.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie, I understand the bill has been here quite awhile. Why was it not translated? Do you know? Could you tell me why you did not get it translated, or was it your responsibility?

MR. MACQUARRIE: Well, thanks for adding the last. I did not get it translated because I am simply not able to do it. I do not have the resources for doing it. There are all kinds of matters in Canada that are of great importance to the Northwest Territories. Because they are, I would like to address them but I cannot do it in a way that is going to make everybody in this House happy and in a way that they can understand it. That is beyond my ability.

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

Interpreter Corps' Capability For Translation

MRS. SORENSEN: Just on the translation, Mr. Chairman, it is a known fact that our interpreter corps does not have the time nor the capability to translate such bills. The words that are used and the content is far too difficult for the translation to be done over a period of even a year, let alone a few months or a few days. That is why we have our own bills written into a language that we can understand as lay people and then translated, because it is just too difficult. It was also a matter of logic and the lack of the ability to do something that prevented the translation of that bill.

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

MS COURNOYEA: Well, let us stick to the issue. Number one, we have a motion on the floor. I do not expect Bill C-48 to be translated in Inuktitut or any other language. I suppose it is done in French. The statement I made was that Bill C-48 has been in a draft form and available, if people wanted it, far before it was tabled December 9th, 1980, in the House in Ottawa. Now, the concern is -- I am not criticizing the urgency of the matter to be dealt with. That is not the point that I was addressing. What I am saying is that we should have an interpretation and analysis from the Executive Committee. It is my understanding that we have this budget out for policy planning and determination of what comes on the table. I feel that we should have an interpretation, what it means to the Northwest Territories. It does not have to be that much and we should maybe have some options and that can be interpreted and that is all I am saying.

Brief Interpretation On Meaning Of Bill

You know, I certainly do not want to have Mr. MacQuarrie feeling that I am chastising him for placing his motion on the floor, hardly. I tried to read that document last night and deal with it as it looks from the Northwest Territories perspective but it is very difficult. I am sure that if I had difficulty with it, then perhaps other people do. I do not expect the document in itself to be interpreted. That would be an impossibility. All I am asking is that we should have some kind of brief interpretation on what it means.

CHAIRMAN (Mr. Fraser): Thank you, Ms Cournoyea. Mr. Curley.

MR. CURLEY: You know, Mr. Chairman, I was mainly concerned with having to translate every document that comes here because this particular motion concerns Bill C-48 and the bill is not translated. My concern was, why do we have to translate every amendment that we are proposing to this particular motion. Nothing serious at the moment.

CHAIRMAN (Mr. Fraser): Mr. Curley, I think the motion is translated. It is just the bill that is not translated. If we are going to have any respect for our Members that do not understand English, I think we should make it a practice to try and get as much translated as possible, regardless. Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I agree. I would just like to put a bit of context on this debate. As I understand it, the feeling of Mr. Butters and Mr. Braden is that if the Executive Committee is going to make an appearance before this federal parliamentary standing committee which is considering this bill, we pretty well have to discuss it this coming Friday. That is a reality because it has to be translated into French in Ottawa. So Mr. MacQuarrie's motion is not all that devastating. It just suggests that there are certain positions this Assembly recommends the Executive Committee consider when the Executive Committee decides what to say.

Operating Under Time Limits

If some Members are not prepared to participate in this, I certainly sympathize with them. As a Member of the Executive Committee, I have not received any special briefing or information on this bill. What I have been able to prepare today, and I have even gone so far as to suggest amendments to Mr. MacQuarrie's motion, I prepared myself, with a little help from my friends. We are all operating under certain time limits and I am just saying it is not the end of the world if we have this debate today and not everybody is prepared because we are just going to be advising the Executive Committee for one reason or another that time is running out. I would certainly like to hear Members give their views, if not today then tomorrow, even though we have not had much time to prepare. I apologize for the fact that my proposed amendments are not translated but I was lucky enough to be able to have them typed up in English in time for this afternoon.

So I think we should go ahead knowing that we are not necessarily doing anything more than giving the Executive Committee some advice to assist them. I would rather see Members who have some views speak, than have them not speak, before we formulate our position. Thank you.

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

Progress Could Be Reported On This Matter

HON. TOM BUTTERS: Mr. Chairman, the fact that some Members talk about this matter today does not prevent us from debating the subject at another time. I know that a number of people here have studied it and have some very interesting comments to make to the bill. If they are allowed to make those comments, I think it will inform many Members as to the type of problem we are facing. So the way it could be handled, sir, is that each Member who wishes to address himself to the bill or the topic could do so. Then we report progress until another day, so that we are not stopping the debate but we get a chance for people to be heard who wish to be heard on that date.

CHAIRMAN (Mr. Fraser): Mr. Nerysoo.

HON. RICHARD NERYSOO: Yes, Mr. Chairman. Might I suggest to the House here, that I give an overview of the kinds of concerns that I think we have encountered over the last while and are certainly some of the general and specific issues that we may wish to address with regard to the bill?

CHAIRMAN (Mr. Fraser): Well, I did not get all of that, Mr. Nerysoo. Is that a question for the Members?

HON. RICHARD NERYSOO: Yes. I suggested that I give an overview or a bit of a summary of the kinds of concern that we certainly have, so that people are aware of the general thrust of where we wish to address the bill itself.

AN HON. MEMBER: Agreed.

HON. RICHARD NERYSOO: I know it is a pretty large bill and if you are going to get specific about it, then you are going to have to go all through the bill. I want to be very general about the kind of presentation that I might want to make and that we might want to address the bill with.

MR. MacQUARRIE: Agreed.

CHAIRMAN (Mr. Fraser): Mr. Nerysoo, I do not think you have to get permission. The floor is open. You go right ahead. We are discussing the bill. Go right ahead.

Areas Which Concern Legislature

HON. RICHARD NERYSOO: Well, I think that there are, in my opinion, three major areas of concern that we have to address; certainly the constitutional area, the economic, and the environmental responsibilities of this government.

It is my intention and I think the intention of the Executive Committee to make presentations both publicly and privately on the implications that this act might have to the Northwest Territories. As you have heard, one presentation that we will be making is to the standing committee on natural resources which is tentatively scheduled for March 24th, 1981. Now, we realize we are sort of strapped for time, in that our presentation has to be prepared probably within the next week or so, so that it can be translated into French. However, I think just by indicating the three areas of concern that we have, shows the kind of effect that this act has on the Northwest Territories and certainly this Legislature.

On general issues, I think that Bill C-48 is an all-encompassing act and is one of the major legislative vehicles to implement the National Energy Program introduced by the federal government last October. It goes much beyond the Oil and Gas Production and Conservation Act which it supersedes. That means it has more authority than those, and clearly outlines the federal governments total control over government lands which the Northwest Territories and the Yukon Territory are part of. Also, this includes the offshore areas.

With regard to the economic, environmental and resource revenue sharing aspects, with respect to oil and gas exploration and production, these areas are controlled under this act, Bill C-48. Under the act the federal Ministers of Indian and Northern Affairs and Energy, Mines and Resources have total control over the socio-economic and environmental terms and conditions under which exploration and production permits are issued. Nowhere in the act is there any recognition of the Government of the Northwest Territories and their responsibility and mandate for these matters that we are talking about. No recognition of the socio-economic concerns of the Northwest Territories residents will be addressed, unless determined important by the two Ministers.

Mandate Within Northwest Territories Act

Now, this act itself is going ahead, even though we have within the Northwest Territories Act the mandate to determine socio-economic effects of any kind of development. The structure that is set up to administer the act points clearly to the growing control of the Department of Energy, Mines and Resources over Canada lands, both offshore and on lands north of the 60th parallel. It has been quite clear and is pointed out in the bill.

With regard to some specific issues -- royalties; royalties pertaining to the production of oil and gas are outlined in the act. The Government of the Northwest Territories has had no input into these aspects and there is no indication of resource revenue sharing or mechanisms which have been discussed at the territorial or the federal level. The Oil and Gas Act conflicts with the Northwest Territories Act, and given that it supersedes the Northwest Territories Act, it is a clear backward step, in our opinion, in the constitutional development of the Northwest Territories.

The act appears to exert pressure to develop oil and gas fields when finds are made. The respective Ministers may dictate the extent of exploration and will determine what is a significant discovery, when wells are drilled, how wells are drilled, when production will take place, who sells the product, and to whom the sales are made. Now, I think that this latter statement that I make certainly raises concern with respect to the mechanism that this government has talked about, toward collecting some share of the resource revenue accruing from development.

Socio-Economic And Environmental Responsibilities

I would just like to indicate the position, or certainly some of the areas which we are responsible for. Now, with regard to socio-economic and the environmental mandate of this government, the Northwest Territories Act, and certainly recent verbal and written correspondence from the federal government, has indicated a growing recognition of the Northwest Territories role in the socio-economic area, and that the Executive Committee and the government has had a growing presence in determining environmental implications of development.

Both the act and the institutional structure that is set up to administer the act, unfortunately, appear to entrench both the socio-economic and environmental mandate in the federal government, which is a contradiction, in my opinion, to previous agreements and certainly with regard to the Northwest Territories Act. The socio-economic terms and conditions of any development in the gas and oil area will be dictated by the relevant Minister, in granting the exploration and production rights, which means that if the Minister of Energy, Mines and Resources in Ottawa determines that, or outlines the rules of the oil companies coming up here, then those are the rules that we have to follow. We may not, in fact, have any effect upon the rules and the regulations that are made, because it is left up, in the final analysis, to the Minister responsible. In my opinion, that seems to be another backward step, in that we are just beginning to have a working relationship with the federal government and certainly this is not going to be helpful at all.

Two Environmental Funds Will Be Set Up

Now, in the bill itself, there will be two environmental funds set up, one under the jurisdiction of the Minister of Indian and Northern Affairs and the other under the Minister of Energy, Mines and Resources.

MRS. SORENSEN: Shame, shame!

HON. RICHARD NERYSOO: The revenue for these funds will be collected from resource companies and presumably will be under the control of the national management agency set up to administer the act.

MRS. SORENSEN: Shame, shame!

HON. RICHARD NERYSOO: Now, a land management branch, under a director general, has been set up under the agency and raises the question of this government's involvement in the land use planning initiatives that have taken place up to date. We want to continue to play a much more major role in the area of land use planning and having people in the Northwest Territories play a role. Certainly it does not help, again, our position or role in land use planning.

Now, the agency, which is the national management agency, or management branch, the agency's control of the...

CHAIRMAN (Mr. Fraser): Mr. Nerysoo -- agreed to continue?

MRS. SORENSEN: Agreed.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Fraser): Carry on.

HON. RICHARD NERYSOO: The agency's control of the socio-economic and environmental consequences of oil and gas development raises the question of the role of EARP as well as the course of any review process that we may, in this government, be wanting to set up in future.

Question Of Availability Of Information

With regard to information exchange, and I am somewhat more specific in that I state section 50 of the act indicates information or documentation furnished under the act is privileged and shall not be disclosed without the consent, in writing, of the person who provided it. Both formal and informal mechanisms now exist where the Government of the Northwest Territories receives information on non-renewable resource activities. Under this new agency, there is some question as to whether such information will be made available to the government and certainly to the departments where they will have concerns on certain issues that we would like to address.

Now, those are just some of the basic areas of concern that we have. I know that we could get very specific, but we have been very general in the kind of ideas that we have talked about or will be presenting.

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

MRS. SORENSEN: Thank you, Mr. Chairman. As the seconder of the motion and as a Member who is extremely concerned about the passing of this bill without any acknowledgement given within the bill to the aspirations of the people of the North, and in particular without requesting comments at the development stage of the bill from this Legislative Assembly, I would like to speak wholeheartedly in support of this motion. I would urge Members to support this endeavour to provide some Northwest Territories government input into further amendments that might arise during the federal standing committee's deliberations.

I am going to illustrate for you how urgent it is that we at least attempt to get our point of view on the record and at the very least, if that is not acceptable, out into the public. In the research that I did on Bill C-48, I managed to get a copy of the debates which took place in the House of Commons when the bill was being discussed and specifically when the Hon. Marc Lalonde, the Minister of Energy, Mines and Resources, moved the bill into the standing committee on natural resources and public works.

Quotations From House Of Commons Debates

I am going to take some direct quotes from that debate to illustrate the urgency of this matter. I am quoting now: "People are not particularly aware of the wealth and resources which Canada lands mean for all Canadians. These lands include the Northwest Territories. When we make the sum total of all these areas, we end up with a surface which is nearly double that of the 10 provinces put together. As a matter of fact, it is a huge area which is enormously rich in terms of oil and mineral resources generally. In fact, all geologists agree that Canada lands are the most promising for the future in terms of oil and natural gas.

"Following the exploratory work which has been carried out off the coast of Newfoundland as well as in the Beaufort Sea, there are already very encouraging indications that within the next few years, Canada may count on major reserves of conventional oil similar to those which are now being tapped in the West."

That was Mr. Lalonde speaking. Another quote from the Hon. Minister: "The elements of the new oil and gas regime for Canada's frontier together with the geological promise of these regions constitute a situation attractive to a degree difficult to find anywhere else in the world." And there is another quote. Again, Mr. Lalonde was speaking: "In any event, I would be hard pressed to name any area of the world today where a more favourable exploration situation could be found, both from the standpoint of geological promise and investment climate."

No Reference To Aspirations Of People Of The North

Mr. Chairman, in that entire speech given by Mr. Lalonde on December 11th, not one mention is made about the wishes and aspirations of the people of the North. Not one mention with respect to the aspirations regarding aboriginal rights or the aspirations concerning political and constitutional rights. Nor is the Northwest Territories responsibility for the environment, particularly as it affects the animals, addressed. Finally, nothing is stated with respect to northern participation in revenue sharing. Certainly Mr. Lalonde feels conditions are favourable up here for exploration. We are a federal territory and the federal government does not have to consult with the people of the North, not really. Quite frankly, Mr. Lalonde's speech makes that quite clear.

Now, I am going to say that I think that that is our fault, this Legislature's fault. I do not think that we have been vocal enough about our wish for control over our own resources outside of this Legislature, about our wish for political evolution or about our wish to take on responsibility for our own environmental problems. What I am saying is, now is our chance. Let us make our views known before the standing committee in order to seek some recognition at least that there are living, breathing human beings living North of 60 who must be recognized and consulted with respect to this bill.

North Holds Key To Energy Security

There is another quote which certainly, when I read it, shook me a bit. Again, it is Mr. Lalonde speaking: "The promise of this vast frontier region is as enormous as its size. It represents Canada's best prospect for large, new reserves of conventional petroleum. It holds the key to our energy security. If it is true that the future is the most expensive luxury in the world, then there is a substantial downpayment on that luxury and that downpayment is in Bill C-48."

Again Mr. Lalonde speaking: "We must ensure that holders of oil and gas rights pursue vigorous and sustain exploration and development efforts or relinquish their rights to make way for explorers who will do so. Oil and gas rights have already been issued for 350 million acres in Canada lands. Virtually all the

area is considered promising in terms of potential reserves. Bill C-48 will convert those existing rights to the new land management regime therefore establishing it in a meaningful way and it will see that this is done within one year of the passage of the bill."

Mr. Chairman, within one year of passage, major change can take place in the North as a result of this bill and I guarantee change will take place. I believe, Mr. Chairman, that the federal government does mean business when they say that. That is why we have got to, at the very least, try to protect our future interests and the interests of any and all public governments which might be formed. We can do that by supporting this motion and by making our position clear to the standing committee of energy, mines and resources and to the Minister of Energy, Mines and Resources and to the Minister of the Environment and to the Minister of Indian and Northern Affairs.

Mr. Chairman, I have nothing against pressing ahead with exploration but I also believe that there must be limits. Surely the federal government has got to realize that the land that the federal government now holds in trust is for future northern provinces, the land we know as the Northwest Territories, now called Northwest Territories and Nunavut as a result of a Frobisher Bay motion, future provinces which have the right to form as people are ready to evolve.

I agree, Mr. Chairman, that at the present time these lands are crown lands but I also believe that people here have the right to full and responsible government and that that right must be recognized before Bill C-48 is passed into legislation.

HON. TOM BUTTERS: Hear, hear!

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

---Applause

I would just like to remind the Members that at 2:30, we have an appointment in Katimavik A, if all Members are present. So we will break for 15 minutes now for coffee and then meet in Katimavik A. Thank you.

---SHORT RECESS

CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum. We have Mr. Patterson on the list. Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I would like to make some general remarks about this bill and I would also like to...

CHAIRMAN (Mr. Fraser): There is something wrong. I think your mike is too far away. Is your button on? I think your mike is just a little too far away.

HON. DENNIS PATTERSON: I have too many papers on my desk.

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

HON. DENNIS PATTERSON: Thank you. I would like to make some general comments on the bill and say what I think is deficient in Mr. MacQuarrie's motion. I wish he were here. I wish Mrs. Sorensen were here, because...

MRS. SORENSEN: Here I am.

HON. DENNIS PATTERSON: Oh, she is here. Wonderful. I want to comment on some remarks she made. She paid great attention to Mr. Lalonde's remarks about the significance of Canada lands to all Canadians. Now...

CHAIRMAN (Mr. Fraser): Now tell him what you said about him. Here he comes.

HON. DENNIS PATTERSON: Thanks, Mr. Chairman. Now, I think we have to be very pragmatic about this bill. I think we have to be very practical. I think it is going to go ahead and I think the whole thrust of our debate and our discussions here and in the Executive Committee should be, how can we influence it to protect the interests of the people of the Northwest Territories?

MRS. SORENSEN: Just what I said.

Canadian Taxpayers Have Significant Investment

HON. DENNIS PATTERSON: Now, that is what you said, but I think your emphasis was wrong, Mrs. Sorensen. Now, I think you have to look at where the people of Canada and where the federal government are coming from when they talk about Canada lands. Now, the first thing is, the way they look at it, I think, is that Canadians feel they already have an investment in Canada's North. Through that super depletion allowance and through the grant incentive that is going to replace it, the Canadian taxpayer, and with all respect not the Northwest Territories taxpayer, the Canadian taxpayer, already has invested significant amounts of money in Dome Petroleum and the other oil exploration that is occurring in our lands and waters.

The people of Canada and the federal Minister see this as their land and their taxpayers' investment and they are not going to be terribly impressed with our suggestion that we are going to be a province and therefore we should get our share of revenues. I think that, and again with all respect to the Government of the Northwest Territories and the people of the Northwest Territories, that if you look at it from the point of view of the Canadian people, they have a much greater interest in the settlement of aboriginal claims than they do in the moral or political claims of the Government of the Northwest Territories, and all I am saying...

MRS. SORENSEN: What about Nunavut?

Aboriginal Title To Lands

HON. DENNIS PATTERSON: All I am saying is that while our position as a government, and our position in consideration of the governments to be, in the Northwest Territories, which are going to, obviously, need revenue to survive, should not forget that that public interest, while it is strong, is probably

not as strong as the special interest and title that the aboriginal people have over those same Canada lands. So, what I am saying to Mr. MacQuarrie and Mrs. Sorensen is, do not forget that one of our biggest cards to play with the people of Canada is that these lands are subject to an unextinguished aboriginal title.

While it is fine to talk about revenue sharing for the Government of the Northwest Territories, and I am not for a minute saying that the Government of the Northwest Territories should not have its share of those revenues, our bigger claim and our better claim and a significant source of attention in Ottawa, is going to be the fact that there are outstanding aboriginal claims and that those people must be protected by preservation of royalties and the equities flowing from the development, that I think is inevitably going to occur.

I look at Mr. MacQuarrie's motion and its suggestion that basic royalties and net profits, in parts five and six, be assigned to the Government of the Northwest Territories or at least placed in a trust fund until aboriginal rights claims are settled. Well, I would suggest that we are going to have a better argument for suggesting that there should be a trust fund created for the settlement of aboriginal claims and the revenues that the Government of the Northwest Territories and future governments of the Northwest Territories are going to require. I am suggesting that the emphasis should be changed.

Equity Must Be Preserved

Now, with regard to the bill itself, therefore, I would suggest that what we really ought to emphasize -- we really ought to very practically consider -- is guarantees to ensure that federal government participation in oil and gas exploration in the Northwest Territories is high enough to ensure adequate equity preservation for this government and the aboriginal claimants in this territory, and the same can be said for royalties. I also think that, again being very practical, speaking very practically, that we have to ensure that the federal government hangs onto the equity that it is going to acquire under this bill.

Right now, as I understand it, they can "back in", I think is the expression, they can acquire 25 per cent or they will acquire 25 per cent, but the bill provides no guarantees that they cannot back out. I think we ought to be concerned that that federal government share is preserved for us, and I mean for our governments, present and future, and for our aboriginal claimants.

So the possibility, Mr. Chairman, is that the federal government could turn around and take that 25 per cent share and sell it back to Dome or any other company and the chance of the Government of the Northwest Territories or the aboriginal claimants of the Northwest Territories getting anything out of Dome is extremely remote. We have a moral, political and legal clout in negotiating with the federal government and with its crown corporations, so I think we ought to be concerned that the equity that they are going to get in these developments and the royalties that they get be preserved and remain intact.

Revenue Sharing Is A Matter Of Negotiation

I think that it is probably naive to suggest that the federal government is going to seriously consider creating a separate corporation to hold royalties in trust for this government or even for the aboriginal peoples. I am not saying that I do not agree with the idea, but I think we have to recognize that royalties and revenue sharing are going to be a subject of negotiation. Alberta is a mature province and, you know, the debate on its revenue sharing and royalty sharing has gone on for years and will go on for years. So, I think we should recognize that this area of revenue sharing is a matter of negotiation, and I do suggest that it is not as bad as we might think.

I think that the 1973 government policy on land claims refers to revenue sharing. The Minister of Indian Affairs has referred to revenue sharing in relation to Norman Wells. Hon. John Munro referred to revenue sharing when he released the Lancaster Sound green paper in Frobisher Bay some weeks ago. I think we have a good potential for striking up an agreement there and all, I think, we have to do is ensure that the federal government gets a piece of that action and keeps it, and holds it until agreements are concluded, both with this government and future governments which shall be created in the Northwest Territories. Secondly, that money be held in trust for aboriginal title holders, and I would again say that that latter argument is probably going to hold more weight with the Canadian people and the parliament than is our claim as a future province. I am just trying to be as realistic as I can about this.

Now, I have only got a short time. I just want to briefly comment on the environmental concern and I really feel that this is something that we all should be very concerned about. Maybe I should quote...

CHAIRMAN (Mr. Fraser): Are you just about finished, Mr. Patterson? Your 10 minutes are up.

HON. DENNIS PATTERSON: Yes, I am just about finished.

SOME HON. MEMBERS: Agreed.

---Agreed

Mr. Ittinuar's Remarks

HON. DENNIS PATTERSON: Maybe I could briefly quote Mr. Ittinuar, our Member of Parliament from Nunatsiaq, on this. Incidentally, I think, if Members have time, that it is worth while reading the remarks of both Mr. Ittinuar and Mr. Nickerson on this matter. They have certainly prepared themselves quite well. Mr. Ittinuar, going back -- well, I will just comment on what he says about energy, or environment: "The environmental studies revolving fund is to be administered by the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development. The two..."

CHAIRMAN (Mr. Fraser): Could you slow down just a bit, please? The interpreters are having trouble.

HON. DENNIS PATTERSON: I speeded up because you were warning me I was running out of time, Mr. Chairman.

Mr. Ittinuar, in the House, said -- he talked about this environmental studies revolving fund and he pointed out that it is to be administered by two departments who have a direct interest in development, that is the Department of Energy, Mines and Resources -- we have already heard Mr. Lalonde's lack of concern about people in the Northwest Territories and apparent lack of concern about the environment -- and the Department of Indian Affairs and Northern Development. Clause 49(6) gives the two Ministers of those departments total discretion as to what kinds of studies are to be done and by whom.

As far as government research is concerned, Mr. Ittinuar says the Department of Environment, whose mandate is environmental protection, and the Department of Fisheries and Oceans seem like more logical choices to perform the role of environmental watchdog. He goes on to say: "Furthermore, there is no indication in this section that native groups and independent public interest research groups will have any opportunity to have a voice in environmental decisions or a hand in those funds."

Environmental Revolving Fund

When I look at the bill, Mr. Chairman, and particularly its section 49(10) -- I hope I have got that right -- it sets a limit on the environmental fund of \$15 million. You know, I think that when you consider the magnitude of these developments, \$15 million is a ridiculous amount. I have suggested, in what I now recognize is not an amendment to Mr. MacQuarrie's motion but rather a direct challenge to it or an alternative to it, I have suggested that, at the end of the motion Bill C-48 be amended so that the flow of moneys into the environmental revolving fund be determined according to the rate of development of hydrocarbon production without any ceilings, so that if there was a great deal of offshore oil exploration and on land oil exploration, the environmental fund would grow accordingly.

Mr. Chairman, I would like to just very briefly suggest what I think is missing from Mr. MacQuarrie's motion. First of all, the motion should recite the fact that there is a significant aboriginal claim over Canada lands -- and I am not just referring to the Inuit claim either, there are other aboriginal claimants in the Northwest Territories -- that those claims are not yet resolved, and that the federal government has an obligation in this act not to derogate from those claims and where it receives revenues and royalties, to hold funds in trust pending a negotiated settlement of those claims, not just for the aboriginal people but for the governments, the public governments, which they will create by public debate and discussion in the future.

Adequacy Of Government Share Of Revenues

I would like to also suggest that his motion should emphasize, as I do in my motion, that the adequacy of total governmental share of revenues in this regime be studied and be investigated because to my mind, that is our only hope of getting the revenues and the royalties and the equity that we need to become self-sufficient, is through this terrible monster that the Hon. Mr. Butters has referred to. It is going to happen. We might as well try to ensure that the federal government has as large a piece of the proceeds as they can so that our interests, our only source of aid, will be protected. We are not going to get help from Dome Petroleum in paying for the costs of running a government and the settlement of claims. Therefore, we should re-examine the adequacy of government share of these revenues.

Secondly, I would like to also emphasize that we want to ensure that the Government of Canada or Petro Canada or any of its agencies described in Bill C-48, are going to exercise their full options to acquire equity participation in those projects and not back out. I think that should be a concern that we should advance, both as a government and as spokesmen for aboriginal claimants, at least that their equity and their royalties should be held in trust or maintained until the settlement of land claims and until resource revenue sharing has been negotiated between this government or its governments and the federal government.

Fund Must Be Large Enough To Cover Contingencies

Finally, Mr. Chairman, the environmental protection fund is a joke and must be large enough to cover the sort of contingencies that, statistically, will inevitably occur. Cleaning up an oil spill in the Beaufort Sea or in Lancaster Sound -- \$15 million is going to look like a nickel if we are faced with those kinds of costs. So those are my preliminary remarks, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Patterson. Mr. Nerysoo. I am sorry. Mr. Braden I think was first. Mr. Braden.

HON. GEORGE BRADEN: Thank you, Mr. Chairman. First I would like to thank my colleague, Mr. MacQuarrie, for bringing this motion before the Legislative Assembly and therefore ensuring that federal Bill C-48 will receive discussion before this committee.

My comments today on Bill C-48 and Mr. MacQuarrie's motion will be less directed toward specific clauses or sections. Rather I would first like to focus a bit on the history of this government's attempts to gain some knowledge of the proposed bill before it was tabled and, second, my personal interpretation of the impact of these federal actions, nationally in Canada and in the Northwest Territories.

Information Sought Earlier

Members will recall, Mr. Chairman, that in Baker Lake questions were raised -- I believe it was by the honourable Member for Yellowknife South -- concerning the proposed Oil and Gas Act for Canada and amendments to the existing Oil and Gas Production and Conservation Act. As your Minister at the time responsible for Energy and Economic Development and after Mr. Nerysoo was given the Ministry of Energy, repeated attempts were made to gain some knowledge of planned federal initiatives in this area. The silence of federal bureaucrats and politicians during last summer and fall was broken with the tabling last October of the National Energy Program. Mr. Chairman, this document set the stage for major changes in the Canadian oil and gas industry. It also set the stage for the preparation of Bill C-48 which, in my own personal view, was already in draft form at the time the National Energy Program was tabled.

My purpose in giving you this brief account is to indicate that the territorial government and, indeed, the Legislative Assembly knew that a major federal initiative was being developed last year. We made repeated attempts to gain some knowledge of this initiative but to no avail. We are once again in the difficult and unsatisfactory position of having to react...

MRS. SORENSEN: Hear, hear!

HON. GEORGE BRADEN: ...to a federal position or action.

Bill Would Entrench Power Of Federal Government

I must say, Mr. Chairman, that after being in office for approximately one and a half years, this has become an all too common practice. The Northwest Territories government and Legislative Assembly have been forced into a continuous reactive condition, whether it be before EARP, the National Energy Board, the joint Commons committee on the constitution, the House of Commons committee to examine Northern Canada Power Commission, establishment of national parks in the Northwest Territories or, in this case, a federal bill which would entrench the power of the federal government to literally dictate all matters relating to oil and gas development in the Northwest Territories.

Mr. Chairman and colleagues, we have heard many Members speak generally on this condition since the opening of this session. I personally believe that these manifestations of federal interests such as we see through EARP or the National Energy Board are only the beginning of an overall process which is geared toward maintaining the status quo or entrenching federal powers generally.

On the matter of Bill C-48, I would like to give Members my views on how it relates to other federal initiatives. We are, for example, aware of major reviews and assessments taking place in the Beaufort Sea, Lancaster Sound and Davis Strait areas of our territory. We are also aware of ongoing research and development into Arctic water transportation by both the public and private sectors.

Finally, we are aware that after many years of exploration, both public and private firms want a return on their investment. A measure of that desire for a return on investment is the Arctic Pilot Project which involves the extraction of three trillion cubic feet of gas, not for the Canadian market but to meet foreign needs.

A Tool For Political And Economical Power

Bill C-48 and other federal initiatives in the National Energy Program provide the scenario, Mr. Chairman, for a major federal move to have oil and gas transported out of the Northwest Territories by tanker to eastern Canada at the earliest possible date. In a national context, this means that the energy poor parts of Canada will have a source of natural gas and oil. In my mind, it means that central Canada will have the tool it requires to bring back into line those western provinces which have used their resource base to upset and change the economic and political power base in Ontario and Quebec. Mr. Chairman, the Northwest Territories hydrocarbons will not just be used to ensure energy supply for all Canadians. They will be used to bring back into prominence those parts of Canada which, over the past decade, have been forced to share their political and economical power with the West.

Further, I personally believe that the provisions for Canadianization or nationalization, whatever term is used, ensure that the federal government or its crown corporations such as PetroCan or any others that are proposed to be developed, will call the shots.

On the matter of Bill C-48, in the Northwest Territories, I am quite frankly amazed that neither the people of the Northwest Territories nor their present or future institutions of government are given any mention. It is very difficult, Mr. Chairman, to relate this bill to all of the platitudes or false truths so eloquently stated in the National Energy Program. Where in Bill C-48 do we see any reflection of statements such as those found on pages 76 and 77 of the National Energy Program?

Statements From National Energy Program

I quote: "The National Energy Program is a program for all Canadians. There is a regional dimension to be addressed. The sheer size of the country and the differences in population and resource endowments give Canadians in each region a distinct outlook and a particular set of needs and opportunities.

"In the North, our national objectives are to ease the energy cost burden resulting from the lack of near-term alternatives to oil and for the longer term, to achieve resource development at a rate and in a manner compatible with a delicate social and environmental balance, recognizing that northerners will play a growing role in both the decisions and benefits associated with that development.

"As indicated earlier, decisive energy action now can buy time for all of us. In the case of the North, time to ensure that native northerners, in particular, are adequately prepared for participation in development opportunities and protected against the negative impacts that too often have characterized frontier resource development in Canada. In practical terms, this means the acceptance by the Government of Canada of a responsibility to establish more explicit and demanding ground rules for future energy projects. The government will consult closely with northerners in the process of developing these new rules for the game."

Federal Bill's Rules Of The Game

Well, Mr. Chairman, I think that the federal bill that we are considering makes it very clear what the rules of the game are to be. First, the rules will effectively exclude the Northwest Territories from participation in resource development decisions in any future jurisdiction. The rules of the game will ensure that the players are those federal departments which have been designated

to ensure continued control by Ottawa. I predict we will see an expanded role and presence up here by departments such as Energy, Mines and Resources, Fisheries and Oceans, Environment, Transport, and yes, our friends and protectors at DIAND.

Second, the rules of the game are geared to continued federal control in the future. I see that the federal government is taking no chance this time with a repeat of the problems they are having with Newfoundland. I refer the Members to the definition of Northwest Territories and Yukon. It is my understanding that it is worded in such a way as to exclude the waters between the various islands of the Northwest Territories, which waters now form part of the Northwest Territories, and I believe that that decision, or that interpretation, is dealt with in a very interesting way in a decision which was handed down very recently by Judge Tallis of our supreme court, in a case he heard, between the BP Exploration Company Limited and the Hunt brothers, from Texas. Mr. Tallis' decision made it very clear that the waters in between the islands of the Northwest Territories belong to the Northwest Territories.

Participation In Resource Development

Now, I think that the wording in Bill C-48 is going to come to haunt us in the future, if we or the native people of the Northwest Territories ever want to make some claim to non-renewable resources in the beds of water between Arctic Islands. Mr. Chairman, the rules of the game will ensure that whatever current capacity and future desire we have to participate in resource development is gone. Even at this time, we in the Government of the Northwest Territories are being questioned by federal officials on the exact role of the territorial government or Legislature in socio-economic and environmental matters relating to resource development.

I believe I can say that our hands are tied now because of finances and it would appear that our future role, if any, will continue to be a reflection of how tight or loose the Ottawa bureaucrats want to be with finances. There is no secret, Mr. Chairman, that this is the ultimate weapon which the federal government can use to keep us in our place.

CHAIRMAN (Mr. Fraser): Mr. Braden, you will have to get unanimous consent. Agreed.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Fraser): Carry on.

No Compromise From Federal Government

HON. GEORGE BRADEN: Mr. Chairman, with respect to the motion being examined here today, and I might as well say Mr. Patterson's amendments, I believe that both my colleagues have made honourable attempts at a compromise, and that this has been the way which the Northwest Territories government and this House have acted in the past. We have attempted to find a middle ground to accommodate a wide range of factors and interests. We have attempted to recognize some of the national and territorial realities which demand compromise on our part. Yet, where do we see in Bill C-48 any compromise on the part of the federal government? Do we see any movement in the area of territorial participation, preference or benefit?

Mr. MacQUARRIE: Not at all.

HON. GEORGE BRADEN; I am sure Mr. MacQuarrie would agree, there is very little, if any.

MR. MacQUARRIE: I just did. I do indeed.

HON. GEORGE BRADEN: I congratulate you, Mr. MacQuarrie, for your thoughtful motion which does address one part of the bill in relation to the Northwest Territories, but I cannot help but be sceptical of our success in making a representation for change such as you have proposed and such as others will propose on March 24th. It is becoming painfully evident that compromise on our part, compromise such as the honourable Member from the Western Arctic region talked about yesterday, compromise on the part of native associations, is having little, if any, results.

Now, if my colleagues on the Executive will allow me to speak here as an MLA...

HON. DENNIS PATTERSON: Sure.

HON. GEORGE BRADEN: ...I believe it is time that we countered these unilateral federal actions by passing some of our own legislation, which will give our institutions of government the authority required. We must be prepared to take bold action, which may, in the final analysis...

CHAIRMAN (Mr. Fraser): Mr. Braden, would you slow down a bit, please? You are getting carried away.

Action To Challenge Federal Control

HON. GEORGE BRADEN: We must be prepared to take bold action, which may, in the final analysis, be declared unconstitutional. We must be prepared to take action which challenges continued federal control, for if we do not, I predict our governments will forever be excluded from a meaningful role in developing the North. I believe our territory is no different from the western provinces and Newfoundland, in that our resource base and its development provides the key to our future. If we do not oppose this first step by the Canadian government we will become central Canada's tool in their struggle to regain prominence politically and economically.

MRS. SORENSEN: Hear, hear!

HON. GEORGE BRADEN: I conclude, Mr. Chairman, with another quotation from the National Energy Program, and I quote: "Canada is rich in energy resources, wealthy in the skills needed to develop them and strong in its determination to use them for the benefit of all Canadians. Energy can be a major force, both economically and politically, to unite us and make us prosper. All Canadians want this. All Canadians want a solution to our problems which is not only acceptable to all, but fair to all. The Government of Canada recognizes its special responsibility, as the government of all Canadians, to find such a solution. The time has come to put an end to a debate which has divided us and to build an energy future that will unite us. The National Energy Program means making more effective use of our energy for Canadians and by Canadians. It means bold, decisive decisions, not generalities. Practical programs, not just ideas. Rapid and concrete measures to resolve problems, not pious hopes. It means security, opportunity and fairness."

Well, I ask, Mr. Chairman, where is the fairness in Bill C-48? Where in this bill is there any reflection that northern residents are Canadians, participating in development of resources? Thank you very much.

---Applause

CHAIRMAN (Mr. Fraser): Thank you, Mr. Braden. Mr. Nerysoo, you are next.

Areas Of Concern

HON. RICHARD NERYSOO: Yes, Mr. Chairman. I think certainly the individual responsible for the presentation that is going to be made to the committee -- I think that there are a number of points to be made, as I said earlier, three areas of concern that we have to be aware of, those of constitutional, economic and environmental matters.

I, too, am in support of the aboriginal entitlement of the people, the original people of the Northwest Territories. However, when negotiations are taking place, one of the major issues of contention happens to be that of constitutional development and in the bill itself, it does not allow for any real participation on the part of any government other than the federal government, especially in the Northwest Territories. Whether or not it is this government or whether it is the government of Nunavut, or whether it is a new government that we negotiate in future, there is no role presently in here. I think the important part is not to suggest that we are going to fight or to argue with the federal government but rather that we are willing to suggest to them that there are changes that we should look at.

Certainly one other area, or there are two other areas, but that of revenue sharing and ownership question is still to be negotiated and yet within the bill itself, it does not refer to how the Dene, the Inuit or people in general in the Northwest Territories can benefit from those resources. It does not outline any kind of area which we could be involved in. Not to be specific but to suggest, I think, in future we would like to be involved in that kind of area.

People Participating In Environmental Aspect

The environmental aspect, as I said, was certainly an issue that we continue to be somewhat unsure about in that we have begun a process in which people are now participating. They are making their presentations and they are doing a lot of work in the communities in that area and in my opinion it is very, very good work. I really feel that to stop now would be, in my opinion, a very bad idea.

Now, I still feel though, that the presentation itself could be one in which we could be positive about amendments or we could try to accomplish. I know, in my opinion, that we could take a very hard stand and I think that that stand has to be during the negotiations. I think that negotiations, our presentations, will be to suggest that we want changes and in what areas those changes might be. For the negotiations themselves, they are a much tougher thing and seem to be more private, more of a strategy on our part and I do not think that kind of strategy can be talked about here in the public, as to how we feel ourselves making that presentation. I certainly think that we can try to convince people that we are willing to work with one another.

CHAIRMAN (Mr. Fraser): Are you through, Mr. Nerysoo?

HON. RICHARD NERYSOO: Yes.

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

MR. CURLEY: (Translation) I would just like to comment on the motion. The people in the Northwest Territories do not understand too much about Bill C-48. It does not really allow for the Northwest Territories government but the federal government. It is being dealt with right now in Ottawa regarding the oil exploration in all of Canada and they intend to amend the exploration on gas. Also, some of the rules will have to be amended regarding the Northwest Territories. It belongs to Canada, the Government of Canada. I will try to put together something for the representatives. I will have something to say on this.

Qualified Support For Motion

Mr. MacQuarrie's motion, I think I could support down to number six regarding the oil exploration cost sharing from the Northwest Territories. I would want there to be interest until the land claims are settled, until after the agreement of land claims and then given to whomever. I could only support Mr. MacQuarrie's motion on this basis and I think that there is going to have to be an amendment made here. I will say it in English. (Translation ends)

I was just explaining a little bit in Inuktitut what that bill is all about because it is a pretty complicated document. By no means do I understand the bill altogether but I am a bit concerned with Mr. MacQuarrie's motion. I think it would be a bit too ambitious, to expect that the federal government would establish another crown corporation, subsidiary corporation, in the Territories. I think that would be a pretty difficult one to make because Mr. MacQuarrie and I cannot even really agree whether or not we should divide the Territories. We cannot really agree whether or not we should settle the claims, and selecting those lands that are economically potential lands and which the Inuit people and the Dene, I would presume, would want. So unless we know exactly, have a position, look at certain lands that native people are claiming, and support their case to the federal government, I think the federal government is naturally going to walk all over us. I do not think we should expect that they will come up with a favourable solution to the problems that we have.

Clear Understanding Needed

Such an example is probably this Bill C-48 because in the Territories we are in a complex situation and we cannot really agree. You know, we have made overtures, on and on. We support land claim settlement. We want them to settle but you and I have not really come down and said "How long do we expect the negotiations to go on?" Have we urged anyone and said "Look, we would like them to settle in two or three years." Even that thing probably would be a little more encouraging. Unless we have that kind of position, either with the land claims, outstanding claims or the division, political issues of the Territories, constitutional problems that we have -- unless you and I are clear, naturally we should not expect the federal government to have a favourable contribution to us. I mean that is just really asking them "Look, we want you to solve all our problems", without really having a clear understanding up here.

I am beginning to think that every one of us up here, when we say we support them, should be clear. We support native claims. Okay, they are not going to become -- certain lands are going to be objecting to the development forever. I think until we can present our case clearly, that we want the settlement, we want the federal government to come to an agreement with those claimants within a period of one year to two years and try to work genuinely supporting them, we are not going to be able to see any benefits accruing and should not really expect the territorial government will get a share of the pie in the Territories.

These are my introductory remarks. I also feel that the Executive Committee, I would think, may have been caught, like anyone else, with short notice but since that is the case, I would think we should try and establish a strong energy group in the Executive Committee so that it will be able to communicate and consult with all the interest groups or lobbying groups that we have, whether they be labourers, whether they be oil and gas industry, whether they be native organizations. Right now we do not have that real communication, even with the MLA's.

Agreement Among Members

I would think that once Bill C-48 was issued by the government and when the Northwest Territories Executive Committee was informed, they should have got in touch with us immediately, as to whether or not we expected any major opposition from our constituents or the native groups that we represent. I

think that it would be helpful if we could open up a little bit. Otherwise, I think federal government, naturally, is bright enough to say, look, they cannot even agree amongst themselves, so how do we expect them to come with a united position with respect to oil and gas interests in the northern Territories?

I see oil and gas development and mining activities as a reality. We are not going to drive them out, and we have not been able to drive them out of our Territories. I also see that, you know, naturally the territorial government should have an interest in getting in there. So, I support a strong energy group, so that it will be able to respond. I would even suggest that maybe the finance committee and the energy group should continue to work very strongly in trying to make sure that we are not caught and we do not get the short end of the stick we get each time the federal government attempts to make a major change with respect to its involvement in the Territories.

Not only are we the creatures of the federal government, we are also the creatures of the multinationals or the major industrial groups. They are walking all over our Territories. I think this is why, in spite of our lack of power, or none of it, to deal with the oil and gas and mining up here, we should at least have a strong lobbying group in the Territories. I would support that you establish the best of possible advisers, if we can afford them. Just because the territorial governments Executive group, Executive Committee, may differ with the native organizations from time to time does not mean they should have second rate or third rate advisers dealing with the energy. They should have the best and I would support that they do.

Time Factor In Settlement

So, having said that, I think that my concern is that we are going to definitely be affected, so let us try to get some changes and lobby. Let us try to support those native claims that have not been settled, and urge the federal government to come to agreement with them. Or should we just leave that with the native groups, as they see fit, to deal with the matter? Or should we, as legislators, be courageous enough to suggest that we would expect the federal government to settle them in two years, or should we say 10 years?

I think we should begin to start saying by a certain time we expect the federal government to come to settling the claims, as well as urging the federal government to set up a timetable for settling the constitutional problems that we have, because these are actually the issues that create problems for the territorial government. We have not really, sincerely, in my mind, agreed whether in fact we want the division, whether in fact we want to solve the political, the constitutional problems of the Territories. You know, we have debated them here. We have argued them over in this chamber, but that, I think, has not really satisfied the federal Ministers or the Prime Minister. Unless we sincerely have come to real grips with the real problems that we have, the federal government is naturally, continually going to walk all over us and we will always get the short end of the pie. We are not going to get the best possible protection for our people and benefits that we should have, as far as the resource development activities are concerned. I support that the Territories should have the best possible benefit. I support Mr. MacQuarrie's motion.

CHAIRMAN (Mr. Fraser): Mr. Curley, your 10 minutes. Will you be much longer?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Fraser): It is unanimous consent. Thank you. Carry on.

MR. CURLEY: I support his motion that suggests that northern residents be given at least a fair price for the gas that would be flowing from those areas. I think we would strongly, strongly -- should not give up on that at all, because it is going to be impossible for our hunters in the Territories, those who live off the land, it is going to be impossible for the small businessmen to survive in that area. So, in that regard, I think it is rightly so that this Assembly should not give up one bit, that our consumers up here, with regard to energy, should have the best price for the product that the federal government is supporting. I think that is about all I have right now. Thank you.

CHAIRMAN (Mr. Fraser): Thank you. Bill C-48. Mr. Wah-Shee.

Opportunity For All Groups In NWT To Come Together

HON. JAMES WAH-SHEE: Yes, Mr. Chairman. I would like to make a comment regarding Bill C-48. I agree that the Government of the Northwest Territories has to be very supportive of the initiative and aspirations of native organizations in coming to the conclusion of the negotiations of aboriginal claims in the Northwest Territories. The other thing is of course, that there are many issues in the Northwest Territories. I think one of them is the constitutional involvement and the other one is this particular bill that we are dealing with, Bill C-48, which is a good opportunity for all northern residents and various groups in the Territories to come together.

I think for the past 10 years we have been working as independent groups, representing our own particular interests, whether it be in the area of aboriginal claims, resource development or environment. I think that this is the time in our history in the Northwest Territories where we really have to come together as a group, to represent the interests of the Northwest Territories.

AN HON. MEMBER: Hear, hear!

HON. JAMES WAH-SHEE: For too long now we have been operating independently, trying to achieve our own individual goals and objectives. Now is an ideal time for all groups to stand together and fight for the Northwest Territories, for our own benefit, not only for today, but for the future, future generations.

SOME HON. MEMBERS: Hear, hear!

Joint Presentation To House Of Commons

HON. JAMES WAH-SHEE: I would like to propose that rather than having the Government of the Northwest Territories and this Legislature make an independent presentation before the standing committee in the House of Commons dealing with this particular bill, that perhaps now is the time to have joint presentations being made between this Legislature and various native organizations.

SOME HON. MEMBERS: Hear, hear!

HON. DENNIS PATTERSON: Hear, hear! A good idea.

---Applause

HON. JAMES WAH-SHEE: Really, because we are not only concerned with the development of gas and oil. We are talking about very important aspects of the constitutional development of the Northwest Territories.

The other area, of course, is the area within the constitutional development. I have said this earlier, that this Legislature independently trying to work on the whole area of constitutional development, that it will not be fruitful for us, as a Legislature, to address the whole area of constitutional development for the whole Northwest Territories. We have to keep in mind that the native organizations want to get involved and participate in the whole area of constitutional development. So, there again, I think that we should have a joint position, a consensus, because people are always reminding us that we are working

on a consensus government. Well, if that is the case, then you have to keep in mind that native organizations have to be included in that. So, I would suggest, Mr. Chairman, that when we are developing a presentation regarding this particular bill, that I would urge the other Members to consider getting the other major native organizations involved in developing a position which we can all agree with and that we have a joint presentation before this House of Commons committee. Thank you.

---Applause

CHAIRMAN (Mr. Fraser): Thank you, Mr. Wah-Shee. Does anybody want to speak before I let Mr. Patterson? Mr. McCallum.

Involvement Of People In Development

HON. ARNOLD McCALLUM: Mr. Chairman, I would simply want to make certain comments that I find are rather repulsive to me, as they are to other Members, as regards to the bill itself. Now, I recognize that we are talking about proposed motions, but I think that there were certain aspects of Bill C-48 that are totally repugnant to me. I recognize as well, because other Members of this committee have already made certain comments, that what I would want to say would be repetitious to some extent. Nevertheless, there were certain gnats.

Basically, the one particular aspect that really is bothering about the act itself is that the act simply refers to the Yukon and Northwest Territories lands. It does nothing in reference to the people of the Territories and how they will be involved and benefit from any kind of development that would go on in any area. This, of course, simply goes against what is in effect our particular mandate. Our mandate is to look after the well-being of people in the Territories under the Northwest Territories Act. We have, with the passage of this particular act -- and I recognize the inevitability of it -- but we have an ever increasing presence that has been indicated by other Members of the federal governments increased jurisdiction over the Northwest Territories lands and people. The socio-economic, if you like, mandate of the Government of the Northwest Territories under the Northwest Territories Act, of course, then is usurped.

There are particular other sections of the act that may and should be referred to, not just in terms of the socio-economic area but also, of course, in relation to the royalties. They have been referred to by other Members. The business that the act -- as regards information, the privileged information, that information or documentation furnished under the act is privileged and will not be disclosed without the written consent of the person who provided it. It is absolutely ridiculous, in terms of the development that goes on in the Northwest Territories where we are involved. I think it has been indicated by other speakers that it is time we pulled together. It is time that we maybe took the bull by the horns and pushed forth with our own legislation and have it tested. Make a stand.

A Share In Future Of Territories

I think that the comments that my colleague, Mr. Wah-Shee, made just previously regarding an effort to come together, all peoples, I think is a very responsible suggestion. I think that we play a particular role in it as an Assembly. We take the lead in getting people together. To make a presentation, we have to be concerned with the status that we have now and in the future, whatever form this territory will take. We have to have our certain share in it and of course the kinds of basic fundamental factors that we proposed earlier in relation to any kind of development that occurs in the Territories that must accrue to the people of the Territories has to be reinforced again.

I think, Mr. Chairman, without going into any more great detail, that there are, as I said, certain particular aspects of the bill that one could refer to in more detail as we possibly will go through in relation to the motions that have been made about the bill and the amendments that have been proposed. Certainly in terms of just a general comment, there are two or three areas that, as I indicated, really concern me and I want to bring attention to those particular sections of the bill. Thank you.

CHAIRMAN (Mr. Fraser): Thank you. We will take a 15 minute coffee break and continue with Bill C-48. Thank you very much.

---SHORT RECESS

CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum. The committee has come back to order. Mr. Nerysoo.

HON. RICHARD NERYSOO: Mr. Chairman, I am not sure if any further discussion will be carried on. I would like to suggest that maybe we call progress so we can continue discussion on this item at a further date. I think that what we would like to do is try to come up with something to present to the Members on a position, an outline at least on the principles.

CHAIRMAN (Mr. Fraser): Mr. Nerysoo, you do not have a date when you wish to bring this bill back in again to the House?

HON. RICHARD NERYSOO: Tomorrow.

CHAIRMAN (Mr. Fraser): Tomorrow?

HON. RICHARD NERYSOO: Yes.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. I thought that the Executive Committee had wanted to report progress because there was further information to bring to us and if that were the case, then I am absolutely willing to report progress and wait to hear the further information but if it is in a sense to close discussion so that the Executive Committee can formulate a position and bring it back to us, I personally think that would be a mistake and I could not support it for that reason. Could I have a clarification as to what is the purpose?

CHAIRMAN (Mr. Fraser): Mr. Nerysoo.

HON. RICHARD NERYSOO: Yes, Mr. Chairman. The reason I called for progress is that we are in the process of preparing some principles to present. Now, I would think that those principles which we began writing up this morning would be part of this discussion. Now if it is not, then I am certainly not clear on how we are going to proceed with this.

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

MR. SIBBESTON: I was hoping to be able to make some comments on the discussion today.

CHAIRMAN (Mr. Fraser): Mr. Sibbeston, I think they are coming back with -- the bill will be coming back in tomorrow with more information.

HON. DENNIS PATTERSON: Let him talk today.

CHAIRMAN (Mr. Fraser): Go ahead, Mr. Sibbeston. Bill C-48.

Recognition Of Aboriginal Rights

MR. SIBBESTON: Mr. Chairman, I must say that I had some discussions with Mr. MacQuarrie before he made his motion and gave me an opportunity to look at the motion as he has presented it. In the course of doing so, I had become concerned on a number of points and eventually was not able to support or second the motion as made.

The major concern that I had with Bill C-48 was that in the definition of Canada lands and throughout the proposed act, there was no mention of aboriginal rights and it seemed as if it spoke of rights only in the sense of lands that belong to Canada. I was concerned about that particular point.

The other thing that I was concerned about and could not support Mr. MacQuarrie on was that his motion proposes to have a subsidiary corporation set of Petro Canada in the North with northerners involved, as it were, or perhaps even this government involved in some fashion. I thought that that was a bit premature for us at this time. It was a bit premature for northern people and native people to become involved in a subsidiary corporation mainly because aboriginal rights were not settled and it did not seem proper or justifiable for native people to become involved in such activities before their rights were settled.

The other point that I was concerned about is that there is an arbitration clause in there which provides for people who have interests to be able to have their interests dealt with and in that provision, I believe in section 51, there is no recognition of aboriginal rights. We do not know, the way the act is written, whether aboriginal rights, whether native people, whether their aboriginal rights constituted an interest with which they could go before whatever tribunal was to be set up to -- whether this was an interest which would be recognized. I was concerned about that point too.

So I am pleased today with the amendments proposed by Mr. Patterson. I believe him when he says that there is a greater chance or it is better to go to Ottawa, as it were, arguing on the aboriginal rights basis, than the argument about having revenue sharing to this government. I am very pleased also with Mr. Braden's comments. I was frankly surprised because some of us that are not on the Executive and not part of the government sometimes think that the Executive are not prepared to take tough stands on certain issues with Ottawa so I was very pleased to hear Mr. Braden speak as he has. I have also been pleased to hear Mr. Wah-Shee suggest that we ought to get the native organizations involved with us and if we can, come to some common agreement and go to Ottawa all together, as it were, to challenge or deal with the federal government.

Motion To Invite Native Organizations To Give Views On Bill C-48

To this end, I was going to make a motion and I would like to make a motion now which would invite the major native organizations to come before this committee to give their views on Bill C-48 and also, to investigate the possibility of the native organizations and this Assembly coming to some joint agreement so that we could go to Ottawa before the standing committee on natural resources and public works together with one united voice. So I would now like to make that motion and I have a motion here which...

CHAIRMAN (Mr. Fraser): There is a motion already on the floor, I am sorry, Mr. Sibbeston.

MR. SIBBESTON: Sorry. What was the motion on the floor then?

CHAIRMAN (Mr. Fraser): Motion 4-81(1), in your book.

MR. SIBBESTON: I appreciate that there is a motion on this floor. I mean, this is why we are in committee of the whole, but this motion, I believe, is one that could be dealt with. It simply asks to invite some group to come before the committee of the whole to help us deal with the motion that is before us.

CHAIRMAN (Mr. Fraser): Just a minute, Mr. Sibbeston. I think we can maybe straighten this out. Mr. Sibbeston, we are just checking this out. I think the Law Clerk is looking it up. I think you could maybe make a motion to have that other motion deferred until such time as we deal with this bill and then come back to the motion, but just wait a minute and we will check it out.

Motion To Invite Native Organizations To Give Views On Bill C-48, Ruled Out Of Order

Mr. Sibbeston, we have checked the rules and I am advised that your motion is out of order until we deal with this Motion 4-81(1). If we deviate from that, it is finished so we are just going to have to maybe wait until tomorrow and make another motion, formal motion, ask for unanimous consent to deal with your motion. Today maybe, if you wish, in formal session. Thank you. Ms Cournoyea.

Motion To Report Progress On Motion 4-81(1)

MS COURNOYEA: Mr. Chairman, I would like to move that progress be reported on this subject, discussion to resume or continue tomorrow with the additional information to be tabled tomorrow by the Executive Commi'tee regarding principles to be considered on this subject.

CHAIRMAN (Mr. Fraser): Thank you very much. All in favour? Discussion. Mr. Butters. To the motion.

HON. TOM BUTTERS: To the motion, Mr. Chairman. I believe if the date was Monday, it would be more pertinent. I doubt that the Executive Committee will have the additional information ready for tomorrow.

CHAIRMAN (Mr. Fraser): I understood it was ready now. Ms Cournoyea, would you like to change your motion date, then?

MS COURNOYEA: Mr. Chairman, my understanding was that information was being prepared and would be ready in the morning. If I can be assured that in fact that is not true, and Mr. MacQuarrie, whose motion is in jeopardy at this point in time, is willing to concede that we move to Monday, then I will change the motion.

CHAIRMAN (Mr. Fraser): Thank you, Ms Cournoyea. Mr. MacQuarrie.

MR. MACQUARRIE: I could only say that I am absolutely willing, providing all we are doing is deferring the discussion until we have more pertinent information, but if what is being suggested is that we are waiting until the Executive Committee comes back to us with a proposal to discuss, then I suggest that that is defeating the purpose of what we are trying to do here which is to give everybody a chance to say what they think should be happening. We are only asking the Executive Committee to consider whatever we finally vote on, and then they go away and prepare the position. So, in which case, I would not want the discussion stopped, but I would be willing to defer it for other business for an hour or so and come back to the discussion tomorrow. That is no big problem to me either, but I do want more opportunity to discuss the matter.

CHAIRMAN (Mr. Fraser): Thank you, Mr. MacQuarrie. Mr. Nerysoo, could you guarantee that you have the information that is requested by the Members?

HON. RICHARD NERYSOO: Well, I think that I provided a fairly detailed outline of the concerns that we had, earlier. Now, our intent was to provide, I guess, a position from this Executive to this House on some of the ideas. Now, if they want to continue, well, I have no problems with that at all. If the thing is such that they want to be specific rather than deal with the thing in general terms, then I do not think that we should stop the discussion.

CHAIRMAN (Mr. Fraser): Ms Cournoyea, your motion, please.

Motion To Report Progress On Motion 4-81(1), Withdrawn

MS COURNOYEA: Well, again, I suppose I was led to believe that the Executive Committee had some information that would be beneficial to this continued discussion. I had no intention to suggest that discussions do not continue.

I assumed that the Executive Committee had these general interpretations, or principles, that were ready to be tabled, and if they do not, I suppose I would have to say that we are holding up Mr. MacQuarrie's motion for no distinct purpose. So, I withdraw my motion.

CHAIRMAN (Mr. Fraser): Thank you, Ms Cournoyea. Bill C-48, to the motion. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. I am willing to wait if there are others who wish to address it first.

CHAIRMAN (Mr. Fraser): Any other Members that have not spoken to the motion? Mr. MacQuarrie.

MR. MacQUARRIE: Ms Cournoyea...

CHAIRMAN (Mr. Fraser): Ms Cournoyea.

MS COURNOYEA: I suppose I would like to say something about the motion. However, I do not feel prepared to do so, so I am not prepared to say anything because I just do not feel prepared to discuss this particular subject at this time.

CHAIRMAN (Mr. Fraser): Anyone else that has not spoken to the motion? Mr. Patterson.

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. Since the debate seems to be drawing to a vote, which concerns me, I feel impelled to say that I think we are not ready to vote on Mr. MacQuarrie's motion. I say that with all respect to him, because I, like other Members, applaud him for having brought it forth. I just feel that it could be improved, and I would like to say that I do not know why we should not report progress, and continue again tomorrow.

AN HON. MEMBER: Hear, hear!

HON. DENNIS PATTERSON: I am not trying to stifle discussion, but I hope Mr. MacQuarrie will not mind me saying that he agreed that maybe he and I should get together and try and marry some of my concerns with his motion, so that it can perhaps a little better reflect all the concerns that Members of the House have expressed today. So, not because I want to stifle discussion on it, but rather because I think we all might appreciate a little more time to consider our positions, I would move that we report progress and put this item on the order paper again tomorrow.

CHAIRMAN (Mr. Fraser): Is it agreed?

SOME HON. MEMBERS: Agreed.

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

---Agreed

Can we then proceed with Bill 1-81(1)?

SOME HON. MEMBERS: Agreed.

Bill 1-81(1), Appropriation Ordinance, 1981-82

CHAIRMAN (Mr. Fraser): Agreed.

---Agreed

Department Of Finance

Finance department. Mr. Butters, would you like to call your witnesses?

HON. TOM BUTTERS: Yes, Mr. Chairman, if the House would permit me to.

CHAIRMAN (Mr. Fraser): Is it agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Noah): Okay. Mr. Butters, I believe Mr. Nielsen was, last night when we left, talking about FIS. Do you want to continue, Mr. Nielsen?

HON. TOM BUTTERS: Mr. Chairman, I think that the answer was completed before the committee recessed.

CHAIRMAN (Mr. Noah): Yes, we are still on general comments. Any more general comments? Mr. MacQuarrie.

MR. MacQUARRIE: Would questions with respect to revenue be appropriate under general comments? Okay, if I could. First of all, I am looking at 6.06. Again, is it appropriate to ask questions here about revenue, I am just not clear on the procedure -- should I save that for later?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, I would suggest it is appropriate to ask general questions on revenue, yes, and when we get to the detail, you can ask detailed questions on revenue.

MR. MacQUARRIE: Mr. Chairman, I had asked the general question on revenue, yes. The others that I have are detailed questions, so I will wait until the appropriate time.

Detail Of Capital, Agreed

CHAIRMAN (Mr. Noah): Thank you. On page 6.05, capital, \$31,000.

MRS. SORENSEN: Agreed.

CHAIRMAN (Mr. Noah): Agreed.

---Agreed

Administration, Total O And M, Agreed

On page 6.02, administration \$545,000. Mrs. Sorensen.

MRS. SORENSEN: I notice that in the preamble under administration, you state that it provides departmental services relating to personnel administration, financial control and word processing. I wonder if you could explain what government involvement there is, what Department of Finance involvement there is in word processing.

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, the reference here is only for the Department of Finance. It is not related to personnel, it is finance requirements that are referred to, departmental services.

CHAIRMAN (Mr. Noah): Thank you. Mrs. Sorensen.

MRS. SORENSEN: It was my understanding -- and perhaps this is not the area to be talking about it, and I am sure you will correct me if I am wrong -- it was my understanding that this government is going into the purchase or rental of word processing machines. Is that not correct?

HON. TOM BUTTERS: Yes, it is under Government Services, Mr. Chairman.

MRS. SORENSEN: Government Services, fine.

CHAIRMAN (Mr. Noah): Any more questions on page 6.02, administration, \$545,000.

SOME HON. MEMBERS: Agreed.

---Agreed

Treasury, Total O And M

CHAIRMAN (Mr. Noah): Page 6.03, treasury, \$2,951,000.

AN HON. MEMBER: Agreed.

CHAIRMAN (Mr. Noah): Agreed. Mrs. Sorensen.

MRS. SORENSEN: Last year we had a school burn down and at that time we learned that this government did not carry insurance on its buildings and works. Has there been a change in that policy and, if so, what measures have we taken since that event to purchase insurance for our public works?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, the Member is very perceptive. There is a reference here to a new program to pick up that omission in the past and I think it is a credit to the department. I would like to ask Mr. Nielsen to explain what the department has done since a year ago when this concern was brought to our attention.

CHAIRMAN (Mr. Noah): Mr. Nielsen.

MR. NIELSEN: Mr. Chairman. The government tendered property insurance, and after obtaining a reasonable estimate was able to negotiate an adjustment in federal funding to provide for the full annual premium of property insurance and effective for the last quarter of 1980-81, has had property insurance with a \$500,000 deductible.

CHAIRMAN (Mr. Noah): Mrs. Sorensen.

MRS. SORENSEN: What company are we insured with, and did you go to tender for that?

HON. TOM BUTTERS: Mr. Chairman, the company is an Inuvik company -- I think it was chosen before I became Minister of Finance -- it is Husky Insurance and Real Estate Ltd.

MRS. SORENSEN: Did you go to tender?

HON. TOM BUTTERS: Yes, Mr. Chairman, it went to tender.

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: I was just reminded that although it was an Inuvik firm that because of the amounts of money involved, it is carried in association with an Edmonton firm as well.

CHAIRMAN (Mr. Noah): Mrs. Sorensen.

MRS. SORENSEN: When I last discussed government insurance, there was some talk about combining our regular insurance, our vehicles, that kind of thing, with our -- am I using the right term -- risk management or property insurance. Has that been done, or do we now have two independent insurance programs?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: I will ask Mr. Nielsen to reply, Mr. Chairman.

Two Major Types Of Insurance

MR. NIELSEN: Mr. Chairman, there are two major types of insurance, one of which is liability insurance and the other of which is property insurance. With a \$500,000 deductible, we do not insure small buildings and equipment. It simply would not be worth our while in terms of the cost of the premium. The concept of risk management is to evaluate risks throughout the government and to make proposals on whether we should self-insure or whether we should obtain outside insurance. That is the new thrust that has been entered into this department and we feel in the long run it will save considerable amounts of money.

CHAIRMAN (Mr. Noah): Thank you. Mr. Stewart.

HON. DON STEWART: What assistance, if any, did the Government of the Northwest Territories have in setting up their insurance arrangements? Was an actuary hired, or did you have a consultant, or was it somebody from within the department?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, a consultant is available to this government, an Edmonton consultant, on retainer.

CHAIRMAN (Mr. Noah): Any more comments? Mr. MacQuarrie, did you put your hand up? Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. This would be an appropriate place to ask questions about revenue now, would it?

---Laughter

I notice under treasury it is responsible for the control and reporting of all revenues to the government.

CHAIRMAN (Mr. Noah): Mr. Butters.

Revenues From Fuel Taxes

MR. MacQUARRIE: Fire away, he says. Okay. In a time when oil prices are rising rapidly and particularly fuel prices are, I note on page 6.06, that we are generating revenues from fuel taxes. Two questions. Under the heading, other fuels, is there any territorial tax on heating fuel at all? The other question would be, do we have specific allocations for some of our revenues derived from fuel taxes? If so, what are they? In other words, have specific taxes been imposed to generate revenue for specific purposes? I think, in the area of fuel taxes, if that is so, people should just be reminded of what purposes they are.

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, there is a tax on heating fuel. It works out to three cents, and the practice is that no tax be identified as going toward any particular allocation. Having said that, I think that we do that in the tobacco tax, which goes for old age pensioners, but for the other taxes, there is no designation as to where the moneys would be spent. If the Member wishes to have a run down on the taxes in the area of fuel oil, maybe Mr. Nielsen could provide them, and give an indication of the types of things that are being taxed.

CHAIRMAN (Mr. Noah): Mr. MacQuarrie.

Taxes To Assist Medical Care Program

MR. MacQUARRIE: No, the headings, I think are adequate. I had just overlooked the one that is specifically for heating oil. Was not one of the taxes, at one time imposed, to be directed specifically for helping the medical care program in the Northwest Territories?

HON. TOM BUTTERS: The one exception to the rule was the one I indicated earlier, the tobacco tax, which provides for the supplementary moneys that are paid to old age pensioners in the Northwest Territories. That is the only one that is designated, that I know of.

CHAIRMAN (Mr. Noah): Thank you. We are on page 6.03, treasury, \$2,951,000. Mr. MacQuarrie.

MR. MacQUARRIE: Yes, one other question, Mr. Chairman. I notice that in the estimates on page 6.06, where total revenues are concerned and total income, that those figures do differ from the figures that we find on page Roman numeral (iv) and page Roman numeral (vi). Could you explain what accounts for the differences?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, the revenues indicated on page 6.06 are Department of Finance revenues, whereas the page Roman numeral (vi), I believe refers to the total government.

CHAIRMAN (Mr. Noah): Thank you. Page 6.03, treasury, \$2,951,000. Is that agreed? Mr. McLaughlin.

Tying Particular Taxes To An Allocation In Budget

MR. McLAUGHLIN: I would like to ask a question to the Minister on what he just said a few moments ago about the tobacco tax being related to the supplement for old age pensioners. I noticed in the paper recently that the Minister of Health and Social Services has decided to quit smoking and made a big effort to quit smoking. I am wondering that if this catches fire, so to speak, and a lot of people in the Territories think the Minister has a good idea for a change, would this mean that if everybody in the Territories quit smoking, that there would no longer be a supplement for old age pensioners?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: I appreciate the question is asked facetiously, and obviously, under the current arrangement, if everybody quit smoking, the money that we have allocated for that particular purpose would not be available. I guess, on a serious vein, it presents an excellent argument for not designating or tying any particular tax to an allocation in the budget. I do not know if Mr. McCallum wishes to comment on the statement or not.

HON. ARNOLD McCALLUM: You have made the point.

CHAIRMAN (Mr. Noah): Mr. Patterson.

Problem Of Insurance For Educational Facilities

HON. DENNIS PATTERSON: Mr. Chairman, just one question. I notice you are involved in insurance. Are we able to afford to insure schools in the Northwest Territories? I am asking this, of course, because even just last week we lost another building in Fort Smith, which was used as a residence for at least one or a few students. Have you looked into this? Have you looked into this problem of insurance for educational facilities, and would that be in this budget here?

HON. TOM BUTTERS: Mr. Chairman, yes, I responded to a question similar to that put earlier by the chairman of the standing committee on finance when she noticed the appearance of the term risk management in the treasury section. That reflects the position to provide risk management for schools and large structures in the Territories, and in fact, as I mentioned earlier, such structures are insured up to a deductible of \$500,000. So we have made some progress in that regard.

MR. McLAUGHLIN: Yes, on this whole topic of fire insurance, did the department decide it was a good idea to look into this whole problem after the school burned down in Rankin Inlet, or after you had to find the money to build the school in Pine Point?

HON. TOM BUTTERS: Mr. Chairman, I do not know if you can pin the genesis of the initiative down to any particular point in time. It has been ongoing for a number of years, maybe two or three. If the Member would wish some background on that, I can ask Mr. Nielsen to reply more fully.

CHAIRMAN (Mr. Noah): Thank you, Mr. Butters. \$2,951,000. Is that agreed? You have supplement, Mr. MacQuarrie? Mr. MacQuarrie.

Target Figure For Revenue From Liquor

MR. MacQUARRIE: Thank you, Mr. Chairman. I had one other question. I overlooked it when I had the floor earlier. Could you tell me the kind of relationship that exists between the Liquor System and the profit that comes to the territorial government and the government itself? Is there some sort of target that is assigned to the Liquor System to produce a certain amount of revenue for the government? The reason I ask is, we were talking the other day about the Liquor System perhaps using a little more of its profit in order to service the client vendors a little better, using more of its profit to hire a number of inspectors that could enforce the ordinance adequately. So I am just wondering, are they under any kind of pressure to produce a certain amount of targeted revenue for this government?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: No, Mr. Chairman. They operate in accordance with their own requirements to purchase and resell alcohol. There is no target figure placed upon them.

CHAIRMAN (Mr. Noah): Thank you. Mrs. Sorensen.

Personal And Corporate Income Tax

MRS. SORENSEN: With respect to the collection of revenues, I notice that on page 6.06, there is a line called income tax, \$26,761,000. Is that personal income tax only or does the corporate income tax that we also collect fit in there, and if so, what are the breakdowns? Do you have them available?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, the Member is correct in expecting that it may include a couple of items. It includes both personal and corporate income tax accruing to this government. The \$26,761,000 is broken up this way: \$20,377,000 is in the personal income tax area and \$6,384,000 is in the corporate income tax.

CHAIRMAN (Mr. Noah): Mrs. Sorensen.

MRS. SORENSEN: I am waiting for my light. A supplementary then. I wonder if you could explain to me how we levy the corporate income tax and how we collect it.

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, it is a straight 10 per cent and it is collected on our behalf by the federal government. Just a minute. I will ask Mr. Nielsen to go into this matter in some greater detail.

MR. NIELSEN: The 10 per cent is of the base used for calculating federal tax.

CHAIRMAN (Mr. Noah): Thank you, Mr. Nielsen. Ms Cournoyca.

MS COURNOYEA: It says that you provide services to the negotiations with the federal government in your department. Is that right?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Is that under the secretariat item?

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: Mr. Chairman, the question would appear to come under the financial management board and the secretariat of that organization but if the committee would agree, we could accept the question and respond to it.

CHAIRMAN (Mr. Noah): Agreed?

AN HON. MEMBER: Agreed.

CHAIRMAN (Mr. Noah): Mr. Butters.

HON. TOM BUTTERS: I was just going to ask for the question again.

CHAIRMAN (Mr. Noah): I am sorry.

HON. TOM BUTTERS: It was not too specific.

CHAIRMAN (Mr. Noah): I am sorry. I am very busy right now. Ms Cournoyca.

MS COURNOYEA: I was just wondering, in terms of getting the necessary financial contribution from the federal government, I was wondering, in your negotiations, did you try to use the impact of the development in the different regions to secure more financial aid for the Northwest Territories and did it have any impact power? I know it is a general question, and I should ask it at a different place, but I just feel that it was bypassed.

CHAIRMAN (Mr. Noah): Mr. Butters.

Process Of Negotiating For Moneys

HON. TOM BUTTERS: No, the question is a good one, I think, and I would be happy to respond. I would like to ask Mr. Nielsen to respond to it in some detail, because the negotiations for the increases in our budget are carried out under his direction and by officials for which that he has responsibility, I would mention that while we were very successful, as I think I told you during my opening remarks, in negotiating a higher increase than was generally approved for government across the board, there were areas in which we were not successful. One of those was the development of planning money and also, other economic development activities which would occur and be related to non-renewable resource development activity. Those aspects, which we were not able to get approval for during the negotiation process during the fiscal year have been isolated, identified and put together in what we call a B level submission. This B level submission is just another way of seeking money for new programs or enhancements to programs already in existence, over the target figures.

So, we are continuing our negotiations for money at this level and those negotiations have not been completed yet. They will be carried out at a political level, because myself, Mr. Braden and the Commissioner, will be dealing with the Minister on this. If that is sufficient -- or insufficient, I could ask Mr. Nielsen to maybe describe the process of negotiations with the intergovernmental committee.

CHAIRMAN (Mr. Noah): Ms Cournoyea. Mr. McLaughlin.

MR. McLAUGHLIN: Mr. Chairman, I would like to move at this time that the chairman report progress and, hopefully, recognize the clock, so that Members can attend an important meeting in Katimavik A. Thank you.

CHAIRMAN (Mr. Noah): Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Noah): All those in favour, raise your hands, please, nice and high. The motion is carried.

---Carried

MR. SPEAKER: Mr. Noah.

REPORT OF THE COMMITTEE OF THE WHOLE OF MOTION 4-81(1), RESPONSE TO BILL C-48;
BILL 1-81(1), APPROPRIATION ORDINANCE, 1981-82

MR. NOAH: Thank you, Mr. Speaker. Your committee has been considering Motion 4-81(1) and Bill 1-81(1), and wishes to report progress. Thank you.

MR. SPEAKER: Thank you. I would like to acknowledge in the gallery, Mr. Alex Morin, the president of the Fishermen's Federation from Hay River. Mr. Morin.

---Applause

Mr. Clerk, announcements and the orders of the day, please.

CLERK OF THE HOUSE (Mr. Remnant): Meetings, tomorrow morning: At 10:30, a meeting of the standing committee on rules and procedure, in Katimavik A. At 7:30 p.m. tomorrow, in room 301, the special committee on education. Friday, February 20th, at 9:30 a.m., in Katimavik A, the standing committee on legislation.

ITEM NO. 13: ORDERS OF THE DAY

Orders of the day, February 19, 1981, 1:00 o'clock p.m., at the Explorer Hotel.

1. Prayer
2. Oral Questions
3. Questions and Returns
4. Petitions
5. Tabling of Documents
6. Reports of Standing and Special Committees
7. Notices of Motion

8. Motions
9. Notices of Motion for First Reading of Bills
10. Introduction of Bills for First Reading
11. Second Reading of Bills
12. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Tabled Documents 16-81(1), 17-81(1); Motion 4-81(1); Bill 1-81(1); Ninth Report of the Standing Committee on Finance
13. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House will stand adjourned until 1:00 o'clock p.m., February 19, 1981, at the Explorer Hotel.

---ADJOURNMENT

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