



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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YELLOWKNIFE, NORTHWEST TERRITORIES

THURSDAY, FEBRUARY 19TH, 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 Thursday, February 19th. Item 2, oral questions.

ITEM NO. 2: ORAL QUESTIONS

The Hon. Mr. Butters.

Question 81-81(1): Response From Federal Minister Re Inuvik Hospital

HON. TOM BUTTERS: Mr. Speaker, I have a question for the Minister of Health. I wonder if he could advise this House if he has had any response, positive or negative, from the Hon. Monique Bégin regarding the situation of medical services being provided at the Inuvik General Hospital.

MR. SPEAKER: The Hon. Minister, Mr. McCallum.

Return To Question 81-81(1): Response From Federal Minister Re Inuvik Hospital

HON. ARNOLD McCALLUM: Mr. Speaker, I have been in contact with the federal Minister's office. My colleague will know and understand, Thursday mornings in Ottawa are cabinet meetings but I have been in contact with their office. I have been in contact with the office of the Minister of Indian Affairs and Northern Development and the Minister of National Defence as well regarding the situation at the Inuvik General Hospital.

I have spoken as well to our Member of Parliament, Mr. Nickerson, who will attempt to raise the issue in the House. I have been in contact as well with the parliamentary secretaries of the Ministers indicating that the situation is critical. I have telexed those two Ministers and their parliamentary secretaries as well as our Member of Parliament apprising them of the situation, indicating when the public health unit had been closed down, what the rationale was for doing that, indicating when the anesthetist and the surgeon left the hospital and urging the Minister of National Health and Welfare to contact the Hon. Mr. Lamontagne, Minister of National Defence, so that he may be able to lend his assistance. At the present time I have heard back from Mr. Nickerson and Mr. Munro's office. I anticipate having some further reply from them sometime this afternoon.

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

Supplementary To Question 81-81(1): Response From Federal Minister Re Inuvik Hospital

HON. TOM BUTTERS: A supplementary question. In view of the fact that the answer to my question is "No", that he has not heard back from the federal Minister responsible for health, would he continue to press his initiative and advance the concerns of the people of the Mackenzie Delta and the Western Arctic to the Minister and ask her to indicate to this House what response the federal government will be taking in this regard?

MR. SPEAKER: Mr. Minister.

Return To Supplementary To Question 81-81(1): Response From Federal Minister Re Inuvik Hospital

HON. ARNOLD McCALLUM: Mr. Speaker, I indicated that I had contacted the office, the I anticipate hearing from both Ministers, that is the Minister of Health and Welfare as well as the Minister of Indian Affairs and Northern Development, this afternoon, sometime today, concerning that. It goes without saying that I will continue to press for a response in a positive manner from both Ministers. I should indicate as well that I have been in contact with or will be in contact today with the Alberta minister of health, the Hon. Mr. Dave Russell, regarding some other arrangements that hopefully will be made between National Health and Welfare and the University of Alberta about other arrangements that can be made to provide services from the University Hospital to the Inuvik General. I can assure the Member that I have and will continue to press every which way that I can in order to see that something has been done in order to provide services at the Inuvik General Hospital.

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

Question 82-81(1): Request For Ambulance, Cape Dorset

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. My question is directed to the Minister of Health. I am wondering if the Minister has received a letter from Cape Dorset and I place it as an oral question. Someone at Cape Dorset has been asking of the Department of Health if there is any possibility of Cape Dorset gaining an ambulance, and I wonder what the Minister has done to this date so far and what his intentions are. Thank you.

MR. SPEAKER: Mr. Arlooktoo, really that should be a written question but if the Minister can deal with it at this time, Mr. McCallum.

Return To Question 82-81(1): Request For Ambulance, Cape Dorset

HON. ARNOLD McCALLUM: Mr. Speaker, I can only indicate that I have not received any correspondence to my knowledge as yet concerning the request from the community. Should a request come for that, I would obviously then direct the request to the officials that would be in charge, that is either if it is our responsibility, that is this government, it would be to the Minister of Local Government, Mr. Wah-Shee, in the provision of municipal vehicles and if it is the responsibility of the federal government -- the latter I believe is correct -- then I would pursue that as well with the Department of National Health and Welfare.

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

Question 83-81(1): Gravel Haul Contract, Aklavik

MS COURNOYEA: This is in the matter of the written question raised yesterday, a matter of urgency. Could the Minister of Local Government or whoever, since he is not present, advise me what is happening to the gravel haul contract in Aklavik?

MR. SPEAKER: The Hon. Mr. Nerysoo.

HON. RICHARD NERYSOO: Yes, Mr. Speaker. I will take that as notice for the honourable Member and try to provide you with an answer this afternoon.

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

Supplementary To Question 83-81(1): Gravel Haul Contract, Aklavik

MS COURNOYEA: Mr. Nerysoo, would it be possible to provide us with an answer by 2:30 this afternoon as Aklavik is standing by for an answer on that matter?

Return To Supplementary To Question 83-81(1): Gravel Haul Contract, Aklavik

MR. SPEAKER: I have an indication that he says "Yes", he will see whether he can or not. The hon. Mr. Evaluarjuk.

Question 84-81(1): Amendments To Municipal Ordinance Regarding Elections

MR. EVALUARJUK: (Translation) Thank you, Mr. Speaker. I have a question directed to the Minister of Local Government and perhaps I can go ahead and ask my question.

Perhaps one of his colleagues could take the question and pass it on to the Minister, if I may ask the question now. This is in regard to municipal elections. Various municipalities have been waiting for some time now and it is of some concern. When the committees nominate people to run for city offices and there is really not too much response particularly during 1980 around Baffin Island, and I hear that the same situation is being experienced around Keewatin.

For instance, the municipality is going to elect a municipal council or other organization such as the hunters' and trappers' association. When it comes to having an election, local election, there really is not that much of a response in the communities these days. I wonder if the Department of Local Government would be able to give assistance and emphasize how important it is to elect representatives in the communities. For instance, if we were to nominate white people to run for office in the community, I wonder if they can make amendments to the Municipal Ordinance regarding elections. Say that there are eight people running for office and their term of office would be four years, I wonder if these communities throughout the Territories would have input -- if they would try to give the Legislature ideas on how to improve the local elections, the response to local elections in the community, I wonder if Local Government would be willing to give assistance to the local communities who would want to make amendments to the elections carried out in the municipalities. Thank you.

MR. SPEAKER: Mr. Evaluarjuk, I am not sure whether that was a speech on the Municipal Ordinance or a question, but we will try and obtain an answer for you. At least, I am afraid it probably cannot be an answer but rather advice to give you direction. I do not think there is an answer to that question. Are there any further oral questions? The hon. Mrs. Sorensen.

Question 85-81(1): Acknowledgement Of Legislative Assembly

MRS. SORENSEN: Thank you, Mr. Speaker. My question is for the Leader of the Elected Executive, the Hon. George Braden. Mr. Braden, the very latest "hot off the press" issue of a book entitled "Federal Government Activities in the Northwest Territories" is no longer using "territorial Council" to describe this House but in fact has substituted "Legislative Assembly of the Northwest Territories". More importantly, I am sure, the CBC in a recent news item stated that it too had decided to use "Legislative Assembly" instead of "territorial Council" to describe this House.

HON. DENNIS PATTERSON: Shame!

MRS. SORENSEN: Mr. Minister, in view of the federal government's initiative and indeed CBC's recent acknowledgement, would the leader say that we have finally hit pay dirt and would he say that if we declare ourselves a province we might convince these two important bodies to acknowledge that too, in one or two years?

MR. SPEAKER: To call that an oral question, again, puts me in a great deal of difficulty. You are asking for an opinion, not an answer. If the Minister wishes to reply to it, I have no objections. Mr. Patterson.

HON. DENNIS PATTERSON: A point of order, Mr. Speaker. My understanding of the rules is that oral questions shall be of, what does it say, an urgent and pressing matter, questions relating to public affairs and of sufficient importance to require an immediate answer. I do not think the rules contemplate frivolous questions, Mr. Speaker.

SOME HON. MEMBERS: Oh!

MRS. SORENSEN: That is not frivolous at all. That is not frivolous at all.

Rule On Oral Questions

MR. SPEAKER: The rules are under review at the present time. It had been the rule of the previous Speaker that the Member should be the one to decide whether or not the question was indeed, in his opinion, of an urgent nature and that anybody that tried to rule other than that was always subject to question. So, I have continued with that rule. I hope to change the basic rule so that we straighten this out, but it has been the precedent of the House and has been allowed to continue. I am not going to take the position now to rehash this old rule. I am going to let it go the way the House has been running and when we review the rules, I would hope we come up with something better than we have got here at the present time.

AN HON. MEMBER: Hear, hear!

MR. SPEAKER: Now, Mr. Minister if you would care to answer -- that is a matter of opinion, so I do not see that that is a question.

Return To Question 85-81(1): Acknowledgement Of Legislative Assembly

HON. GEORGE BRADEN: Mr. Speaker, in response to my colleague's first question, I do not really know if we have hit pay dirt, given our financial situation. In response to her second point concerning the recent action of Indian Affairs and Northern Development and CBC, I would just like to say that I think it was CBC that was first...

AN HON. MEMBER: Hear, hear!

HON. GEORGE BRADEN: ...and I think we have to commend that organization for its...

MRS. SORENSEN: Hear, hear!

HON. ARNOLD McCALLUM: They have always been behind.

HON. GEORGE BRADEN: We have to commend them for being forward thinking and ahead of Indian Affairs and Northern Development and I fully expect that that will always be the case in the future. Thank you.

---Applause

MR. SPEAKER: I am never quite sure which one is the straight man in this organization.

---Laughter

Any further oral questions? The hon. Mr. Curley.

Question 86-81(1): Seating Of Commissioner And Deputy Commissioner During Formal Debate

MR. CURLEY: Mr. Speaker, (Translation) I would like to ask the Leader of the Elected Executive Committee that the motion that is here about the Commissioner, removal of the Commissioner, I wonder when that -- can we hear as to when the motion I made about the Commissioner and the Deputy Commissioner will be -- I would like to have an answer when the Commissioner and the Deputy Commissioner will be given the opportunity to sit amongst the Members.

MR. SPEAKER: Mr. Braden.

Partial Return To Question 86-81(1): Seating Of Commissioner And Deputy Commissioner During Formal Debate

HON. GEORGE BRADEN: Mr. Speaker, I understand that the issue has been referred to the House rules and procedures committee. They are examining the motion at this point in time and they will be referring back to the House with their findings. That is all I have to report on that right now.

MR. SPEAKER: Oral questions. Mrs. Sorensen.

MRS. SORENSEN: Mr. Speaker, on the question that Mr. Curley just asked, the rules and procedures committee did meet this morning. We have formulated the amendments that will be necessary and we will present them at the earliest opportunity.

MR. SPEAKER: That is a very peculiar question, Mrs. Sorensen. Oral questions. Item 3, written questions and returns.

ITEM NO. 3: QUESTIONS AND RETURNS

Mr. Evaluarjuk.

Question 87-81(1): Electrical Power Facilities, Pond Inlet

MR. EVALUARJUK: (Translation) Mr. Speaker, I am not sure who I am going to direct this to, but this is my question. The hamlet of Pond Inlet has given me a letter, and I am just going to read the text of the letter. "When the Northwest Territories Assembly held a session in Frobisher Bay, you discussed your goal to set up electrical power facilities other than NCPC. Whereas NCPC rates are increasing very rapidly, therefore the hamlet council has concern about NCPC increasing rates. The hamlet council of Pond Inlet asks whether the goal discussed

in the Frobisher Bay session will go ahead and when, and who would operate the facilities. The hamlet council is eager for your early reply. Sincerely yours, Titus Allooloo, council member of Pond Inlet." I would ask the hamlet of Pond Inlet to be given a sufficient answer in a short period of time. Thank you.

MR. SPEAKER: Which Minister will undertake to reply? The Hon. Mr. Braden, then, has received that question. Written questions. The hon. Mr. Curley.

Question 88-81(1): Political Activities Of Civil Servant

MR. CURLEY: Mr. Speaker, I have a question to the Minister of Education. In view of the fact that an official of the Department of Education appears to have been involved in political activity on December 5, 1980, as reported in the Slave River Journal, signed by Mr. Ray Schmidt, will the Minister explain to this House whether Mr. Norman Mair was authorized to present and speak on behalf of the special committee on education regarding its recommendations, and if so, by whom? Will the Minister also investigate whether or not Mr. Norman Mair shared the racial sentiments expressed at that meeting and in the letter as reported by Mr. Ray Schmidt?

MR. SPEAKER: Thank you. Written questions. The hon. Mr. MacQuarrie.

Question 89-81(1): Removal Of Territorial Tax On Home Heating Oil

MR. MacQUARRIE: Thank you, Mr. Speaker. This question is for the Minister of Finance. In view of the fact that in a very cold land, home heating oil, for many who have no alternative, must be counted a necessity, will the Minister indicate whether he has considered or will consider removing the territorial tax on that commodity and try instead to generate the equivalent revenue in some other more acceptable way?

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

Return To Question 50-81(1): Application For Tourist Camps

HON. TOM BUTTERS: Mr. Speaker, I have a return to written Question 50-81(1), asked by the honourable Member for Keewatin South, on February the 12th, regarding applications for tourist camps. The Department of Economic Development and Tourism received 21 applications for new tourist establishments during the period January 1, 1980, to December 31, 1980, in the following categories; sports fishing lodges or camps, naturalist lodges, goose hunting camps, hotels and tourist homes. Five of the 14 Northwest Territories residents who applied were from the Keewatin. There were seven applications from non-residents of the Northwest Territories.

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

Return To Question 72-81(1): Rate Rationalization For NCPC

HON. RICHARD NERYSOO: Yes, Mr. Speaker. This is a reply to the question asked by the honourable Member, Mrs. Sorensen. It is with regard to rate rationalization for NCPC.

At the present time NCPC sets individual power rate structures for each of the power plants which it operates. The Public Utilities Board of the Northwest Territories has instructed NCPC to rationalize its rates by grouping power plants and setting group rate structures. The present NCPC proposal envisages five rate zones for grouping power plants and rates. These are: South Mackenzie zone; North Mackenzie zone; Central Arctic zone; Keewatin zone; and Baffin zone.

These zones were selected to group plants both geographically and by energy source. Within each zone there would be individual rate structures for the following classes of power generation and distribution where they exist: urban hydro; rural hydro; large diesel; and small diesel.

The government's position on rate rationalization is affirmative because it would both equalize rate charges within zones and buffer sudden increase in individual communities' rates caused by high repair and replacement costs. All NCPC rate changes are brought before the Public Utilities Board of the Northwest Territories at which time the public is given the opportunity for input.

MR. SPEAKER: Thank you. Are there any further returns? There appear to be no further returns.

Item 4 on your order paper, petitions.

Item 5, 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. McCallum.

Notice Of Motion 16-81(1): Recognition Of NWT Junior Men's Curling Team

HON. ARNOLD McCALLUM: Mr. Speaker, I would like to give notice of a motion that hopefully today, if I can get unanimous consent, sir, I was going to raise under a motion of privilege. I would like at this time to give notice of motion that this Assembly recognize the efforts now being displayed at the national championship by the Northwest Territories junior men's curling team.

---Applause

MR. SPEAKER: Thank you. Any further notices of motion? Item 8, motions.

ITEM NO. 8: MOTIONS

It appears that there are no motions to be dealt with today. We now have one possibly. Do we have unanimous consent to proceed with Mr. McCallum's motion?

HON. DENNIS PATTERSON: Agreed.

MR. SPEAKER: Agreed.

---Agreed

Proceed, Mr. McCallum.

Motion 16-81(1): Recognition Of NWT Junior Men's Curling Team

HON. ARNOLD McCALLUM: Thank you very much, Mr. Speaker.

WHEREAS this Assembly has always lauded the efforts of the youth of the Northwest Territories;

AND WHEREAS there has only been one national curling championship won by a Northwest Territories curling team;

NOW THEREFORE, I move, seconded by the Member for Mackenzie Delta, the Hon. Richard Nerysoo, that this Legislature send its congratulations and best wishes for continued success to the Northwest Territories junior men's curling team, Trevor Alexander, Bradley Robertson, Scott Kylo, Clayton Ravndal, and coach, John Moss, in their quest for the national championship.

MR. SPEAKER: Thank you. The motion is in order. To the motion.

AN HON. MEMBER: Question.

HON. ARNOLD McCALLUM: Mr. Speaker, I would just want to say one thing. At the present time, the Northwest Territories junior men's team is in first place with a win-loss record of seven and two and they have two more games to play. They have been assured a playoff position as far as I know in this championship which will take place on the weekend. I think that it would be in our best interests and the interests of all people of the Territories to recognize the effort that this group of boys and their coach, Mr. John Moss, have put forth all during this week.

---Applause

MR. SPEAKER: Thank you. Are there any further comments to the motion?

AN HON. MEMBER: Question.

Motion 16-81(1), Carried

MR. SPEAKER: A question being called. All those in favour? Opposed if any? Let the record show it has been passed unanimously.

---Carried

I hope that this particular motion does not go astray as many of our past motions have and is a little more successful in what it wishes to attain.

Item 9, 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

Tabled Document 16-81(1), Annual Report of Territorial Accounts; Tabled Document 17-81(1), Report of the Auditor General; and Motion 4-81(1), Response to Bill C-48, with Mr. Pudluk in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Tabled Document 16-81(1), Annual Report of Territorial Accounts; Tabled Document 17-81(1), Report of the Auditor General; Motion 4-81(1), Response to Bill C-48, with Mr. Pudluk in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER TABLED DOCUMENT 16-81(1), ANNUAL REPORT OF TERRITORIAL ACCOUNTS; TABLED DOCUMENT 17-81(1), REPORT OF THE AUDITOR GENERAL; MOTION 4-81(1), RESPONSE TO BILL C-48

Tabled Document 17-81(1), Report Of The Auditor General

CHAIRMAN (Mr. Pudluk): Now this committee will come to order. I believe that Mr. Butters would like to make a remark. Thank you.

HON. TOM BUTTERS: Mr. Chairman, Members will appreciate that we have scheduled this afternoon as a day certain at which time the Auditor General of Canada and his staff may appear before us and speak to the report that I tabled two days ago.

We have with us Raymond Dubois, Deputy Auditor General of Canada; Harold Hayes, principal audit operations, in the office of the Auditor General and who is responsible for territorial accounts, and Danny Bogda, who has responsibility for the Edmonton office of the Auditor General. I would ask the indulgence of Members to invite our witnesses and our guests, to appear before us and assist us in discussing the report that they are presenting to this House.

CHAIRMAN (Mr. Pudluk): Is it agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Pudluk): Okay. Will the Sergeant-at-Arms let them in? Mr. Butters, could you introduce your guests for this House, please?

Witnesses From Staff Of Auditor General

HON. TOM BUTTERS: Yes, Mr. Chairman, and I extend to them a warm welcome from all Members. Mr. Raymond Dubois, the Deputy Auditor General, has the central seat. He is flanked on his left by Mr. Harold Hayes and on his right by Mr. Danny Bogda. There will be name plates placed on the table so Members will be able to identify our guests.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Butters. I myself could have difficulty to pronounce your names and when I am asking you to make a speech, I am just going to say "witnesses table". I have a little confusion sometimes but I will try my best. Does this House wish to make any general comments first? Would this witnesses table like to make a presentation? Mr. Dubois.

MR. DUBOIS: Yes, Mr. Chairman. I have some very general remarks relating to our report that was tabled two days ago. If you wish so, Mr. Chairman, after I am finished, which will only take a few minutes, Mr. Hayes can go through all the different points we have made in our report in greater detail. If it is your wish instead to go ahead with questioning directly, we can go that way.

Matters Drawn To Attention Of Assembly

The Northwest Territories Act provides for the Auditor General to call attention to any other matter falling within the scope of his examination that in his opinion should be brought to the attention of the Assembly. Now, in accordance with this provision, we have sent a report on other matters dealing with areas of concern that we think should be brought to the attention of the Assembly and also recommended actions.

Now, in all cases of our recommendations, the report includes some positive responses by the Office of the Commissioner and we believe that these should assist the committee in the review of this report. We intend to follow up on all of these responses during our 1980-81 audit. However, at this point in time, we may not be able to respond directly to the progress made on some of the responses.

Now, going into the report itself, this report illustrates control weaknesses and it tries to explain how it can create problems within financial administration. One of the problems noted is related to the Housing Corporation and in summary -- because this is quite a complex area -- in summary there was

\$4.842 million that was advanced to the corporation and spent without proper control and authority. This is similar to observations we would make relating to the overspending of appropriations.

Revolving Funds

In the case of the Rae Lakes grocery store revolving fund, we had observed that there were controls in place but they were not fully operative and because of this, it resulted in, again, an overexpenditure of appropriation or a spending without proper authority. In relationship to the petroleum, oil and lubricant revolving fund, at the time of our audit, we noted significant improvements in controls over the last period but we found that the system still suffered from certain weaknesses that could be improved upon. Now, these weaknesses are really symptoms and unless they are corrected, they can lead to future problems similar to those with the Rae Lakes revolving fund and the Housing Corporation. We understand, however, that the administration is making efforts toward improving the situation.

In the case of the Fort Smith regional office, we have observed serious control problems being experienced throughout the last period and it is our opinion that insufficient action was taken to resolve that particular situation. The financial administration manual that is referred to in the report should assist, we think, significantly in correcting some of these problems and lead to a better understanding of government policies and procedures throughout the organization.

Finally, with the organizational changes that have taken place in the Department of Finance, the Deputy Minister of Finance is now recognized as a senior financial officer. However, by the law the systems and procedures related to financial administration are a responsibility of the territorial treasurer. Amendments to the Financial Administration Ordinance, which are presently being worked upon, should correct this situation.

This concludes my general remarks. If the committee wishes, Mr. Hayes can go through each specific problem area and go into more detail and explain exactly what the problem is. However, if you prefer to go directly to questioning, we await your pleasure. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Dubois. I think you can proceed, Mr. Hayes.

Report Includes Comments Of The Office Of The Commissioner

MR. HAYES: Thank you, Mr. Chairman. As Mr. Dubois indicated, this report does include the comments of the Office of the Commissioner, which we believe will assist the committee in its review of the report. What I would do is, perhaps, deal with each item in the report and if you have any questions, either myself or Mr. Bogda will answer them. So, we will, perhaps, wait until the end of each paragraph in the report.

The first one is dealing with the ineffective control over the operations of the Northwest Territories Housing Corporation. As indicated in the note, the corporation is dependent on the government to fund its operations, as provided for by section 19 of the Northwest Territories Housing Corporation Ordinance. The funding traditionally has been provided in two forms; capital grants, which are to be used for capital purposes, and operating grants, which are to be used to meet the day-to-day operating expenses of the corporation.

As Mr. Dubois mentioned, in the period between January 1, 1979, and March 31, 1979, there was advanced \$4.842 million to the corporation. The advance was made without legislative authority, and as a result of that, it did provide the corporation with additional funds. As a result of the audit for that year, we found that the deficit was considerably more than anticipated.

As the notes to the territorial financial statements indicate, this deficit, which is \$4.510 million, is not covered by an item that is included in the 1980-81 supplementary estimates. This amount will be applied in the write-off of an existing asset account in the accounts of the government of \$2.842 million. The balance of \$1.668 million will be paid to the corporation. In effect, I might say with regard to this \$1.668 million, it is really a partial reimbursement of two million dollars that was refunded by the corporation in the period between January 1 and March 31, 1980.

Capital Grants Used For Operating Costs

The point really at issue is that to effectively control the operations of the corporation, grants should be used for the purpose provided. One of the problems that has arisen is that in the amount provided for capital grants, in other words those grants that should be used solely for capital purposes, there have been included items which, by their very nature, are really part of the operating costs of the corporation.

The result, really, has been that the government has, in effect, been provided with the full amount of operating grants and the same with the capital grants and there has been no recognition given to the amount that was provided for in the capital grants, that it was used for operating purposes.

This arrangement, you might say, permitted the corporation to build up surplus funds up to December 31, 1977, so that the financial position at that time was not critical. It became critical in the year to December, 1979, when -- the underlying problem, to a degree, is based on the fact that the ordinance itself makes no provision for the corporation to have working capital. This is provided for by way of the operating grants.

Insufficient Control Of Moneys Advanced

With the method of accounting followed by the corporation, which is the normal type of accrual accounting, a considerable amount of the assets, shall we say, of the corporation is tied up in receivables. Until it recovers the receivables, it is not in the position to make further expenditures. It was because of this situation that it was necessary to get cash funds provided to the corporation, to ease the financial position, but really, there was not sufficient control over this advance which really should have been controlled to the extent that as the corporation liquidated its receivables or other tangible assets, it went back into the cash and in turn the cash flowed back into the consolidated revenue fund.

Because of the situation relating to the capital grants, we feel that that was a significant contributing factor to this problem and we are making recommendations to the effect that the details of capital expenditures by location be provided in support of capital grants that are included in the estimates. This really, then, forms the base control, as far as the Assembly is concerned.

We recognize too that it is not always possible to start projects that have been planned on time. There may be extraordinary circumstances with regard to them and there should be some discretion given to the Executive, and in this case, to make modifications, but the modifications should be made with the full approval of the government.

Changes In Levels Of Funding Subject To Approval

So, the second recommendation that flows from this is that any changes in the level of funding for projects or substitutions of other projects for those that were originally anticipated for financing should be approved by the financial management board of the government. This retains the control.

Then, from the standpoint of the corporation, the other recommendation that flows from that is that the corporation should, in turn, report back to the Executive branch of the government on a periodic basis, the details of the capital expenditures that have been made to date against the projects that have been approved by the financial management board. Now, if there are any questions with regard to this paragraph, we will accept them now.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Are there any questions from the floor? Mrs. Sorensen.

MRS. SORENSEN: Thank you, Mr. Chairman. Mr. Hayes, the Legislative Assembly has reviewed the main estimates of the Housing Corporation and we did spend a great deal of time discussing the financial management and control, and in particular, the report that was tabled in this Legislature concerning a study that was done by Thorne Riddell and Co. I am sure you are aware of that.

One of the things I personally had difficulty with, was grappling with the whole area of at what point does government stand back and allow a crown corporation, or a quasi-crown corporation as this is, some independence? I understand that the federal government has been experiencing similar problems with recognizing this independence in its crown corporations. Could you perhaps explain how the Auditor General's office has been grappling with that problem of crown corporations? What advice do you have for us with what we would like to have, which is an arm's length, yet we would like to have total good management and control within the corporation of its finances?

CHAIRMAN (Mr. Pudluk): Thank you, Mrs. Sorensen. Mr. Hayes.

Control At Executive Level

MR. HAYES: Mr. Chairman, I might perhaps start and if Mr. Dubois wants to elaborate on it -- I think the question of legislative control to a degree rests on the type of corporation which you are dealing with. If, say, it is a self-supporting corporation, then you would expect the government to exercise less control in a situation like that. When you get into situations such as within the Housing Corporation here, which is really totally dependent on the Legislature for the funding of its operations, then the Executive has got to have a degree of control. It does not necessarily have to have total control. The control really has to be exercised at the Executive level within the amount of funding that is provided to the organization.

The Executive, in this case, is entitled to know and to receive periodic reports from the corporation as to its performances against say, the level of funding that is being provided to it. So if there are any, say, significant variances between the reported expenditures and what was proposed initially, then there can be some explanations given as to the reasons for it, and at the same time what type of adjustments are necessary to be made between the time of reporting and the end of the organization's fiscal year so that appropriate actions can be taken to ensure that by the end of the year they will not have exceeded their projected deficit.

A Measure Of Control Of Capital Grants

Now, that is dealing with the operating side, and basically I think we have explained the situation with regard to the capital grants. The same type of reporting should apply. You also are giving, to a degree you might say, some measure of control to the Executive in terms of -- particularly this is the case with capital grants -- giving them some discretion. If the corporation finds that a project is not proceeding as quickly as possible, then it would be proper to substitute other projects in cases like that. Again, the Executive has a degree of control over it.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Mr. Dubois.

MR. DUBOIS: Thank you, Mr. Chairman. We have had significant discussions in Ottawa relating to the crown corporations and I think the main position of our office relating to crown corporations is not to take away some of their independence because one of the reasons crown corporations are created is because of the need for a certain degree of independence away from the regular type of perhaps heavy procedures and regulations of an organization, for instance like the Treasury Board. However, the fact that it is a crown corporation also carries with it usually, not strictly a commercial objective but also, a social or political objective and that type of objective is not measured usually to the bottom line or the profit.

Degree Of Independence For Crown Corporations

So while we think crown corporations should have a degree of independence, our position is that they should be accountable for the funds that they use especially if they rely strongly on public funding for their purposes. In relationship to that, we believe the accountability process requires perhaps a specific reporting system where those that are responsible for the funding mechanism can have an idea of what is going on and have a basis of information to make their decisions. Thank you, sir.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Dubois. Mrs. Sorensen.

MRS. SORENSEN: Do I take it then that the reason that we got into this very serious difficulty with the Housing Corporation was that we, as a government, were somewhat remiss in the way we handled the creation of the crown corporation and a lack of making it accountable, through financial management and control, to our government?

CHAIRMAN (Mr. Pudluk): Thank you, Mrs. Sorensen. Mr. Hayes or Mr. Dubois.

MR. DUBOIS: Mr. Chairman, I think the question goes a bit beyond what I can answer. The problem that we have noticed within the Housing Corporation relates to responsibility on both sides. I believe both the Housing Corporation was perhaps remiss in its reporting of its activities and the administration within the Northwest Territories was perhaps not requiring enough information for proper control. Perhaps I can ask Mr. Hayes if he wants to add anything to this, sir.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Dubois. Mr. Hayes.

Breakdown In Reporting Information

MR. HAYES: Well, Mr. Chairman, as Mr. Dubois says, it was more, you might say, a breakdown or a lack of information being provided by the corporation to the Executive and the Executive not requiring perhaps sufficient information from the corporation that was necessary.

Mrs. Sorensen did start with the onset of the corporation, as to whether it was a wise -- if I understood the question correctly -- whether it was wise to proceed this way. I do not think there was any problem really, in the early years of the corporation. Really, the situation really only became critical in the year to December 31, 1979. There were a number of control weaknesses of a minor nature which were brought to the attention of the corporation from time to time and they were really not of a nature that we felt, in our opinion, should be brought to the attention of the Assembly.

It was only really when we were getting toward the end of our final audit for the corporation's fiscal year ended December 31, 1979, -- that when we did our analysis work, we found that the situation with regard -- basically, our first conclusion was to the effect that capital grants had been used to finance operating deficits. So we went to the corporation and asked them to provide some form of reconciliation between the amounts that had been provided for capital grants and relate them to the expenditures, and the same with the operating grant. We indicated to them what the problem was, and the corporation immediately agreed to undertake this review. This is when they engaged Thorne's services, because we did not have the facility or the staff that were necessary to make the detailed analysis that was required.

Positive Approach By Corporation

At the same time, you might say the corporation's approach was positive in that they recognized that there was an organization problem, so they took action to kill two birds with one stone at that time. We were able to satisfy ourselves that as far as the financial information was concerned, that was included in the financial statements, all the funds had been properly accounted for and therefore we were able, in effect, to issue a clean opinion with regard to the statements of the corporation for December 31, 1979.

There was a considerable delay in issuing this opinion because we had to satisfy ourselves -- first of all the corporation had to get the information together, and then we had to satisfy ourselves as to the accuracy of that information but throughout the process, it is fair to say to the Legislature that we did receive full co-operation from the Housing Corporation.

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

MR. FRASER: Thank you, Mr. Chairman. I have a couple of questions. You say that the problem was first recognized in 1979. Was this -- and it was not brought before the Assembly in the 1980-81 budget?

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Fraser. Mr. Hayes, did you get the question?

MR. HAYES: We have not done the audit for the fiscal year to December 31, 1980, which is in the government's fiscal year 1980-81.

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

MR. FRASER: Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Mr. Curley. Ms Cournoyea.

MS COURNOYEA: I do not know who wants to answer this question, but at what point of time would an Auditor General's report come to the conclusion that no further funds should be transferred to an organization such as the Housing Corporation? At what state would you find yourself making a judgment on the books that no further funds be transferred?

CHAIRMAN (Mr. Pudluk): Thank you, Ms Cournoyea. Mr. Hayes.

Decisions As To Funding Made By Legislature

MR. HAYES: Mr. Chairman, I do not think that that would be a responsibility of the Auditor General, to express such an opinion, because basically we are making an audit after the fact. The only thing that we could do, really, is report on that and any decisions as to funding would have to be made by the Legislature.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Are you satisfied, Ms Cournoyea?

MS COURNOYEA: The decision to do that normally is based, I would assume, on your report. Perhaps you would not come right out and say not to transfer any further funds, but has it ever happened that your report has drawn the conclusion that no further funds should be transferred to, say, a crown corporation?

CHAIRMAN (Mr. Pudluk): Thank you, Ms Cournoyea. Mr. Dubois.

MR. DUBOIS: The auditor does not go to the extent of taking decisions as to the amount of funds. We go on the basis of how many funds were approved and we audit the fact of the transfer of funds and up to the point of approval, we have no comment to make. If the transfers go beyond the amounts that have been approved, then we have a comment, not on the fact that there were more or less funds transferred, but on the fact that they were not authorized.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Dubois. Mr. MacQuarrie.

Housing Corporation Deficit

MR. MACQUARRIE: Thank you, Mr. Chairman. For Mr. Hayes, could you tell me specifically, was there an actual deficit on the books of the Housing Corporation as of December 31st, 1979?

CHAIRMAN (Mr. Pudluk): Thank you, Mr. MacQuarrie. Mr. Hayes.

MR. HAYES: Mr. Chairman, yes, the audit disclosed that there was a deficit of \$4.51 million, I believe the figure was.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Mr. MacQuarrie.

MR. MACQUARRIE: You had said earlier that capital funds were used to fund operation and maintenance overexpenditures. So, when those funds were transferred -- improperly, as you are suggesting -- but when they were transferred, did that leave a deficit on the books? You will understand, I am not an accountant or auditor, so maybe the question is naive, but I would like your opinion.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. MacQuarrie. Mr. Hayes.

MR. HAYES: Mr. Chairman, in determining the deficit of \$4.51 million, the amount of the capital funds that had been used for operating purposes have been taken into consideration. While you might say there was a deficit as far as the operating grants were concerned, there was, you might say, a surplus position with regard to the capital grants. In other words, the corporation had not fully utilized all the money that had been provided for capital grants purposes.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Mr. MacQuarrie. When you speak could you move closer to your microphone so that I can hear you better? Thank you.

MR. MACQUARRIE: When those other funds which had not yet been used were considered then, did that leave things on an even keel all together?

CHAIRMAN (Mr. Pudluk): Thank you, Mr. MacQuarrie. Mr. Bogda.

Explanation Of Criticism

MR. BOGDA: I am going to try to make this rather simple. What really transpired was you incurred the operating deficit by financing it partly from the capital grant and partly from this advance that we said had no legislative authority. That is what happened and I think our criticism is the fact that the corporation is able to do this for an extended period of time without the territorial government and the Executive being aware of what had transpired.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Mr. MacQuarrie.

MR. MACQUARRIE: Thank you. Yes. All right, I understand that. But partly the reason I am asking the question is that we also heard, during our questioning of the budget a week ago, that there was some reason for understanding that capital funds could be expended for what is called extraordinary maintenance in the area of operation and maintenance; that there had been some confusion all along, not only in the corporation but, apparently, in our government as a whole, with respect to that matter. So, did that contribute to it? Did the people who were making these transfers make them on the understanding that it was quite legitimate to do so?

CHAIRMAN (Mr. Pudluk): Thank you, Mr. MacQuarrie. Mr. Bogda.

Confusion Regarding Use Of Capital Funds

MR. BOGDA: Well, there certainly was that confusion. Speaking again historically, at one time we did a budget for some extraordinary items through the capital budget. In 1979, those types of expenditures were budgeted through your operating budget. There is no doubt in my mind that there is some confusion as to whether the corporation did feel, or certain people within the corporation felt that they had the authority to utilize capital funds because they were grants, to utilize those funds on operations. We do not take that view and we think that is where part of the problem did arise, definitely.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Mrs. Sorensen.

MRS. SORENSEN: This whole area of the \$4.5 million deficit intrigues me, because it seems to me that nearly half of that is as a result of a mistake made by our government in giving money to the Housing Corporation without legislative authority. Now, had our government brought in a supplementary estimate, and handled it properly, is it not true that we would be looking now at about half of the deficit, instead of \$4.5 million?

CHAIRMAN (Mr. Pudluk): Thank you, Mrs. Sorensen. Mr. Hayes.

MR. HAYES: It is rather a difficult question to answer, because of the lack of control which was placed on the \$4.872 million. I mentioned earlier that had there been the control to the effect that this \$4.872 million was purely to get the corporation over a temporary shortage of cash and in no way could it be used for operating purposes, then as the corporation liquidated its receivables, the amount would, in turn, have been refunded back to the government. Then, this situation really would not have arisen. Whether there was some misunderstanding on the part of the corporation, we really do not know, but they in turn -- since they continued to use this money and eventually it was used for operating purposes, not purely as a temporary means of providing working capital.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Any more questions from this House? Mr. Hayes, could you go on to the other subject?

Financial Manuals

MR. HAYES: Yes, Mr. Chairman. With regard to the financial manuals, we previously reported that the financial accounting procedures were inadequate to cope with the needs of financial administration in the Territories. You will note that the manuals have been issued in December, 1980, and there is specific reference to the fact that the Executive will be preparing detailed specific year-end procedures with regard to the year end closing 1980-81. We acknowledge this positive action and will be making an evaluation in the course of our year-end audit for the year to March 31, 1981, on the adequacy of these year-end procedures.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. We are on page three, in English. (Translation) It is page three. (Translation ends) Are there any questions from the floor? I guess not.

Legislative Amendment

MR. HAYES: The next one deals -- excuse me, Mr. Chairman. The legislative amendment required for the present financial position -- again, as indicated by the response by the Office of the Commissioner, there is a draft of the new Financial Administration Ordinance which will be presented for consideration by the Legislature in the fiscal year 1981-82. When this legislation is passed, it will probably correct the situation and there will be clarification of the role of the senior financial officers which is really what we have been after for quite some time.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Are there any questions? I guess not. Proceed Mr. Hayes, on page four.

Rae Lakes Grocery Store Revolving Fund

MR. HAYES: With regard to the Rae Lakes grocery store revolving fund overexpenditure, again the response from the Office of the Commissioner indicates that procedures are now in place to ensure that the revolving fund does not exceed its authorized limit at March 31, 1981. We will again be, as part of the year-end audit, reviewing the operations of this fund. We feel that the situation has probably been corrected.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Are there any questions? I guess not. Go on, Mr. Hayes.

POL Revolving Fund

MR. HAYES: With the petro, oil and lubricants revolving fund, as Mr. Dubois noted, there have been a number of significant improvements made during 1979-80 and the recommendations that we made arising from our 1979-80 audit you might say were related to enhancements or improvements that could be made to the existing system. We note the specific concerns expressed by our office have been again addressed in the new system and that the government feels that it has better control over the POL program in the areas that we refer to on page five of this years report. Again, we will be reviewing the adequacy of the new procedures as part of the normal audit process.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Are there any questions from the floor? What is the matter with you guys? There are no questions. Go on, Mr. Hayes.

Fort Smith Region

MR. HAYES: With the Fort Smith region, the Assembly will note that an action plan is being developed to resolve the outstanding issues and that this will be probably eliminated, hopefully by the end of the 1980-81 fiscal year-end audit. Again, we will be looking at the action taken in this particular area in which I understand there has been quite an improvement since the time of our report.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Is there a question from the floor? Mr. MacQuarrie.

MR. MacQUARRIE: Well, from what I understand, the problem there, Mr. Hayes, was simply that people were hired to do jobs that they were not able to do. Is that the root of the problem or was it higher up, that administratively they were not being compelled to do the jobs properly, or what was the root of the problem there anyway?

CHAIRMAN (Mr. Pudluk): Thank you, Mr. MacQuarrie. Mr. Bogda.

MR. BOGDA: Well, that is a very difficult question. You know, I do not think that there is a standard answer. I think what happened is that you had a turnover of personnel and there was a period of time where there were not sufficient financial people in Fort Smith. New people were hired, likely without a great deal of government experience, and perhaps it would have been wise at that time to have assistance from head office to pick up the backload and to train these people rather than assume that they could walk right in and do the job. I do not think there is a specific answer.

Monitoring Not Done Soon Enough

We feel that the monitoring system, again the reporting system, that is the head office people should be monitoring that and when they identify that there are some problems, you have to get in and plug those holes at that time. Our feeling was that that was not done sufficiently soon enough, and consequently, again those weaknesses continued for the largest part of the year.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Mr. MacQuarrie.

MR. MACQUARRIE: Do we have a financial information system in place now that ought to be able to show up difficulties like that in other areas quickly enough to prevent this kind of difficulty from occurring again?

CHAIRMAN (Mr. Pudluk): Thank you, Mr. MacQuarrie. Mr. Bogda.

MR. BOGDA: We will have to review that in the current year. We cannot really -- we have the response of the Office of the Commissioner and we will just monitor that in our current audit.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Ms Cournoyea.

MS COURNOYEA: How serious is it when an Auditor General's report says that the financial controls or operations are grossly inadequate? What degree of severity does "grossly inadequate" mean? I mean how serious is that?

CHAIRMAN (Mr. Pudluk): Thank you, Ms Cournoyea. Mr. Bogda.

"Grossly Inadequate" Explained

MR. BOGDA: Well, we think it is quite serious. It means that you functioned throughout a good portion of that year without really knowing what was happening and where you were going, without the proper controls and the proper reconciliations.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Ms Cournoyea.

MS COURNOYEA: In your report you stated that head office was aware of it and they did not take adequate controls of the situation over a period of time. What kind of explanation other than that they did not have experienced staff to take over the positions -- is that the only reason that you were given, that this lack of control existed?

CHAIRMAN (Mr. Pudluk): Thank you, Ms Cournoyea. Mr. Hayes.

MR. HAYES: Really the point at issue here is that there were certain required procedures that should have been followed and they were not being followed. Monitoring really should have disclosed that because of the situation, for example, with regard to reconciliation of bank accounts. It is normal for those to be done on a monthly basis, and the system is such that people should be reviewing to ensure that this process is being done.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Mr. Dubois.

MR. DUBOIS: If I can try to relate to both of your questions on the grossly inadequate and insufficient action, if one reads the detailed observations, most of the remarks relate to things that have not happened throughout the year. We came in with our audit after the year end, and we noticed that action was not taken throughout the year when action should have been taken so you are -- the observation relates to many months of action not being taken.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Dubois. Oh, go ahead.

MR. DUBOIS: When we mention insufficient action, we mean that the system should have reacted to that during the year at an early point and corrected the situation during the year instead of waiting for the auditor's observation.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Dubois. Ms Cournoyea.

Handling Of Inventory Procedures

MS COURNOYEA: You have also stated that inventory procedures were poorly handled, and I wonder, what are you talking about when you say that in your report?

CHAIRMAN (Mr. Pudluk): Thank you, Ms Cournoyea. Mr. Dubois.

MR. DUBOIS: Sorry, Mr. Chairman. I did not get the question. I am sorry.

CHAIRMAN (Mr. Pudluk): Ms Cournoyea, could you repeat the question, please?

MS COURNOYEA: On page six, it says physical inventory procedures being poorly handled and inventories incorrectly reconciled to the general ledger. I was wondering if you could explain what that was. What are you talking about?

CHAIRMAN (Mr. Pudluk): Thank you, Ms Cournoyea. Mr. Bogda.

MR. BOGDA: I am going to have to rely on my memory and it is quite some time since the audit was done. Two things that I can recall is that the normal method of taking inventory by having persons other than the people involved, and having custody of the inventory, taking physical inventory, that was not done. Another aspect that happened in your reconciliation, and again I am picking a date out of the air, but I would assume that, or let us say that you took the physical inventory at December 31st. They reconciled their figures to a March 31st inventory book figure and their adjustment was made on the basis of a March 31st figure, so the adjustment made in your books was incorrect. So again, it was the monitoring aspect. The checks were not made to catch this error.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Mr. Sibbeston.

Extent Of Overdraft Balances

MR. SIBBESTON: I am wondering whether the gentlemen would tell us, just what were the extent of the overdraft balances and the balances not being transferred at year end, because I would imagine that if certain departments did not know their financial situation, that this would, perhaps, have an adverse effect on their ability to run programs and provide funds. Just how extensive were the overdraft balances and so forth?

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Sibbeston. Mr. Bogda.

MR. BOGDA: The overdraft balances really did not affect the programs. The overdraft balances were a result of your revenue transfer accounts. These funds are collected in the various district offices and transferred to head office, to your consolidated revenue fund, on a regular basis. What was happening is that there were some NSF cheques involved in the collections that the government had made and again, this continued on for the entire year. Consequently, you had overdraft balances in your revenue transfer account, which technically should

always remain at nil. That was not detected, again because of the monitoring system, but there was no effect on your programs.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Mr. Sibbeston.

MR. SIBBESTON: I do not quite understand that. The Fort Smith region and the department has a certain amount of money to operate programs and so forth. Are you saying that there was not necessarily, as such, a deficit at the end of the fiscal year; that all the moneys that were allotted by the Assembly were perhaps spent? Are you saying that through the course of the year there may have been situations where people who were running programs were not fully aware of the amount of money that was still remaining in their programs? Is that the possible situation?

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Sibbeston. Mr. Hayes.

Periodic Transfers To Consolidated Revenue Fund

MR. HAYES: Mr. Chairman, I think some clarification is required. This is not funds provided for program expenditures. This is revenue that has been collected by departments and this is put into what we call revenue transfer accounts. In other words, the money cannot be used for operating purposes. It has to come into the consolidated revenue fund. The procedures require that periodic transfers be made of the amounts that are standing to the credit of these revenue transfer accounts into Yellowknife for credit to the consolidated revenue fund. I do not know whether that clarifies the situation for him.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Mr. Sibbeston.

MR. SIBBESTON: Gentlemen, then you are not talking, necessarily, of the moneys that are given to government to operate programs and services. Are you then talking of moneys that come to the government from various sources? Do your comments here refer specifically to that, moneys coming into the territorial government and the government, the regional office in Fort Smith not having a handle, in a sense, on these funds?

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Sibbeston. Mr. Hayes.

MR. HAYES: That is correct, Mr. Chairman. We are talking about revenues that are coming in that belong to the Territories and it is these revenues that have to be transferred into the consolidated revenue fund.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Hayes. Any more questions? We will take a 15 minute break for coffee and we will come back.

---SHORT RECESS

CHAIRMAN (Mr. Pudluk): Would the committee come to order please? The Chair recognizes a quorum. We are still on Tabled Document 17-81(1). I believe there was one more question. Mrs. Sorensen.

MRS. SORENSEN: With respect to the problems that were incurred in the Fort Smith region, I am sure you are aware that the territorial government is committed to decentralization to all its regions. I am wondering if you have looked at all our regional operations or whether Fort Smith was a spot check. In other words, do you look at the operating, the financial management and control in all the regions?

CHAIRMAN (Mr. Pudluk): Thank you, Mrs. Sorensen. Mr. Bogda.

Audits Conducted On A Cyclical Basis

MR. BOGDA: We do not look at all your regions on an annual basis. We try to do these on a cyclical basis and we also do it in conjunction with the work that the internal auditor does. We review some of his reports to try to get a feeling or a flavour as to whether there are any problems and how serious they are in the various regions. Last year we did actually do an audit of Fort Smith.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Mrs. Sorensen.

MRS. SORENSEN: So, what drew you to look at the financial operations in Fort Smith? Was it a spot check or what?

CHAIRMAN (Mr. Pudluk): Thank you, Mrs. Sorensen. Mr. Bogda.

MR. BOGDA: It was part of our cyclical review. In prior years we have done Inuvik and Frobisher Bay, and we felt it was time, just in the regular cycle, to look at Fort Smith.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Mrs. Sorensen.

MRS. SORENSEN: With respect to prior reviews of other regions, have you ever come across similar lack of financial control in other regions or is this the first time that you have seen this?

CHAIRMAN (Mr. Pudluk): Thank you, Mrs. Sorensen. Mr. Bogda.

MR. BOGDA: To my recollection, the only other time that we ran into serious, or similar problems was at Rankin Inlet and that was a number of years ago, where they experienced similar types of problems.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Mrs. Sorensen.

MRS. SORENSEN: In your experience then, did the government respond as it should have to the comments of the Auditor General? Were you happy with the clean-up that was done after that problem?

CHAIRMAN (Mr. Pudluk): Thank you, Mrs. Sorensen. Mr. Bogda.

MR. BOGDA: Yes, we certainly think that they took the necessary steps to correct the weaknesses and strengthen the staffing at that particular location.

Tabled Document 16-81(1), Annual Report Of Territorial Accounts

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Bogda. Are there any more questions? Does anybody have a question on Tabled Document 16-81(1), Annual Report of Territorial Accounts?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pudluk): Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Pudluk): Mr. Butters. Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, just before we conclude this matter, I would like to say that I am very pleased that these gentlemen were able to come here. I found it most enlightening, and I think other Members have. We look forward to seeing them again. Thank you.

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

HON. TOM BUTTERS: Just, Mr. Chairman, to add my thanks and the thanks of the government for the appearance of our witnesses and for the assistance that has been provided by the Auditor General and his regional office in Edmonton. As the newly named Minister of Finance of this government, I have indicated to Mr. Dubois, Mr. Hayes and Mr. Bogda that I look forward to good communications and good working relations between myself and between this government in representing the interests of this House. Thank you, sirs.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Butters. Mrs. Sorensen.

MRS. SORENSEN: I am sorry, Mr. Chairman. It was my understanding that we were now going to review the territorial accounts and that we had not concluded with the Auditor General's report. Am I wrong? Did I miss something?

CHAIRMAN (Mr. Pudluk): Yes, I did throw that document up in the air and everybody was agreed. Do you have a question regarding Tabled Document 16-81(1)? If so, proceed.

MRS. SORENSEN: You mean we are not discussing this? We are discussing this.

CHAIRMAN (Mr. Pudluk): We can discuss it, if you wish.

MRS. SORENSEN: Did we not offer the gentlemen an opening statement on the territorial accounts? I am sorry, I am just confused. We are saying goodbye to them and we have not finished our discussion. Are we finished?

CHAIRMAN (Mr. Pudluk): Does this committee wish these gentlemen to make a statement? Did I hear agreed? Do you have a statement to make on that report? Mr. Dubois.

MR. DUBOIS: Mr. Chairman, we do not have a statement. However, I would like to clarify that the report that we relate to is the Report to the Council of the Northwest Territories on the Examination of the Accounts and Financial Statements of the Government of the Northwest Territories, which is included in the territorial accounts. Now, if the Members of the committee wish to question on that part of the annual report, we can respond to that but not to other parts.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Dubois. Are there any questions? No. Is it agreed to thank the witnesses now? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Pudluk): Also, as chairman I would like to thank you for coming here, and you guys did a tremendous job on these reports. I am hoping to see you again sometime in the near future. Thank you very much, Mr. Bogda, Mr. Dubois and Mr. Hayes.

---Applause

Would this committee like to go on and hear Motion 4-81(1)? Nay. Did I hear a nay? Agreed. Do I hear agreed? Report progress?

HON. DENNIS PATTERSON: Where are we?

MR. MacQUARRIE: Motion 4-81(1).

HON. DENNIS PATTERSON: Yes.

MR. MacQUARRIE: Agreed.

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

CHAIRMAN (Mr. Pudluk): Okay. We can go on with Motion 4-81(1). Yesterday I think we were talking to the motion. Would Mr. Nerysoo like to bring something on that subject? Nay. To the motion. No.

MR. MacQUARRIE: Is the translation ready?

CHAIRMAN (Mr. Pudluk): Oh yes. We have had the translation already. The translations are on the table. I thought I had mine on the table over there. On the motion, Motion 4-81(1). Mr. MacQuarrie.

MR. MacQUARRIE: Okay. Thank you, Mr. Chairman. This morning Mr. Patterson and I got together and talked about the original motion that I and my seconder, Mrs. Sorensen, presented -- a proposed amendment which Mr. Patterson was thinking about but which he did not formally bring to the House. The three of us have been able to agree on some significant, substantial changes, large enough that I would have to agree that they are not simply amendments to the original motion but would more properly constitute a separate motion. I have the English versions here but I understand the Inuktitut version is not quite ready yet. So until it is, I think it would not be proper to begin discussing that particular proposal. However, I still have general comments to make about some of the matters that were raised yesterday and I presume that other Members also do in a general way so we could still carry on with the debate now, if that is agreeable to you, Mr. Chairman, and to the House.

CHAIRMAN (Mr. Pudluk): Is this House agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Not Prepared For Events

MR. MacQUARRIE: Thank you, Mr. Chairman. Because of the kinds of things that Mrs. Sorensen alluded to yesterday that are to be found in the House of Commons Hansard, namely the thoughts of Hon. Marc Lalonde, because of things such as the glossy booklet that was placed on our desks a couple of days ago "Under the Beaufort, Canada Drills in the Arctic" -- you might think that it was a Dome Petroleum booklet but if you look down at the bottom, it says Indian and Northern Affairs Canada -- because of that, because of the fact that, for instance, Marc Lalonde went to Calgary to be with Mr. Gallagher of Dome Petroleum when they announced that Dome was going to establish a Canadian

subsidiary, because of lots of things I really do believe that momentous events are occurring and will occur soon.

It is regrettable, if we are not totally ready for them and we are not -- I would have to admit that. We do not have a unified government. We do not have access to all of the funds that we would like to have access to. We do not have the kind of legislative power we would like to have. We even have language difficulties, so that a number of our Members are not able fully to appreciate the difficulties that we are being faced with. So all of this makes us not totally ready for the events that are occurring but whether we totally understand them or not, whether we are totally prepared or not, it is better to do something than nothing.

It was in that spirit that the motion that is on the floor was brought to the House by myself and Mrs. Sorensen. In the discussion that occurred yesterday, I heard many things that I approved of and rather liked the kind of spirit and admired the quality of the debate. But there were, from time to time, statements made that I would differ with and when the Executive Committee is deciding what the Government of the Northwest Territories position should be, what should comprise its presentation to the standing committee in Ottawa, I would like to have on record for their consideration some of these thoughts that I have.

Aboriginal Rights Claimants

One would be with respect to a couple of comments that were made by Mr. Patterson. In examining carefully with him what each of us believes, I find that we have a difference in emphasis but in some sense that difference is definitive. Mr. Patterson said yesterday that we are spokesmen for aboriginal rights claimants...

MR. CURLEY: Hear, hear!

MR. MacQUARRIE: ...and I would say that we are, but not as aboriginal rights claimants, but rather as citizens of the Northwest Territories. There are spokesmen for native peoples as aboriginal rights claimants and they are strong, eloquent and united, and it is proper for them to put the case for native peoples as aboriginal rights claimants.

Mr. Patterson also said and it is an approximate quotation: Our best case is the moral argument resulting from aboriginal claims. I agree that there is a strong moral argument resulting from aboriginal claims but it is an argument that belongs to aboriginal peoples and not to the Government of the Northwest Territories and consequently, it is not ours to advance. I see rather that we are representatives of and spokesmen for the interests of public government and for all citizens of the Northwest Territories.

MRS. SORENSEN: Hear, hear!

MR. MacQUARRIE: I am sure that the interests of this Assembly and of the Government of the Northwest Territories are similar to and they are related to the interests that are espoused by native associations...

MRS. SORENSEN: Hear, hear!

MR. MacQUARRIE: ...and because a majority of our people in the Northwest Territories are native people, the interests are importantly related, but they are not the same and they are not identical to the interests that are espoused by native associations. It is this understanding of the situation that has guided and will continue to guide my approach to the problem.

Assembly Position With Respect To Non-Renewable Resources

That leads me to a comment that was made during the debate by Mr. Wah-Shee. With respect to it, I would say that I very much wish to see co-operation among the peoples of the Northwest Territories, co-operation between this government and native associations. I would also say, however, that because of the way I see things, that it is important that we adopt our own position with respect to non-renewable resources. This Assembly and this government must not be confused about what interests we are trying to protect and what objects we are attempting to pursue. Our own position then, should emphasize the concept of public government interests and the interests of all citizens of the Northwest Territories, no doubt keeping in mind that the majority of these citizens are native people. Then I would say that after we have adopted a position with respect to non-renewable resources, then by all means we should meet with representatives of native associations, to find common ground and to make arrangements to address our common concerns jointly, and that is the approach that I would prefer to see taken.

Legislative Options In NWT

Also, with respect to some comments that were made by Mr. Braden, I would maybe have some differences in degree. I certainly see some of the concerns that he expressed as being worthy of being acted upon, but perhaps apart from our representation to the House of Commons committee on this particular Bill C-48. So, I would agree with Mr. Braden that at some point we have got to look at our legislative options in the Northwest Territories and try to use those options to maximize the benefits for the people of the Northwest Territories wherever it is possible and reasonable to do so. In those options, I would include specifically: (1) Looking at the possibility of creating institutions to participate in economic activity; (2) Looking at the extent to which we can exercise taxation in the Northwest Territories, and specifically; (3) Looking at the means that we have within the Northwest Territories to ameliorate social and environmental impacts.

I think we should begin a thorough examination of those options, with the intention of maximizing them to the greatest extent, but as I say, I see that a bit apart from the particular representation that we have got to make to the House of Commons in a months time.

Perhaps, where I would differ with Mr. Braden then, is in degree and that is that I would not want to see us engage in legislation -- and perhaps I am wrong and I apologize now if I am, with respect to the intention -- but I would not want to see legislation that was designed to challenge or obstruct the Government of Canada or to resist stubbornly, to try to fulfil an ideology about resource ownership. Because despite those who still, I feel, do not fully understand my constitutional position and who think that I want to see 10 or 12 independent states, that view is wrong. I approve of a relatively strong central government and I approve of it acting to try to safeguard the interests of all Canadians.

Compromise May Be Necessary

Also, after having made what I feel is a realistic appraisal of relative strengths between the federal government and the Government of the Northwest Territories, that shows us holding the short end of the stick and in that situation I really believe that combativeness will not serve us particularly well. Our strategy...

CHAIRMAN (Mr. Pudluk): Mr. MacQuarrie, your time is up. Do you agree to have him continue?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. MacQUARRIE: Thank you, Mr. Chairman. Our strategy must be clever, rather than combative, and I think that it will mean, to some extent, compromise. I am not afraid of compromise. I think I treat that in a pragmatic kind of way. I believe that as long as you can achieve your ends without having to compromise, you do so, but if it is evident that you cannot, then compromise becomes necessary. I think that we are in that situation.

In the connection of trying to examine what we can do fully to enhance the interests of the people of the Northwest Territories and protect them and maximize benefits to us, I do believe also that we should begin to isolate economic transactions in the Northwest Territories, focus on them and do a thorough accounting of them, so that we can keep track of what -- and I owe this to Mr. Patterson, although I have changed it slightly -- what is the gross territorial product; so that we are very well aware, and others are very well aware, of what is being produced in this territory each year.

Secretariat To Deal With Federal-Territorial Relations

I also think another option -- I am very interested in the idea that was suggested by Ms Cournoyea the other day in her speech in reply to the Commissioner's Address about establishing a secretariat to deal with territorial-federal relations, so that we adopt a strategy that is effective in our dealings with the federal government.

So, there are a lot of options that we have in addition to specifically addressing this bill. At any rate, as I said, Mrs. Sorensen and I and Mr. Patterson, who had produced or proposed a substantial amendment yesterday, have agreed on certain things. I am not sure how to handle it, Mr. Chairman, but I and my seconder would be willing to withdraw the motion as it stood before and to produce another one, which we know at least has the support of we three and perhaps -- because I think it reflected in some way a lot of concerns that were expressed yesterday -- perhaps the support of many more Members here. I will leave that to the chairman and perhaps to Mr. Patterson to suggest as to what might be done, or the comments of other Members too. Thank you very much.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. MacQuarrie. Are you withdrawing your motion now?

MR. MacQUARRIE: Pardon me?

CHAIRMAN (Mr. Pudluk): Do you withdraw your motion?

MR. MacQUARRIE: Withdraw? Not really, only on the condition that something substantial would be allowed to replace it.

---Laughter

CHAIRMAN (Mr. Pudluk): If you are not really, I would like to know clearly if you are withdrawing your motion.

MRS. SORENSEN: Mr. Chairman, the reason that Mr. Patterson and Mr. MacQuarrie got together was to save the House time. We could have gone ahead with amendments clause by clause, but in the interests of the review of the main estimates and in the interest of not prolonging the debate of Bill C-48 and this motion, we felt that we could come to a compromise, as is the nature of this Legislature. So, I wonder if the House would agree to having the proposed amendments simply replace the motion that is on the floor. Perhaps Mr. Patterson

could introduce this as an amendment and then it would replace what has been on the floor.

CHAIRMAN (Mr. Pudluk): Thank you. Could you hold on for a second? We will just take a minute and see what has to be done.

MR. CURLEY: Question, question.

CHAIRMAN (Mr. Pudluk): Is this Motion 4-81(1) going to be withdrawn and this concludes the debate on that motion? Mr. Patterson, do you want to proceed?

HON. DENNIS PATTERSON: Mr. Chairman, I would like to move an amendment to the motion. I have passed the text to...

CHAIRMAN (Mr. Pudluk): Could you hold on a second? I would like it clear from the mover of this motion, if he was willing to withdraw it first and do that. Mr. MacQuarrie.

MR. MacQUARRIE: No, Mr. Chairman but I think that an amendment will be proposed which, in my opinion, is certainly acceptable.

MR. CURLEY: Question, question. A question has been called. Break for 15 minutes.

CHAIRMAN (Mr. Pudluk): Okay, Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, I would like to move an amendment to the motion on the floor. It has been circulated. I will read the amendment.

CHAIRMAN (Mr. Pudluk): Could you tell me what part you are going to make amendment on?

HON. DENNIS PATTERSON: Pardon me?

CHAIRMAN (Mr. Pudluk): What part are you going to make amendment to?

Amendment To Motion 4-81(1)

HON. DENNIS PATTERSON: Okay. The amendment is as follows:

The first "whereas" clause of the motion remains the same.

The second "whereas" clause of the motion remains the same.

The third clause is deleted and replaced with: And whereas unextinguished aboriginal titles exist throughout the present Northwest Territories.

Then a new clause is added: And whereas negotiations towards the clarification of aboriginal title through comprehensive land claims settlements will probably result in a division of beneficial ownership over the non-renewable resources located throughout the Northwest Territories between the aboriginal peoples in possession of aboriginal title and various levels of government.

And another "whereas" clause is added: And whereas governmental revenues derived from the exploitation of non-renewable resources located with the land and offshore parts of the existing Northwest Territories should contribute directly to the financial self-sufficiency of the territorial government or governments that will bear many of the costs associated with such exploration.

The next clause remains the same: Now therefore, I move, seconded by the honourable Member for Yellowknife South, Mrs. Lynda Sorensen.

The next clause remains the same: That this Assembly request the Executive Committee develop a detailed position in response to Bill C-48 for presentation at hearings of the standing committee on natural resources and public works in Ottawa; and further...

The next clause is the same: That the Executive Committee seriously consider including in the Government of the Northwest Territories position, the following:

This is a new clause: (1) That the Government of Canada re-examine Bill C-48 to determine the adequacy of the total governmental share of revenues derived from the exploitation of non-renewable resources located within the land and offshore parts of the existing Northwest Territories.

This is a new clause, Mr. Chairman: (2) That the Government of the Northwest Territories insists on the special right of native associations to be heard before the standing committee on resources and public works to present their position in view of their special interest in this matter.

A new clause, Mr. Chairman: (3) That the Government of the Northwest Territories explore with the major native organizations of the Northwest Territories the possibility of presenting common concerns jointly at the committee hearings in Ottawa.

A new clause: (4) That the Government of Canada declare clearly and publicly its commitment to enter into negotiations with the government of the existing Northwest Territories and the governments of new northern territories into which existing Northwest Territories may be subdivided over the sharing of total governmental revenues derived from the exploitation of non-renewable resources located within the land and offshore parts of the existing Northwest Territories.

A new clause: (5) That the Government of Canada declare clearly and publicly that total governmental revenues derived from the exploitation of non-renewable resources located within the land and offshore parts of the Northwest Territories should be shared in such a way so as at least to effect the financial self-sufficiency of territorial government or governments.

A new clause: (6) That the Government of Canada declare clearly and publicly that Petro Canada and/or other federally owned corporate agencies described in Bill C-48 will exercise their full options to acquire equity participation in projects proposed to exploit non-renewable resources located within the land and offshore parts of the existing Northwest Territories in the period leading to the conclusion of comprehensive land claims settlements clarifying the aboriginal title possessed by aboriginal peoples living within the existing Northwest Territories and agreement or agreements over the sharing of total government revenues between federal and territorial governments.

A new clause, Mr. Chairman: (7) That Petro Canada and/or other federally owned corporate agencies shall maintain rights acquired through exercise of their options described in Bill C-48 until such time as comprehensive land claims settlements and intergovernmental revenue sharing agreements have been concluded.

A new clause: (8) That all government revenues accruing to the Government of Canada or its corporate agencies by way of equity participation, royalty or any other form under Bill C-48 in the period leading up to the conclusion of comprehensive land claims settlements and intergovernmental revenue sharing agreements be held in a separate trust account.

A new clause: (9) That the Government of Canada declare clearly and publicly its determination to use powers obtained under Bill C-48 to guarantee the adequate supply of hydrocarbons from production sources located in the lands

and offshore portions of the existing Northwest Territories at reasonable prices to governmental and private consumers within the existing Northwest Territories or any new northern territories into which existing Northwest Territories may be subdivided.

A new clause: (10) That Bill C-48 be amended to direct that moneys assigned to the environmental fund from hydrocarbon production within the land and offshore portions of the existing Northwest Territories be administered at the territorial level of government to be used for those specific objects chosen by the Government of the Northwest Territories, so long as the funds in general are spent to protect the environment.

A new clause: (11) That 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 and that the total amount of money contained in the environmental revolving fund be free from any artificial caps or ceilings.

A new clause: (12) That the Government of the Northwest Territories strongly protests the total lack of consultation by the Government of Canada in preparing this legislation, especially with respect to the territorial governments stated responsibility for the socio-economic implications of massive developments in the Northwest Territories.

Mr. Chairman, I took the liberty of putting my amendments together with the original motion so that if you accept my amendments, no one would have to change the original text. This amended motion is presented for ease in understanding the whole thing. Thank you.

Question Of Order

CHAIRMAN (Mr. Pudluk): Would you give us one moment, please? Your amendment may not be in order, for one thing. Mr. MacQuarrie.

MR. MacQUARRIE: May I anticipate that there is a question as to whether that amendment is in order or not, Mr. Chairman?

CHAIRMAN (Mr. Pudluk): That is what we are working out right now. Mr. MacQuarrie.

MR. MacQUARRIE: Is it proper to advance arguments as to why we feel it is in order?

CHAIRMAN (Mr. Pudluk): One moment, please. We are going to accept the amendments. We accept the amendments.

MR. MacQUARRIE: It is accepted?

CHAIRMAN (Mr. Pudluk): Yes.

---Applause

Mr. Patterson has the amendment. He now wishes to speak.

Representatives Of All People Of The NWT

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. Just very briefly, I would like to speak to the amendment, and then I know Mr. Sibbeston has a proposal to assist us in considering this whole thing.

Mr. Chairman, I think it is desirable that this sort of exercise that has gone into preparing this amendment takes place outside the House and inside the House. I do not mind saying, to start off on perhaps a bit of a negative note,

but I do not quite agree with Mr. MacQuarrie's view of our role as a government in the Northwest Territories, in speaking for the significant interests of aboriginal peoples in the Northwest Territories. He seems to say, let them speak for themselves. I suppose I say, well, we do represent all the people of the Northwest Territories and all interests in the Northwest Territories. Those interests happen to be composed, in the majority, of people who have a clear legal claim, yet unresolved, over these so-called Canada lands. I am not sure that it is inappropriate for this government to at least generally support them, if not actually speak for them.

However, Mr. MacQuarrie has suggested that rather than us speaking for them in appearing as a government before the standing committee, that we let them speak for themselves and we let them speak beside us and perhaps hand in hand with us where we can agree with their positions. So, as a result of this suggestion that -- or his insistence that this principle was important, and in the interests of getting some degree of consensus before this House, I decided to remove two provisions that I had thought should have gone into our government position.

Bill Should Not Encroach On Aboriginal Title

Namely, that Bill C-48 should be amended to recite explicitly that it does not derogate in any way from the unextinguished aboriginal title that exists over these lands and waters. That is not in the proposed amendment. I am not that unhappy about it because I think that there is no question that if we invite the major native organizations to join with us in a presentation on that committee, which I think is highly desirable -- after all, it was a coalition of native organizations which evoked a remarkable amendment in the House of Commons Senate committee recently considering our constitution. So, I think if we had a coalition of native organizations and this government, it would be very effective. I am sure that the native organizations and our government would join in supporting them in the position that this bill must not in any way encroach on that aboriginal title until it is resolved in land claims negotiations.

Secondly, that we urge the Government of Canada to commit itself to discuss division of the ownership of those lands and the revenues from those lands between the aboriginal people and the government in land claims negotiations. Now, Mr. MacQuarrie says that that is not quite our place to say and so I have removed that, but I think that our government should be happy to join with any native organization which says that before the committee. Having said that, I would like to just generally state in as clear terms as I can, Mr. Chairman, what I have in mind with these amendments, or at least the ones that I have contributed. I am going to try and take the gloves off and be crystal clear about what I am saying.

People Of Canada Have Invested In The North

Now, some people may well say, this is a federal government land grab. They are taking our land. They are taking the aboriginal people's land. They should not do this. We must protest. I say that instead we should recognize that the people of Canada have already got a substantial investment through their subsidization of companies like Dome and others in extensive investment and exploration in these offshore and onshore oil and gas interests. The people of Canada, in fact, have not just invested 80 per cent in recent years, but in earlier years they invested 140 per cent. I do not think that it is an oversimplification to say that Dome Petroleum, at one point in time, got \$1.40 back for every dollar it put into northern exploration and that money unfortunately, Mr. Chairman, did not come from the people of the Northwest Territories in a very significant amount, although we contributed. It came from the 24 million people of Canada, not the 50,000 people of the Northwest Territories.

Third Party Interest In Lands

So, with that kind of a reality in front of us, Mr. Chairman, I say that this bill, if we look at it in very practical terms, gives a plea, a call to the federal government to take a look at us. What it specifically says is we applaud the fact that you are finally taking a piece of what is a third party interest in lands over which this government, because of its responsibility for extensive social and economic programs in the Northwest Territories and the aboriginal peoples who have as yet an unresolved legal title, have a great interest.

Now, what I am saying, in effect, about this bill is let us look at it as positively as we can and let us say to the government of Canada, we applaud the fact that a public government, not ours, perhaps unfortunately, but a public government with certain trust obligations to aboriginal peoples and certain obligations to us and our constitutional development as a Territories is taking a significant share of those resources and that investment away from a third party interest whose only motive will be profit.

MR. MacQUARRIE: Hear, hear!

HON. DENNIS PATTERSON: Let us accept that, and in fact not only accept it, but go further and say, are you sure you have enough, eh? That is what I am saying, perhaps in nicer words, in number one when I say: "That the Government of Canada re-examine Bill C-48 to determine the adequacy of the total governmental share of revenues..." Secondly, that we say, is there a guarantee that that public government equity will be preserved for the future and not sold back. Thirdly, we think that portions of that, through negotiation, should be reserved for this government and those aboriginal peoples.

Environmental Concerns

The environmental concerns that many Members have expressed need not be elaborated on. We all have a great concern, a deep, profound concern about our environment and, incidentally, about being able to get some of that oil and gas and those products at reasonable prices throughout the Northwest Territories. So, what I have tried to do, Mr. Chairman, is put forth my view of this thing and I welcome reaction from other Members. I know that other Members may feel that this is a, sort of, a socialist view of the legislation and contrary to principles of free enterprise, which we all hold dear to one extent or another, but...

MR. MacQUARRIE: Who would think that?

HON. DENNIS PATTERSON: Not you, Mr. MacQuarrie. Let us look at the bill in a fairly pragmatic, realistic way, Mr. Chairman. I hope these amendments will help us to clarify what is, in essence, probably a relatively simple issue, although it is couched in pretty complicated language and procedures. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Patterson.

MR. FRASER: Mr. Chairman, a point of order.

CHAIRMAN (Mr. Pudluk): A point of order. Mr. Fraser.

MR. FRASER: I do not understand whether we are dealing with the motion or we are dealing with the amendment. It is all on one piece of paper. We should be dealing with the amendment before dealing with the motion and as the Member pointed out, there is an amendment somewhere on this piece of paper but they are all combined and right from the start, there might be a few words the same as the original motion but are we dealing with the motion? The only thing I can see to do is have Mr. MacQuarrie withdraw his motion and then bring this motion in as a motion. We cannot deal with the amendments and the motion together.

MRS. SORENSEN: We already dealt with that.

CHAIRMAN (Mr. Pudluk): Yes, we are dealing with the amendment right now. Mr. Sibbeston.

Dene Nation To Appear As Witnesses

MR. SIBBESTON: Mr. Chairman, yesterday when debate began on this motion, a number of points were raised particularly about aboriginal rights and the position of this government vis-a-vis lands. If the federal government is going to take over or reinforce its control over all lands in the Northwest Territories, we wondered how this territorial government or future governments in the North would be affected. As a result of the debate that went on, I think it became obvious that there would be some merit in having some of the major native organizations come before this committee. So, because of this, I have had some discussions with both the Dene Nation and the Metis Association. The Dene Nation, in particular, have representatives here today to be available should this committee of the whole wish them to appear before us. So pursuant to section 80 of the rules, I would like to see if there is agreement that the Dene Nation appear before us as witnesses.

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Pudluk): Mr. Nerysoo.

HON. RICHARD NERYSOO: No, I do not have any questions about asking them, but I have some very general comments that I would like to make with regard to the motion itself because I know that, in my own opinion, the motion itself gets real specific with regard to the bill and there are certain amendments that you could open a page in the bill and see where the amendment might take place.

Now, in my opinion, the discussion I thought would be a very general one and that any comments that were made to the committee of the House of Commons would be that of very general concerns. The specifics will come, whether or not the House of Commons committee agrees that amendments should occur to the bill, and that where those amendments will occur, then we would get involved in detailing the kind of specific concerns that we had.

Major Areas Of Concern

Now, yesterday I made a couple of comments as to the major areas of concern we had. That was the constitutional area, the economic area, and that of the participation of the environmental areas. Now, I am not sure what is happening, whether or not we are getting into this detail of discussing the bill, or whether we are going to be very general about our presentation.

CHAIRMAN (Mr. Pudluk): That Motion 4-81(1), was moved in formal session, and there was another motion to discuss it in committee of the whole, and that was in order, and now amendments are in order. Now, we are dealing with amendments right now, and if you wish to invite any organization, you can do it now.

MR. MacQUARRIE: Agreed.

MRS. SORENSEN: Agreed.

CHAIRMAN (Mr. Pudluk): Mr. Nerysoo.

HON. RICHARD NERYSOO: Yes, just a question I wanted to ask, and that is: Did you want the people that are coming to deal with the motion, or to have very general comments, because I think they should be aware as to whether or not they are going to be discussing the motion, or making general comments on the bill.

CHAIRMAN (Mr. Pudluk): I think that question has to go to the people who want to invite those witnesses. Mr. McLaughlin.

MR. McLAUGHLIN: Mr. Chairman, I think that because the original motion and amendments also refer to Bill C-48, that I think that there would be agreement amongst the Members that any witnesses who did appear could speak in general towards Bill C-48.

AN HON. MEMBER: Agreed.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. McLaughlin. Mr. Nerysoo.

HON. RICHARD NERYSOO: I do not want to harp on this idea, but I am pretty sure that the motion itself gets very specific in the kind of recommendations that you give to the Executive Committee on the presentation. It also details the bill itself. As I said, you could open a page, and you could see where the amendments might occur. Now, if it were general, then it would be a different thing, but it is getting very specific, and I am wondering whether or not you want them to be general. Then, you would not have them discuss the motion, and that is just what I am trying to say.

CHAIRMAN (Mr. Pudluk): Okay. Mr. Curley.

Presenting Common Concerns

MR. CURLEY: Yes, Mr. Chairman. My understanding of this motion, the amendment is that on page three, section three, says: That the Government of the Northwest Territories explore with the major native organizations of the Northwest Territories the possibility of presenting common concerns jointly at the committee hearings in Ottawa.

So, when I read that, the amendment would propose that the Executive Committee explore jointly the possibility of presenting common concerns. I think the time for the major organizations to really put forth a view, or position, would be in the committee in Ottawa. I do not know whether we actually want to deal with the whole bill through here. I think the mover, Nick Sibbeston, I believe, should really be a little more clear as to exactly what he has in mind. Otherwise, we are going to be spending more than a day dealing with this amendment.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Curley. Mr. Sibbeston.

Dene Nation Concerns Should Be Heard

MR. SIBBESTON: I do not fully understand the points made by Mr. Nerysoo. To my mind, and as I read the amendments to the motion, the points are fairly general. You do not have clauses that say, "Well, section 49 of the act ought to be changed by adding this word, or amending that word." It does not say that. We are still, inasmuch as some of the clauses refer to specific aspects of the bill, we are still dealing with them on a fairly general basis, and my concern about what Mr. Nerysoo is saying is that if we stay at a very general level, these may become meaningless, and it is necessary to deal with some of the major points of the act as it is presented to us.

So, my understanding, too, from discussions with the Dene Nation, is that they intend to make general comments, and in doing so, they might have to refer to a particular clause or section, but I believe their comments will be general. So, I do not understand Mr. Nerysoo's discussion, and as to Mr. Curley's comment about whether this is the right place to have the Dene Nation, I believe it is. We ought to hear from them, see what they have to say, and then eventually, if there seem to be mutual concerns, then the specifics of the mutual concerns could be worked out with the Executive Committee, but I think there is a great merit in hearing what the Dene Nation has to say. They are here. They do not come very often. While they are here, we ought to hear them, without further delay.

CHAIRMAN (Mr. Pudluk): Thank you. Mr. Nerysoo.

HON. RICHARD NERYSOO: Well, I am not trying to disagree that the Dene Nation should not be here. In fact, I want them to come, but all I am saying is that when you get specific in your motions, then you are asking that the bill should have been addressed in this House. Now, we are either going to deal with the bill or the general motion, or we are going to deal very specifically and amend the thing.

CHAIRMAN (Mr. Pudluk): Okay, thank you, Mr. Nerysoo. Mr. Sibbeston, I think it is the best way to make a motion if you invite those people. Mr. MacQuarrie.

Developing A Detailed Position

MR. MACQUARRIE: Thank you, Mr. Chairman. I refer Members to the two main resolutions of my motion on page two: That this Assembly request the Executive Committee to develop a detailed position in response to Bill C-48 -- and the next one, that the Executive Committee seriously consider including -- certain things in it.

Now, that, in my opinion, opens it up for Members here to say the kinds of things that they think the Executive should include in its presentation. One of our Members, Mr. Sibbeston, feels that it would be very worth while for the Executive also to hear the views of a particular native association, the Dene Nation. I happen to agree with him. The only thing that Members have to decide now is not what they will talk about, and so on, but are you willing to hear what they have to say in the hopes that what they have to say will help form the Executive position. That is the decision.

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

Amendments Not Too Specific

MS COURNOYEA: Just on a question of Mr. Nerysoo's, I do not think the amendment is too specific. I believe in the nature of the discussions we have, in the nature of people who are in this Assembly, there are certain things that we have to ensure. One of the contradictions that come up, that certain people feel that perhaps the negotiations of aboriginal rights are less or more important, and it deals with the general guidelines of those two conflicts of people that sit around in this Assembly.

I do not believe that the amendments are too specific. It details some concerns that I might have certainly, as a person active in the aboriginal rights claims process. It assures me that when the Executive finally details its position, which may or may not come to this House before they go to Ottawa, that these assurances that the aboriginal peoples' involvement in this is not taken away. That is a very general thing and a very important thing.

As well, we can see in the future that more specific items dealing with the lands paper, Bill C-48 can be incorporated in meetings with the Dene Nation, Inuit Tapirisat and other organizations, and I do not believe that the question of it being too specific is really warranted because I do not believe that it is. I would like to make the motion, if it is not on the floor, that we invite the Dene Nation to make their presentation on this matter.

CHAIRMAN (Mr. Pudluk): There is a motion on the floor and we are talking about the amendment but you can invite the organization with agreement.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pudluk): Before we invite these people, we will take a 15 minute break for coffee. A point of order.

MR. CURLEY: Mr. Chairman, I am not sure we are actually in tune with the procedures here. We have a proposed amendment and it has not been voted on yet, so therefore the motion is not in order. Surely, we are going to discuss the motion as a whole, but I am confused whether or not we are dealing with the original motion or the amendment. We seem to be in limbo right now. I would think the proper way to invite witnesses -- we are dealing with the whole motion. I mean, once we get over the amendment, then I think it would be fine to deal with the witnesses. We can vote on the amendment in one minute, or even less than that.

Amendment To Motion 4-81(1), Carried

CHAIRMAN (Mr. Pudluk): Mr. Curley, you are right. We have to deal with the amendment first and then we can talk to the formal motion and we can invite those organizations. To the amendment. All those in favour? To the amendment. Down. Opposed? The amendment is carried.

---Carried

Now, we are going to go back to the formal motion. Let us take a 15 minute break for coffee and then we can invite those people. Thank you.

---SHORT RECESS

CHAIRMAN (Mr. Fraser): The committee will come to order. We have passed the amendments of -- is somebody sleepy -- to Motion 4-81(1), Response to Bill C-48. We will open the floor for discussion. We have, I believe, consent from the Members to call in a witness from the Dene Nation, and a request for the CYI president, Council of Yukon Indians, who has a small brief presentation to make to the Assembly concerning Bill C-48. Will you see that the witnesses are at the table? We have as witnesses, Mr. Georges Erasmus, the president of the Dene Nation, and John Bayly. I think he is their legal adviser. Am I right, Mr. Erasmus?

MR. ERASMUS: That is correct.

CHAIRMAN (Mr. Fraser): Thank you. I believe you have a presentation to make to the Assembly, so I will give you the floor, Mr. Erasmus.

Presentation By The Dene Nation

MR. ERASMUS: I have a number of comments that I would like to make to the Assembly here in relation to the proposed bill before the federal House of Commons, the proposed Bill C-48 dealing with supposed Canada lands.

The position of the Dene Nation is that this new bill will have a dramatic effect on the future of northern Canada. It will have an effect on Newfoundland, British Columbia and other provinces that also have offshore. It will have a dramatic effect on the Northwest Territories and the Yukon, particularly, because we are not yet provinces.

We are aware that this Assembly is discussing this bill and is now entertaining motions dealing with this bill which will direct the Executive of the territorial government. We would like to add some thoughts to your debate. This bill, in our opinion, is something that we cannot approach in the manner that we attempt to tinker with the bill. Our belief is that all of the major native organizations and both the Yukon and the territorial governments, seeking alliances with the provincial governments affected, should oppose this bill.

We strongly believe that what is happening is that the future of the North is being determined by this bill. It means that we will have perpetual colonial status in northern Canada. It means that we will never be able to pay our way in this country, and we will always be in a "catch 22" situation. It means that the federal government will always be able to say to us "You cannot pay your own way and you will not have self-government until you can." With this particular bill, giving the awesome kind of powers over the development of oil and gas to the federal government, this will mean that the discussion of Nunavut, Denenedeh, a discussion about aboriginal rights, the discussion of self-government in the North, is a foolish exercise.

Biggest Land Grab In Modern History

We see this act as one of the biggest land grabs in modern history. If they were attempting to do this in any other part of Canada, no province would stand by and let this happen to their lands. We see what is happening to northern resources as the same thing as nationalizing the Alberta tar sands, as the federal government taking over the tar sands and saying this is federal land and we will govern it from here on in.

We think this means that the possibility of provincial status or provincial-like provinces in the North is more likely not to occur if this bill goes through. I really cannot understand how some of the advocates of northern self-determination are willing to give up all our oil and gas without first, at least, putting forth a fight. I cannot understand how we can be talking about sharing in the royalties, etc., when we are completely ignoring control.

I cannot accept the concept that we have a debt to southern Canada. Our position should be, if there is anything to pay back to southern Canada, give us control, let us develop our resources, let us pay our bills. What we would like to propose is that we jointly fight this bill. We think anything less is giving up our future without a struggle. No province in this country would give up their oil and gas without a fight, and if this is supposed to be the official elected representatives of the interests of the people of the North, then at least part of the fight should be being led by the people in this Assembly.

We are going to oppose this bill, with or without the territorial government, but our belief is that neither the territorial governments of the Yukon nor the Northwest Territories nor the native people by themselves are going to win this battle. What Ottawa is doing is avoiding the tough issue of getting a handle of the oil and gas in southern Canada that the multinational corporations control by going to a weak -- supposedly weak section of Canada, and actually, nationalizing our resources. Where do you see in the bill that northern interests are going to be protected? Where do you see in the bill that we will first get the lion's share of royalties? Nowhere. Where do you see in the bill that so-called aboriginal rights will be protected?

Allies Needed To Fight The Cause

The first principle of aboriginal rights comes from the basis that the original people never gave up control, and anything less than that is not important, and that is what the whole exercise is about, and anything less that we are going to fight for, does not make any sense. We cannot surrender without a fight. There is a clause -- I do not know if it is in this motion or not -- in one motion that I saw, a draft that was being proposed by Mr. Patterson, there was a clause saying, "Aboriginal rights, aboriginal titles, should be protected." It is a contradiction in terms. If we agree, and set up a situation where Ottawa even has more control than they do now, and we sit by without a fight, negotiations will be farcical. We will not be able to talk about northern control of resources, neither in future forms of government, nor in certain aboriginal interests. We will not be able to talk about subsurface rights. This is something which I think the territorial government can do something about, and it is a decision that has to be made here. We strongly recommend that the Northwest Territories government seek further allies. We know that we are supported by native organizations in this position. We think that the affected provinces are natural allies. We think the Yukon should be contacted, and the so-called northern leaders conference concept that has been kicked around should deal with this matter, should arrive at a position on this matter, and should make a presentation in Ottawa jointly on this matter.

Northern Control Over Development Of Oil And Gas

So, in short, the motion that has been amended does not go far enough, and I am not talking about ideologies. I am not talking about whether or not oil and gas, as other minerals in this country, should be developed for the people or not. That goes without saying, but the control should be in the North, and this particular bill, if it goes through, makes it virtually beyond our reach. It gives a power to the federal government to virtually develop oil and gas without going through the normal National Energy Board format. If necessary, the government is acquiring the authority to develop as quickly as they want the oil and gas.

Even if there was a settlement, and the native people actually did have some oil and gas, with this bill going through the way it is, if it was a known resource under aboriginal lands, we could be ordered to deliver the oil to markets in the South, or wherever they were supposedly needed in Canada, for whatever reason. I think my comments are clear. I have no problems entertaining questions. I have our legal adviser, John Bayly, here with us, who can also answer questions. Thank you.

--Applause

CHAIRMAN (Mr. Fraser): Thank you, Mr. Erasmus. Before I open the floor for questions, I would like to call in Mr. Dave Porter from the CYI, Council for Yukon Indians. You will see him to the table.

MR. ERASMUS: I would just like to make one last -- could I just make one last...

CHAIRMAN (Mr. Fraser): Mr. Erasmus.

MR. ERASMUS: We have a typed statement which, if somebody would not mind, we will pass out, which we will also submit as part of our presentation.

CHAIRMAN (Mr. Fraser): Mr. Curley.

MR. CURLEY: Mr. Chairman, I am just curious as to how you got around to inviting a member from the Yukon without the consent of the House. Has it become the practice that we do so without the consent of the Members?

CHAIRMAN (Mr. Fraser): It was with the understanding that the Assembly said to invite witnesses in from the native organizations, and he is in a native organization from the Yukon. Mr. Curley.

MR. CURLEY: We do not normally have the opportunity to just casually walk into the Yukon legislature, and I wonder whether or not this House should be a little more interested in supporting its own integrity, by asking us before we invite visitors.

CHAIRMAN (Mr. Fraser): Do the Members agree that we should call in the member from the Yukon?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Fraser): Thank you.

---Agreed

Mr. Dave Porter, have you a presentation for this Assembly?

Presentation By Council For Yukon Indians

MR. PORTER: I would like to begin my comments by thanking this Legislature for giving me the opportunity to address you today on a very important matter that concerns all the people in the North. What you have just done is something that the Yukon Legislative Assembly can very well learn from, and if it is done more often, I think that the entire North can benefit immensely from this kind of an exchange.

---Applause

I would like to limit my comments to a very brief couple of minutes. I would like to address two aspects of the present Bill C-48. First, the point that I would like to address is that it affects all of the North, and its ramifications are going to be felt in the Yukon as much as they are going

to be felt in this part of Canada. It affects aboriginal rights in the Yukon inasmuch as it affects aboriginal rights in the Northwest Territories. It affects a loss of revenue for the people of the Yukon as well as the Northwest Territories, and most important, what this bill does is to ensure a loss of control over our quality of life in this part of the country. I think that each and every one of us -- that aspect of our lives is something that we can all be proud of, and it is something that we should all bind together to continue to enjoy that quality of life.

Secondly, I think that if we recognize our common interest and concerns in this matter, then I think our task at hand becomes very clear, and that is to get all of the political leaders in the North together on this issue. Bill C-48, as it stands, if accepted or supported by anyone that purports to be in a political position of representing their people in this part of the country, anyone that accepts that premise I think is committing political suicide. What you are saying by accepting this piece of legislation is that you are giving up your right to govern yourselves. You are giving up a very major portion of what constitutes government, and that is the resource that will enable you to pay your way into the future. Bill C-48 guarantees that the North will never see self-government. It guarantees perpetual federal control in a very critical area, and that is in our resources, specifically aimed in this bill at the oil and gas industry.

Meeting Of Northern Leaders Needed Immediately

I think that given the magnitude of this bill, we must immediately convene a meeting of our leadership -- and when I say immediately, I think within the next two weeks. My understanding in talking to people here briefly is that the Northwest Territories government has been given an opportunity to appear somewhere on March 24th. I stand to be corrected. There has been some discussion among ourselves as to an appearance, but I think because of the consequences and the ramifications that this bill proposes to all of us in the North, that it is in our interest to sit down collectively and look at it. I can assure you if the Yukon government takes a look at this bill and what it means, that they will very quickly come to that realization.

In that respect, I would like to close my comments with thanks to the Executive Committee of the Northwest Territories government for the extension of an invitation to participate in a northern leaders conference. I think once we reach that stage, only then can we look at a specific response to the contents of this particular piece of legislation. It has been called probably the most abhorrent piece of legislation that has hit the House of Commons in the last decade. It makes kings out of the Liberal government and the governments that will follow, under this legislation, in this part of the world. I am sure that something we can all agree on is that we do not want to be forever under the kingdom of Ottawa. Masicho.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Porter. I believe the witnesses are open to any questions. If the Members have any questions for the witnesses, they can direct them to any person that is at the witness table. Mr. Patterson.

Control Of Resources Questioned

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I am very happy to have had the chance to hear these views, and I might say that I certainly will be influenced by what is said and by what we learn in the joint discussions that obviously will follow and hopefully will lead towards a joint presentation. I would like to hope that everyone is going to go into this with an open mind. Maybe my approach is a little bit too pragmatic.

I would like to ask either witness -- Mr. Porter has just said we are giving up our resources, and Mr. Erasmus said no province in Canada would ever stand up to giving up their oil and gas. With all respect -- and address us, if you like as a territorial government and not as you would address people or an organization that represented exclusively the rights of aboriginal peoples, because we are trying to form a position for the territorial government. I think if I was looking at it from the point of view of an aboriginal rights organization, I would feel that this was not as true. As a territorial government, did we ever own or control the resources? Are we giving up anything? I mean, I remember when the vast sales of oil and gas leases went up for grabs in 1976, I think it was, under the previous Oil and Gas Act which this bill replaces. I was relatively new to the Territories at that time -- I suppose I still am -- and I remember saying to myself why does somebody not do something about this, this is terrible.

With respect, we never had a whimper of a right to control any of these resources as a territorial government. I am just wondering whether it is really going to help if we go down there and say this is wrong, this should be ours, this should be handed over to the Government of the Northwest Territories. Are we really giving up anything that we did not lose years ago, by law, by federal government law? This is not the first oil and gas exploration that has taken place over our lands. I am just wondering, is it not too late to take that position? However much I would like to be able to take it, is it realistic? Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Patterson. Are you directing that question at Mr. Porter?

HON. DENNIS PATTERSON: Either witness, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Would one of you care to answer that? Mr. Erasmus.

Native Sovereignty Over Lands Never Surrendered

MR. ERASMUS: Well, if one wants to run over the colonial institutions that Ottawa has set up here, it is true, one could not disagree with Dennis Patterson. For some reason or other, England thought that they owned all of this land and they were going to control from Ottawa, the oil and gas, along with everything else. They have never passed that somehow acquired authority over the oil and gas up here.

Surely as leaders of an area of the world that seeks self-determination, we are not going to accept that. How can you say what they are doing is just, any more than it is legal? The native people that are involved in negotiations with the federal government are all attempting to resolve their situation in as practical a way as is possible, but the Inuit, along with the Dene, could take the position, and very rightly so, that their sovereignty was never surrendered. There are no treaties with the Inuit, who rightfully have control over the oil and gas where they have always lived. The treaties with the Dene, it was held up in court that there were peace treaties, there was no surrender. What does that mean?

Perhaps for European descendants, they may accept this concept of European law that they have the right to this area of the world. But surely, as leaders of the movement to home rule, as leaders in a movement for self-determination in the North, we can never agree that we do not have the right to assert and fight for at least the same privileges that other parts of this country enjoy...

---Applause

...from whatever argument you want to use, even if you were to put aside the argument of aboriginal rights.

Too Many Riches For Too Few People

If the oil and gas in northern Canada is only going to be used for all of Canada, why is the oil and gas in Alberta, Saskatchewan and other provinces not going to be dealt with in the same manner? Those provinces, before they became provinces, were treated in exactly the same way northern Canada is now. There are certain provinces in Canada right now that are getting more money from transfer payments than northern Canada. In fact, one of the arguments that they use against northern self-determination is that we are so rich up here that they cannot hand over the oil and gas and our mining resources, because not only will we build a heritage fund which will make Alberta look like peanuts, but that there are too many riches for too few people. I cannot accept this "cap in the hand" kind of thing where we are supposed to be grateful to southern Canada.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Erasmus. Mr. Porter, would you care to comment on that question?

MR. PORTER: To that question I have a very short, terse statement and that is that if the people of the North want continued federal control in the North, then accept Bill C-48 as is. If they do not want continued federal control, then please stand up and reject it and at least be seen to be fighting for changes to this bill.

MR. MacQUARRIE: Hear, hear!

---Applause

CHAIRMAN (Mr. Fraser): Thank you. Mr. Curley. Mr. Patterson, have you a supplementary question?

Continuation Of Oil And Gas Production And Exploitation

HON. DENNIS PATTERSON: If I might, Mr. Chairman. Again, I appreciate the response and the eloquent replies. Just a supplementary though, Mr. Chairman.

I have not necessarily made up my mind on this, but I am going to present another question based on how I came at this thing. The way I see it now, without this bill, and assuming this bill is rejected, the oil and gas production and exploitation is going to continue. Without this bill, the private sector or third party interests, if you like, will continue, as they do now, to be in a 100 per cent ownership position. They will continue to own all the leases. They will continue to have the best pick of fields that come up, and they will continue to own production facilities, and they will likely continue, as most major developments in the North seem to do, to export our resources outside Canada, and I am talking about minerals as well as oil and gas.

Now, given that reality, are you prepared to oppose a bill which in effect proposes to turn at least 25 per cent, and maybe more, of that third party interest from private hands to public hands? Admittedly, it is the federal government, but as I see it, from the point of view of aboriginal rights, if not our rights as a potential province, at least there is one thing in this bill that is going to move us a little closer to being able to meaningfully negotiate. We are not going to be able to meaningfully negotiate with -- I hate to pick on Dome, but I will -- Dome Petroleum. Now, is at least that part of the bill something that we should take a look at in terms of our interests, in the sense of reducing the third party interest, because those third party

interests are completely unapproachable? I do not know if we have a particular legal or as good a legal claim against them as we would with the sovereign as aboriginal peoples. Can you comment on that?

CHAIRMAN (Mr. Fraser): Mr. Erasmus.

Institutionalizing Ottawa's Powers

MR. ERASMUS: The argument that you are putting forth for the North getting a fair share of northern development obviously is an argument that we would put forth, but the thing about this bill, which is different from what exists now, is that it virtually takes emergency powers and standardizes it. It institutionalizes it as everyday normal powers that Ottawa will now have. The federal government will now have the ability, with any known resource of oil and gas anywhere in the land that will be called Canada lands, which will include all of the Northwest Territories and the Yukon, except for small portions -- the Minister will be able to give the company, or the bodies owning that, marching orders. Deliver now, and do further exploration, if you have discovered a little bit -- without going through the NEB, without necessarily any kind of way for the territorial government to come in and provide any kind of socio-economic concerns, environmental concerns.

The EARP process that now exists -- we do not support the EARP process. We think there should be a stronger process involved -- but that will not even be relevant anymore. The NEB review will not even have to happen. They are virtually declaring that the resources of northern Canada, because of the emergency situation of energy or something, will now be completely controlled by Canada, and if the Minister so desires, it will be delivered on the date that they want, in the manner they want, to whom they want, regardless of the situation, and there will be no recourse.

Nunavut And Denendeh Must Become A Reality

Now, you are talking about Dome Petroleum, etc. Well, I think the argument there is very plain. The discussion in Frobisher Bay about the creation of Nunavut, the creation of Denendeh, must become a reality, and along with that reality, must be the power to control northern resources by those two new governments. We must put our joint energies to resolving that as quickly as possible, but the first step is to make sure this does not happen.

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

MR. MacQUARRIE: Thank you, Mr. Chairman.

CHAIRMAN (Mr. Fraser): Just a minute. Mr. Porter, did you want to comment on that question?

Guaranteeing Continued Federal Control

MR. PORTER: Seeing you are giving me all this time, I cannot say no. In response to two particular issues that you brought up -- that I thought were two particular issues -- I think the first issue hits the question right on the head, when you talk about that this bill at least guarantees 25 per cent of the interest to public interests, meaning the federal government. That is exactly the point of this bill. You are guaranteeing continued federal control of some sort, and we say, that is wrong. It should be for the people here. Why can the people of the North not have a guaranteed participation in their resources?

To speak to the second point, until we get that measure of control over those resources, we will never be able to negotiate with Dome Petroleum. We will continuously be relegated to positions of baggage carriers every time their executives hit town in an airport, and I for one cannot accept that kind of a position.

MR. ERASMUS: Could I ask John Bayly to add a few things?

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

Development Should Be For Benefit Of NWT

MR. BAYLY: Mr. Speaker, in response to Mr. Patterson's question about this bill providing 25 per cent government share, if you will, there is nothing in this bill, and this is the concern, I think, in looking at the legislation piece by piece, section by section, there is nothing in the bill that contemplates that the resources of the Northwest Territories oil and gas would be developed for the benefit of the people of the North first.

Now, you have said, in the past we have never had that, but let me draw your attention, for example, to another piece of federal legislation, which is the Northern Inland Waters Act. The Northern Inland Waters Act provides that the waters of the Northwest Territories will be conserved, developed, and utilized for the benefit of all the people of Canada but first for the residents of the Northwest Territories. That bill was passed into being 10 years ago. In that 10 intervening years, in my respectful submission, we have taken a step backward, so that not only are the resources not to be developed at all for the benefit of the people of the Northwest Territories, but there is nothing in this proposed Bill C-48 that says that they will be developed in the national interest, as is now the case under the National Energy Board Act.

In The National Interest

You have to show, if you are a developer -- and I do not care whether you are Petro Canada or whether you are Shell Oil -- you have to show that the resources will be extracted and transported in the national interest. The Minister determines, not a public board whose decision is accepted by cabinet at present, but under Bill C-48 only the Minister decides under sections 45, 47 and 48 of this proposed legislation, about whether the resources of this territory are to be delivered, where they are to be delivered, and at what prices.

Let me suggest to you a scenario. If the Government of Canada wanted to see the tar sands developed in Alberta, and the tar sands require natural gas to bring them into being as transportable fuel, they could easily order the Arctic Islands natural gas to be delivered to the tar sands at whatever price the Minister chose, to enable the development of those resources for the benefit of Canadians in other parts of the country without this Legislature having any say about that whatsoever, and without it being required to show that that is in the national interest. I think it is that sort of thing that raises the kind of concerns that have been expressed at this witness table.

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

MR. MACQUARRIE: Thank you, Mr. Chairman. I think with respect to Mr. Bayly's last remarks, if they have validity it would be in favour of attempting to make amendments in the Oil and Gas Act that is proposed. I would like to go to what I think is maybe the heart of the matter and I would ask this question of Mr. Erasmus. Does the Dene Nation, or if you feel you cannot speak for the Dene Nation on this particular question, do you accept the sovereignty of the Government of Canada over all of the areas that are presently claimed by it?

CHAIRMAN (Mr. Fraser): Mr. Erasmus.

Dene Nation Position

MR. ERASMUS: I think the way that we are approaching federal sovereignty over northern Canada will be resolved in the negotiations. Our position is that the Dene have never surrendered their sovereignty. We are prepared to reach a negotiated relationship, which will arrive, in the North at a form of government that derives its right to govern from the continuing right of the Dene to self-determination, not from the authority of England through Ottawa for us to create a form of government in northern Canada.

Thus, we do not see the need for the representative of the Crown, unless the relationship is completely reinterpreted. We do not accept the present relationship that is being forced upon the North to accept. Thus, the negotiations of the Dene rights not only include what sort of land the Dene will continue to own, what sort of compensation we will receive for the lands that may be surrendered, future rights that may be surrendered by the creation in the Western Arctic of Denendeh, a public form of government which will receive its right of self-government from here, from the people in this part of the world that have always been here. For that kind of relationship, we will be prepared to accept the authority of the federal government in those areas, in those matters that they now continue to have, which is separate from the provincial powers that confederation is based on.

As is publicly known, we are attempting also to negotiate for certain powers that the federal government now has, which other provinces in Canada do not have. We may not be successful in having those -- in acquiring those powers, but this is how we are approaching sovereignty. We do not believe we have surrendered the sovereignty of the Dene.

CHAIRMAN (Mr. Fraser): Thank you. A subsequent, Mr. MacQuarrie.

Sovereignty Over Dene

MR. MacQUARRIE: Mr. Erasmus, to me that is an answer of ultimate and crucial importance. I take it to mean, and you may correct me if I am wrong, that you feel that the Government of Canada does not now have sovereignty over the Dene. Am I correct in that?

CHAIRMAN (Mr. Fraser): Mr. Erasmus.

MR. ERASMUS: It is a play on words.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: I think not at all, Mr. Chairman. I would say that it is of crucial importance. At a public meeting last summer I heard Mr. Erasmus say to the Minister of Indian Affairs, "We are not sure whether the Dene will join Canada", or words to that effect. Is that essentially the way you think and feel about the matter?

CHAIRMAN (Mr. Fraser): Mr. Erasmus.

MR. ERASMUS: I think that I have explained how we are approaching sovereignty. The Dene have not relinquished sovereignty. The negotiations that we are entering is our way of entering confederation, no different than Newfoundland or any other part of this country when it joined confederation. And further, it is true that the Dene do have as an option, and I hope similarly other parts of this country, to democratically disassociate itself, if we so desire, from this country, but that has never been our position. We have never sought it. We are seeking a negotiated entrance into confederation. This bill that we are discussing here

here is a perfect example -- I rest my case -- that the North is not part of confederation. There is no other part of Canada where this could happen, because in other parts of Canada there has been a fair arrangement. There has been a division of power. Resources are being controlled by a closer form of government to the people.

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

MR. MacQUARRIE: Thank you, Mr. Chairman. As sympathetic as I wish to be to seeing justice done to Canada's native people, that is a point that makes it very difficult -- well, not difficult, it is impossible for me to identify with the Dene position, because I do believe that the Government of Canada has sovereignty over all of the areas that it now claims.

To pass to another matter, then, is it your opinion that the passage of this bill -- I believe it was stated, I just want to be very clear -- that the passage of this bill would preclude the future possibility of areas in the Northwest Territories becoming provinces and actually owning resources in the future?

CHAIRMAN (Mr. Fraser): Mr. Erasmus.

MR. ERASMUS: I wonder if I could ask Mr. MacQuarrie to rephrase that again.

CHAIRMAN (Mr. Fraser): Mr. MacQuarrie.

MR. MacQUARRIE: Yes. Does Mr. Erasmus feel that if this Bill C-48 is passed, that that would actually place a legal impediment of some kind in the way of an area or areas in the Northwest Territories ever becoming full fledged provinces?

CHAIRMAN (Mr. Fraser): Mr. Erasmus.

A Mockery Of Future Self-Government

MR. ERASMUS: Yes, that is exactly our position. It, in effect, will take all of those areas in northern Canada that have, first of all, known resources of oil and gas beyond the reach of the negotiating table. They are pretty well beyond the reach already, but this will entrench that. Further, what it will mean is that resources that will be discovered in the future would also be beyond the negotiating table.

I am sure this will mean that in the fine print of an agreement we may negotiate with the government, their position will be that any discoveries of oil and gas on the aboriginal lands will fall under this particular bill and it is our feeling that it makes a mockery of any discussion here of future self-government. There is no likelihood, particularly if this government is just going to sit by and let this one go by.

---Applause

CHAIRMAN (Mr. Fraser): Thank you. Mr. MacQuarrie, a subsequent question?

MR. MacQUARRIE: Thank you, Mr. Chairman. That is a point that I will want to check with our Law Clerk later, because it is a very important one. A last little series if I may, Mr. Chairman. I understand you are calling on this Assembly and all peoples of the North to join you in a fight -- and correct me if I am wrong -- but I understood that to be a fight to absolutely prevent the passage of this bill and not to compromise in it. If you agree that I interpreted that correctly, would you give me a comment about the extent of the resources you see that we have to fight with and your own evaluation of the chances of success in achieving that object, if in fact you do agree that that is the object?

CHAIRMAN (Mr. Fraser): Mr. Erasmus.

Natural Allies In Northern Canada

MR. ERASMUS: Well, you read our position correctly. We think that we do have to join together to fight this one and our assessment of what we can achieve together is really unknown. It has never happened, has it? Earlier this year -- last year -- we took a common position with the Executive of the territorial government on the position of the Norman Wells pipeline. We said we were seeking a delay. It was a very soft support from the Executive. There has never been a public meeting where we have done anything about it.

The politics of southern Canada, I think the elected Members here could learn something about. Provincial premiers go to England if they have to argue their point. They go public, they seek support. The point that we are putting forth is that if the territorial government did want to fight this, there are natural allies in northern Canada, across the border into the Yukon, the provinces that this affects. I can bet you right now, I have not talked to Newfoundland, but I am sure they are going to be with us. We are not going to be alone. We just cannot surrender and give up control to northern oil and gas without a fight.

As one last point in our case of so-called impossible fights, virtually everyone in northern Canada was saying the Mackenzie Valley gas pipeline was going to be built when the Dene took the position that no, it was not going to be built. I think we have proved that it is possible to redirect Ottawa's thinking. The Dene are going to fight this bill and more than likely we will have support from native organizations. If the Yukon government, if the Northwest Territories government decides rather than fighting this bill, that they are going to tinker with it, attempt to get amendments here and there so there is a little spill-off for giving control outright to Ottawa to declare when any of our oil and gas resources are going to be developed, we will get a few pennies.

Affects All Northern Residents

Yes, it is going to be very difficult for us. It is going to be even more difficult because we are giving credibility to this organization here, because we attempt to work with this organization. It is going to be even more difficult than when we fought the Mackenzie Valley pipeline because at the same time we were doing that, we were every day showing that even though, through this House, there were resolutions being passed every day, every time there was a discussion on the Mackenzie Valley pipeline, there were motions passed in support of that pipeline, every community that Berger went into, the majority of the people clearly did not want that pipeline to happen. We do not have that forum again. So, I cannot promise you that if we decide in unison to fight this one, we are going to win. Obviously not, but we are calling you to take the high road with us. It affects us all. It affects the few of us that are native twice as much perhaps, but it affects us all.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Erasmus. Mr. Porter, do you care to respond to that question?

MR. PORTER: I do not think that my response would be very much different from Mr. Erasmus.

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

HON. TOM BUTTERS: Mr. Chairman, for Dave Porter -- but before I put the question, I wish to congratulate both of the witnesses for their very fine presentation this afternoon. It has been most interesting and most moving.

MR. McLAUGHLIN: Hear, hear!

Position Of Yukon Government

HON. TOM BUTTERS: I have just been trying to get Chris Pearson in the Yukon to indicate to him what is occurring here and to determine if the Yukon has taken any position and to see what they might be thinking about the bill. I was unsuccessful in doing this, but I would like to put to Mr. Porter, Mr. Chairman, whether he and his organization have approached Mr. Pearson and his executive committee in the same manner as he is doing here this afternoon and ask what response did he get from the Yukon government?

CHAIRMAN (Mr. Fraser): Mr. Porter.

MR. PORTER: In answer to that question specifically, we have approached Mr. Pearson on the contents of Bill C-48 and sought a joint discussion on it. The answer is "No". To be very truthful, we have only begun to look at Bill C-48. It has been quite the sleeper here. I think, as everybody else has realized, it has kind of snuck up on us and hitting us pretty hard. So in effect, my presence here in the Northwest Territories was to see what this Assembly as well as what the Dene Nation are doing in respect of this particular piece of legislation. I was told that it was very bothersome and that its repercussions were very great, so to a large extent, I think you are slightly ahead of the Yukon in respect of looking at what the ramifications of this bill are, but I lay heavily on "slightly", because it is obvious that the work that is needed is very vast and we better get down to business.

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

Alternative To Bill C-48 Must Be Proposed

HON. DENNIS PATTERSON: Well, if no one else has questions, Mr. Chairman, thank you. Okay. We go to Ottawa on a united front of both territorial governments and all concerned native organizations and most of the provinces of Canada oppose Bill C-48. What next? Obviously everyone who has spoken today, I think, is concerned about constitutional development of the territorial form of governments into provincial-type control of resources and the social and economic futures that we have to pay for and of course we are also obviously concerned that the aboriginal claimants get their share of what may be an even better legal interest in those resources than we might have as a territorial form of government.

Now, if we oppose Bill C-48, what do we propose in its place? Are accelerated land claims negotiations going to see northern peoples controlling resources? Do we push for constitutional development to accelerate our progress toward provincial status? I think we have to look a bit further and say "Well, what are we going to propose if we" -- we cannot just go and oppose the bill. What do we propose to give us the equity that we see and the fairness and the justice that you see this bill does not provide? Where do we turn if we take that position? Thank you.

CHAIRMAN (Mr. Fraser): Mr. Erasmus.

Creation Of Nunavut And Denendeh The Alternative

MR. ERASMUS: Well, to begin to deal with some of these matters, a couple of weeks ago we met with the Executive of the territorial government to discuss a northern leaders' conference because we think there are events that are

overtaking what is going on in the North. We need to take the initiative. Obviously if we are going to oppose this, we should have some affirmative plans that we have initiated, that we want. Again, I go back to the discussion in Frobisher Bay of the creation of the two new political units in the North. Again, I go back to the position that the Dene took there.

We support the creation of Nunavut but unless Nunavut is going to control its oil and gas, its mining resources, both its renewable and its non-renewable resources, you will still have a government in Ottawa that will decide the future of the North. Likewise, here in the West. With the creation of Nunavut, we want to create in the West a new province in the tradition of the Dene that will be a public government for all of the citizens of the Western Arctic. If we set up a government that is a replica of this, that does not have control over its resources, what is the sense? Why bother?

Assembly Influence On Development

So I think we need to do some work together. I think that this particular Assembly can have an acute influence on developments. The Dene have been waiting for a government negotiator since the fall even though the federal government supposedly has an interest in resolving our rights. I think that this Assembly can have a positive influence on the federal government. I think that we should develop a position against this particular bill jointly with the Yukon, with ourselves, see if in fact we have some alliances in the provinces affected and have our own game plan for the North. We should at least have the government change its section dealing with Northwest Territories lands as all other provinces. As I read it, I do not believe that the Inuit are prepared nor is the Executive prepared to give up the oil and gas under the sea without a fight. This is what we will be doing by letting this go through.

Surely, if nothing else, and I am not proposing we do not develop a plan, but surely, if nothing else, we can ask them to stall this. The government is doing two things. One, right now they are discussing the charter of rights. They are discussing patriation. In patriation they are talking about supporting aboriginal rights. Canada will be unique. There will be no other country in the world, in its constitution where they talk about aboriginal rights, and it says it affirms aboriginal rights. At the same time then, it will make it impossible for northern aboriginal people to ever control our oil and gas.

HON. DENNIS PATTERSON: Maybe Bill C-48 is unconstitutional.

MR. ERASMUS: Well, it depends when it is passed.

MR. CURLEY: Question.

CHAIRMAN (Mr. Fraser): Any further questions? There being no further questions -- Mr. MacQuarrie.

Return Commitment From The Dene

MR. MacQUARRIE: Thank you. If there are no others, I would like another opportunity. The Dene have taken a position and expressed it very strongly here today, and it is asking this government to side with it in attempting to achieve certain things. Mr. Patterson raised the very important question, "Yes, but what next?" Because in a sense what is being asked is that we prevent the passage of a particular bill, but that still leaves all sorts of questions unanswered later on. So, I can see the possibility, and not wishing to be cynical at all, but I can see the possibility that this government could be asked to support a particular Dene position and then having done that, it may well, in a sense, be used and discarded.

I say, Mr. Erasmus, that this Assembly has come off Government of the Northwest Territories ideology by a long, long shot. The Eighth Assembly wanted the Government of the Northwest Territories to be the single government for the whole Territories for all time. We have moved away from that. It called for responsible government for that territory in four years and provincial government in 10. We have come away from that. This Assembly has formerly recognized the concept, the legitimacy of the concept of aboriginal rights and that those rights will have implications for constitutional development. This Assembly has adopted the position that it will not seek to impose a form of government on any peoples in the North. So, I would say that we have come a long way off ideology. Could I ask what the Dene Nation is willing to do in response? Could it give a commitment that there will be one government for all citizens of the Western Arctic; that it is willing to accord this government some recognition to act in trust for all the peoples of the Northwest Territories if this government in turn goes hand in hand with some of the things that the Dene are requesting? What kind of commitment in return, is what I would like to know?

CHAIRMAN (Mr. Fraser): Mr. Erasmus. Point of order, Ms Cournoyea?

MS COURNOYEA: A point of order.

CHAIRMAN (Mr. Fraser): Is that a point of order, or a point of finger?

Point Of Privilege

MS COURNOYEA: A point of privilege, or a point of order. Are we not getting off the subject? We are dealing with Bill C-48 and we asked the Dene Nation to come in and speak on it. I think if Mr. MacQuarrie wants to invite the Dene Nation to talk about their position, then he should do so in an honourable fashion, stating why he wants them to appear, rather than digging at them from the side when we are discussing Bill C-48.

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

MR. MACQUARRIE: A point of privilege, Mr. Chairman. Not a point well taken, because I did not ask them to come and the questions I asked are asked in all sincerity. If some of them should not have been asked, I apologize, but certainly, I was not responsible for bringing the witnesses in and trying to get at them in some underhanded way.

CHAIRMAN (Mr. Fraser): Thank you, Mr. MacQuarrie. Mr. Erasmus, you do not have to answer that. We are dealing with questions on Bill C-48 and the motion. Any further questions? Mr. Butters.

An Historic Moment Of Joint Interest

HON. TOM BUTTERS: Mr. Chairman, in terms of recognition of this House and this government, certainly the appearance here today of Mr. Erasmus and Mr. Porter is a major step and I think many of us recognize what has happened here today. It is a very historic moment, to see these two gentlemen appear before us and suggest that there may be a joint interest which we could pursue together, and I think this end is what they are asking us to consider. I think that, as Mr. Porter pointed out, Bill C-48 has been a sleeper. It has just suddenly appeared, an almost monstrous impossibility on our northern horizon.

MR. MACQUARRIE: Not any more.

MRS. SORENSEN: There is lots more coming.

HON. TOM BUTTERS: We do not have much time. It would appear to me that in the timeframe we have left, some six weeks, what may be required would be a joint conference and I think that at that conference we would look to, maybe, the Yukon and the Northwest Territories governments providing the framework for that conference to take place, a joint conference of northern leaders, at which this whole matter of Bill C-48 and the impact of this bill on the North as a whole could be discussed. There would be, maybe, some possibility of inviting or asking the premiers of other provincial jurisdictions to attend such a gathering. I do not know what would come out of that gathering, but certainly it would indicate a major concern, a collective concern, of many peoples who live in Canada lands. I think it would serve notice to Mr. Lalonde and Mr. MacEachen, and Mr. Chrétien and Mr. Trudeau, that there is a significant number of people who live in Canada lands and who would like to have some say in Bill C-48 before it is enacted or before it returns before the House.

So, I think what the witnesses today are asking us, what can be done together. I think we should take a joint initiative to establish a meeting in the next two or three weeks, or four weeks, of northern leaders to discuss the problems that Bill C-48 will bring us and the impact that will occur unless we can defer the proposal that is presently being considered by the federal government.

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

Strength In Consensus

HON. DENNIS PATTERSON: If I may, Mr. Chairman, just follow up on what Mr. Butters said. I agree with those sentiments and I also think that it is highly desirable that that northern leaders conference -- and I hope I am not out of order in suggesting this -- also discuss the other significant piece of legislation presently before the parliament of Canada, namely, the proposed joint resolution, which also has significant implications for these Territories and these lands, both positive and negative.

So, I applaud that suggestion and I would like to simply say that this discussion, I think, has been very useful and more should take place. While I maybe presented a particular point of view and even may have defended it, I think we have to work together toward a common position and I am certainly prepared to rethink all my reasoning and I trust that everyone else will approach these important questions with the same openness of mind, because we do all come from different perspectives and perhaps different political persuasions and it is most desirable that we do achieve consensus, because I do agree that if we can, we will have achieved a most significant strength.

I cannot help but wondering whether, if we are going to invite provincial premiers, whether we should not invite Mr. Lalonde to attend this at some point and account for himself in the Northwest Territories or in the North. If he does not come, well, that will say something in itself. I just throw that out in passing, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Patterson. There being no further questions, the witnesses will be excused. Mr. Stewart.

HON. DON STEWART: Thank you, Mr. Chairman. I have to join my colleagues in expressing my thanks to the witnesses coming here today. We being the long-term residents of the Northwest Territories, that if indeed we are going to accomplish those things that are in the best interest of all people of the Territories, we have got to get together to do it.

HON. TOM BUTTERS: Hear, hear!

Control Over Natural Resources A Concern Of Past Assemblies

HON. DON STEWART: Today, the presence of the two organizations is certainly, in my opinion, a step in the right direction. I think that all of the Assemblies, that is speaking now of the territorial Assemblies, have always strongly expressed their desires to have some control over their natural resources. As a matter of fact, the introductory remarks of Mr. Erasmus -- I am sure that we could find speeches in our records that would be almost identical. To suggest that you and David Searle might say the same things goes a long way, but he was at all times very, very concerned about the Territories losing control or not gaining control of their natural resources.

So, we have many things in common and I would hope that this is just the beginning of dialogue, so that we can fully understand one another's position, can work together where possible, and certainly we are not always going to agree. Even among the 22 Members here, there is very little agreement on many occasions, but the process to let the people of the Northwest Territories, all of the people, have some little say in what is going on across the Territories, is really what democracy is all about.

We have too long been divided by different organizations going different ways, and if this is the beginning of a dialogue then probably this Bill C-48 is a blessing in disguise no matter how bad it might be, because now we have at least got something in common, that we can get out and do something about. I would hope that the House would have a good look at this and let us get on with the job. Let us hope it is not another 10 years before we see people from your organization here with things that we can work together on. Thank you.

---Applause

CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. There being no further questions -- Mr. Sibbeston.

MR. SIBBESTON: Mr. Chairman, what can one say, really to add to what has been said already.

MR. CURLEY: Report progress.

---Laughter

Powers Of Legislative Assembly Restricted

MR. SIBBESTON: As Members know, I have taken certain positions on things like the Norman Wells pipeline and have said that in respect of that pipeline, because native people in the Mackenzie Valley are really against it, that this Assembly ought to take a real hard position to the extent of not passing the budget of this government that we are presently dealing with. That is the kind of thing that I have advocated. So this Bill C-48, in a sense, has brought us back, to the question of what could the people of the North do. In considering all of the things, like in the event that we are able to form a joint position and go down to Ottawa and make our case known to Ottawa and in the event that despite this, we still do not get anything from the federal government, we are left with the situation of what to do.

In considering the sorts of things that are possible through this territorial Assembly, in considering all aspects, whether we could perhaps pass ordinances and so forth, I end up concluding that really there is not very much that we can do as a territorial Assembly, because if we try to pass any ordinances that are

not constitutional, we will end up either with Mr. Parker being instructed to not give his assent to it or if it does get past Mr. Parker, it would be disallowed by the federal government shortly. If we cannot even consider passing any tax laws because Mr. Parker -- it has to come from Mr. Parker's office, and it is not likely that the federal government would permit him to do that. So, when you look at all the possibilities, I really get discouraged and you come to realize that the only power that this Legislative Assembly has is our refusal to pass the budget. Again, this would not do a great deal except to probably create chaos and to show to the southern people that we are dissatisfied with the situation, and it may force the federal government to come North and set up its own administration, as it were.

Cease All Other Business And Hold Northern Leaders Conference

So, in some respects, the things that are possible to us are limited. Yet, despite all this I think we ought to try. I am just wondering that since we are in this mood of challenge, of taking on the federal government, should we not consider just forgetting about the budget at this time? Let us not talk of having a meeting for the next few weeks and then eventually having a northern people conference. Let us immediately cease dealing with the budget. Let us have a meeting in the next few days and weeks. My question, I guess, is would the Dene Nation be prepared to be involved in discussions on working toward a common position in the next few days and weeks in the event that we do decide to just forget about the budget and really zero in wholeheartedly on this issue here?

CHAIRMAN (Mr. Fraser): Was that a motion, Mr. Sibbeston?

MR. SIBBESTON: No, it was a question.

MR. CURLEY: Make it a motion.

CHAIRMAN (Mr. Fraser): Question. Mr. Erasmus.

MR. ERASMUS: Well, we are prepared to go ahead and hold a meeting right away. We were just waiting for the government to get through with its business here so that we could get on with it.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Erasmus. Any more questions of the witnesses? I would like to thank the witnesses for their presentations made here today, on behalf of the Assembly. Thank you very much.

---Applause

The Sergeant-at-Arms, can you escort the witnesses out please? The Motion 4-81(1) as amended. Mr. Sibbeston, to the motion.

Request To Have Native Council Of Canada Appear

MR. SIBBESTON: Mr. Chairman, I think that this would be a good time to advise you that the Metis Association and the national Native Council of Canada is interested in appearing before this Assembly on Monday. I am just wondering whether I can get agreement from the committee of the whole now to have them appear as witnesses on Monday afternoon. So if there can be agreement now, that will give them some time within which to prepare and be present.

CHAIRMAN (Mr. Fraser): Mr. Sibbeston, what subject are they going to appear on?

MR. SIBBESTON: On, of course, Motion 4-81(1).

CHAIRMAN (Mr. Fraser): Motion 4-81(1)?

MR. SIBBESTON: Yes.

CHAIRMAN (Mr. Fraser): Mr. Curley.

MR. CURLEY: Yes. I would suggest that we deal with any organization who would want to appear. We should really consider them during the caucus meeting so that we can prioritize them. We should be given a little more time to really think over as to who would want to appear because by Monday we may want to add another list of organizations that want to appear.

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

HON. TOM BUTTERS: Mr. Chairman, I just wonder if Mr. Sibbeston might advise us what he would expect that organization would provide that we have not heard here today and heard expressed extremely well.

CHAIRMAN (Mr. Fraser): Mr. Sibbeston.

Request To Have Metis Association Appear

MR. SIBBESTON: Mr. Chairman, I understand the Dene Nation and the Metis Association have met today with respect to the position or the presentation that the Dene Nation was going to make, but I understand that the Metis Association board of directors still would like to have their own presentation. It is hard for me to say whether their positions would be the same or different. They have just asked if they could appear before this Assembly as witnesses on Monday. Mr. Chairman, since I have made the request to have them appear as witnesses, can we have some indication from the Members to see if there is agreement that they appear on Monday rather than continuing debating on this?

CHAIRMAN (Mr. Fraser): Is it agreed that we invite the Metis Association on their request to appear before this Assembly on Monday? Is it agreed?

MR. CURLEY: Nay, nay!

CHAIRMAN (Mr. Fraser): Mr. Sibbeston, I am sorry. I hear a nay and I do not hear too many agrees. Mr. Sibbeston.

MR. SIBBESTON: Mr. Chairman, when the rules refer to agreement, it does not have to be unanimous agreement. You did hear a nay but I think we should see whether there is a majority agreement to them appearing as witnesses.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Sibbeston. Thank you. A request from the Member that we have the Metis Association appear before this House. Mr. Curley.

Budget Should Be Finished

MR. CURLEY: (Translation) I just want to say that he was referring to the Native Council of Canada. They are dealing with Bill C-48 over there. I think we are going to have to pay their fare over here if we want them to appear. Maybe we should deal with the budget like Nick Sibbeston said. If we are not agreed to it, maybe the power would be more effective. Maybe he wanted the native leaders to appear but maybe we should talk about this in the caucus meeting. I think it would be much better.

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

MR. EVALUARJUK: (Translation) Mr. Chairman, I just wanted to say that the people, the native leaders, the Dene and the Metis will ask to appear. Before they used to say that they could not come because they had a lot of other business to deal with. Now we have a lot of things to deal with. We have to finish the budget first. That is all I wanted to say.

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

MR. NOAH: (Translation) Can we just report progress now?

CHAIRMAN (Mr. Fraser): Thank you. I am sorry, Mr. Noah, I did not get it.

MR. NOAH: (Translation) Maybe we could just report progress right now. If they are just going to keep on asking native organizations to come in, maybe we could keep on asking them to come for some years to appear as witnesses.

CHAIRMAN (Mr. Fraser): I understand the Member wishes to report progress. It is not debatable so we will report progress. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SIBBESTON: Mr. Chairman, a point of order.

CHAIRMAN (Mr. Fraser): Point of order, Mr. Sibbeston.

MR. SIBBESTON: Mr. Chairman, what has happened to my request to see if there is agreement to have the Metis Association and Native Council of Canada appear on Monday? I think that I have the right to have that determined, whether there is agreement or not.

CHAIRMAN (Mr. Fraser): I do not think your request is lost, Mr. Sibbeston. On Monday or tomorrow we can discuss it again and bring it up again. Are they still going to be here on Monday? I am sorry. A Member has asked the Chair to recognize the clock and report progress and that is not debatable. I have to do that. Thank you.

MR. SPEAKER: Mr. Fraser.

REPORT OF THE COMMITTEE OF THE WHOLE OF TABLED DOCUMENT 16-81(1), ANNUAL REPORT OF TERRITORIAL ACCOUNTS; TABLED DOCUMENT 17-81(1), REPORT OF THE AUDITOR GENERAL; MOTION 4-81(1), RESPONSE TO BILL C-48

MR. FRASER: Mr. Speaker, your committee has been considering Tabled Documents 16-81(1) and 17-81(1) and Motion 4-81(1) and wish to report progress.

MR. SPEAKER: Thank you. So that the record will show that today's action in this House cannot be looked back as precedent, it is my opinion that two serious errors have been made and I do not wish them to be used as precedent. If you wish me to explain in detail what I think the errors were, I will, but it is just for the record because I do not want today's proceedings to be used as precedent for rules because I think there were two rules broken today. I do not think that they should stand as precedent.

HON. TOM BUTTERS: Speak, Mr. Speaker.

MR. SPEAKER: Pardon?

SOME HON. MEMBERS: Speak.

HON. ARNOLD McCALLUM: Speak, oh wise one!

Speaker's Ruling

MR. SPEAKER: I am sorry. I need some records here. The explanation to the House relative to the amendments that were introduced on Motion 4-81(1). Section one of the original motion dealt with the Government of Canada having Petro Canada establish a subsidiary. Number one of the amendment, re-examine Bill C-48. There is nothing in section one of the amendment that has anything to do with section one of the original motion and so on through the whole motion. Now, basically when you are amending a motion by section, and that is the normal way of procedure in this House, then the amendment should be to each clause and this was not done and therefore the motion, in my opinion, at that time was out order.

So that it does not become a way of precedent, I want that entered into the record today so that some Member cannot come down a month from now and say because it was allowed that day, it has got to be allowed this day. It is not in order with our rules.

MR. MacQUARRIE: Point of order. Mr. Speaker, point of order.

MR. SPEAKER: Point of order.

MR. MacQUARRIE: Just so that I am very clear, the ruling that you made now is simply that the proceedings that occurred today are not precedent setting but you have not made a ruling about the issues themselves. Is that correct?

MR. SPEAKER: That is correct. There had been no question from the House, so I presume that the Members present were in agreement with the procedures being utilized. It is a method of pointing out to you that the procedures you did use were incorrect and shall not be, as far as I am concerned, a matter of precedent setting. Mr. Clerk, have you any announcements? Is there a point of order, Mr. Curley.

MR. CURLEY: Yes, Mr. Speaker. I have been a bit concerned with the way the rules have been casually taken and I would suggest that you look into the Clerks, whether in fact we are getting the best possible procedural rules and advisement, because I have noticed that some members of the staff have been missing when some of these amendments are made so I would suggest that that is part of the reason that we have had this oversight.

MR. SPEAKER: Thank you, Mr. Curley. We will take that under advisement. Mr. Clerk, announcements and orders of the day.

CLERK OF THE HOUSE (Mr. Remnant): Yes, Mr. Speaker. There will be a meeting at 7:30 p.m. this evening in room 301, of the special committee on education. There was to be a meeting of the standing committee on legislation, at 9:30 a.m. tomorrow in Katimavik A. It has been necessary to cancel this meeting. A new date and time will be set and Members of the committee will be advised.

ITEM NO. 13: ORDERS OF THE DAY

Orders of the day, February 20, 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: 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. This House stands adjourned until 1:00 o'clock p.m., February 20, 1981, at the Explorer Hotel.

---ADJOURNMENT

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