



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

MONDAY, MARCH 1, 1982

MEMBERS PRESENT

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

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Monday, March 1st.

Item 2, replies to Commissioner's Address.

ITEM NO. 2: REPLIES TO COMMISSIONER'S ADDRESS

Mr. Noah.

Mr. Noah's Reply

MR. NOAH: (Translation) Thank you, Mr. Speaker. I am a little bit late, but I am going to be replying to the Commissioner's Address. I feel that I have to make a few comments dealing with the kind of dress we should be wearing in the Assembly. To do with neckties, I feel I have to mention this -- just before the House starts using a different custom, I would like to tell a short story. I remember when I was about three or four years old, I remember we were all living out on the land even though we were using our traditional dress, we were hardly ever happy, men still used to get mad at their wives and beat them up. I do not know how many years later they finally got scared of him for beating his wife. The other person that used to beat up his wife was beaten up by somebody because they got sick and tired of him beating up his wife.

Customs And Dress Not The Source Of Problems

Mr. Speaker, if I am able to be understood by you or by the Members, I am not going to point it at anybody else. I am just trying to tell you from my heart, I do not want to talk about customs and dress too much, because regarding the other Members, I am not concerned whether they are Indian or Inuit or white, but I just think about their hearts rather than the way they are dressed, and what kind of a person they are toward other people, toward their fellow men. I have thought of this, and whether you are Inuk or white or Indian, if you are not happy in your house you will not be happy either in the Assembly or any other place in public. I think that is the way it is, but I do not know whether I am right or wrong. I know that the people who wear neckties and dress well, even though they are used to wearing this clothing, they are not also happy. The problems that we usually have come from the heart, not from the clothing you are wearing.

AN HON. MEMBER: Hear, hear!

MR. NOAH: (Translation) Mr. Speaker, this is a concern of mine. Sometime in 1983 when they elect MLAs again, if they want to wear traditional clothing -- that is fine, but some Members will not be able to wear traditional clothing. We must use cloth clothing. There will have to be some traditional clothing to be made, it would be good. If the Assembly is going to be changing their clothing, they are going to have to have the women sew traditional clothing for the Legislative Assembly, whether they are Indian or Inuit. They are going to have to get some native women to make them, because they are going to have to get some cleaning done, too, because when you are wearing suits, they always have to be washed. I also know that the cheap clothing is easily torn when it is washed too many times. As for the people that go up in the public gallery, we always mention to the public that people should not be shy or concerned about their appearance, and when we are at home in our constituency, we are going to have to work hard. When you see the people that are working hard for the first time in the Assembly, mentally it is very hard work, but if we think about all these things, we are going to be staying in the Assembly to arrange them, so the Members in the Assembly and the Ministers, maybe if we started working together better next year, we will come to more agreements. Working together as a group is a lot better.

I have an information item concerning Warren Allmand. I know him very well. I do not think he should be able to do that to his fellow white men, and that he will do to the House of Commons -- I do not think that they should be joking about political issues; they should not have any mockery in the House and in the NWT. This is not only concerning MLAs. I do not have any idea why they get elected, maybe they are closer to England in order to follow their rules in the House. I do not have any clear idea of why they did this at all. Maybe they were jealous of what we were doing up here in our Legislative Assembly. I do not think that they should envy us. I think that we should be just part of the Assembly. That is what I wanted to discuss.

#### Regional Visits By Ministers

The second subject that I wanted to bring up -- on April 14th, the plebiscite will be coming up on whether the NWT should be divided. I think that it is time now that we divide, as North of 60 is a little too large for one group of people to run, and transportation costs are going up. Now, if the Territories were to be split up into two territories, they will be needing some ministers to run the Eastern Arctic. Even though the Territories does not have provincial status, I still think that they should have ministerial positions in the Keewatin, the Central Arctic, and the Mackenzie Valley. I think this is going to be a better way. I would like these people to take the positions. I think that this would be a better way of running the country. I have not seen any of the Ministers visit the Keewatin, but, in the old days, the Commissioner used to come into our settlements every year. However, recently he has not been coming. I think that the ministerial people that are running the Territories are doing this for him. I have not seen the Ministers too much in our part of the region, but I know that they have a lot of things to do here. I do not know how many Ministers there are right now. Maybe they could come over to the regions to understand a little bit more as to how the regions are run, and how hard it is. I am not saying that I am mad at them or anything like that, but they should be understood more clearly by the regional people, and should meet the people over there.

I know that the Minister of Education has worked very hard and has gone to the communities, and he has been to Baker Lake more than once, so I would like to see the rest of the Ministers do that. I am very thankful to the Minister, because he is working very hard for the Keewatin region. That is why he came to our region, and I would like to thank him. He and other Members met with the settlement council in Baker Lake and I am thankful for that, because they seemed to learn a lot more. The Members of the Legislative Assembly went to meet in Baker Lake and they seemed to have understood a lot more. It was a very educational thing for the Baker Lake people.

Working Together Brings Quick Results

Section 34 is now section 35. I found out that the residents of the NWT were very concerned when that section was abolished in the House of Commons and they worked very hard to put it back. I want to say, Mr. Speaker, that I thank the Members of the Legislative Assembly. I do not think that there are going to be any other Members of the Legislative Assembly doing this. I think what we did last year was very surprising, because we worked very hard together then. Non-natives, Indian and the Inuit people worked together.

If we were to work like that all the time, whenever there is something that we are concerned about, maybe we can get things going faster. I know that the Canadian constitution may have been dealt with for 54 or 55 years now, but as for the Northwest Territories, when we started out to do something, it only took us five days to deal with the concern that we had. Sometimes, when the topic is not very important, we just start arguing and we deal with the same topic over and over again, but once we start to get going and to do something it does not take us very long to straighten out whatever our concern is.

Mr. Speaker, I do not want to talk lengthily, because they might think that I am not very smart, if I start talking a long time. Thank you, Mr. Speaker, for letting me reply to the Commissioner's Address. Thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Noah. Replies to Commissioner's Address. The Chair would like to recognize in the gallery Mr. Doug Ward, the director of the CBC Northern Service.

---Applause

Item 3, oral questions.

ITEM NO. 3: ORAL QUESTIONS

Mr. McLaughlin.

Question 57-82(1): Postal Services To The Northwest Territories

MR. McLAUGHLIN: Thank you, Mr. Speaker. I have a question for the Minister of Justice and Public Services. It deals with the postal service and the new crown corporation. At the last session -- yes Mr. McCallum -- I wanted to ask my left arm, but she has a conflict of interest.

MRS. SORENSEN: I am not an appendage of you. Forget it.

---Laughter

MR. McLAUGHLIN: I hope that is the way the postal service operates -- unable to respond.

At the last session I asked the Minister about parcel post, because I was concerned that the parcel post -- which probably does not make money for this crown corporation -- is a service that the people in the North depend on. He gave me the answer that he was going to look into it. Since then, when I was in Winnipeg at an education committee meeting, the RCMP were investigating, on behalf of the postal service, air lines and companies in northern Ontario which were taking advantage of the postal service to ship food to remote communities and I am not sure what the outcome is on that. Maybe the Minister is aware of it. Very recently the chairman or the president of this new crown corporation was on a television program, indicating that they were going to probably cut out non-profit making areas of the postal service, which would include most of the Northwest Territories. I do not have the exact words or text of what was

said, but I had a few phone calls from constituents who were concerned that this service might be cut down or maybe we would pay more for postage up here than elsewhere in Canada. I was wondering if the Minister pursued that last time and if he is continuing to monitor this situation?

MR. SPEAKER: Mr. Braden.

HON. GEORGE BRADEN: Thank you, Mr. Speaker. I have just been checking through my books. I know that the item has been addressed by my officials to attempt to get some information on the points and the questions which my colleague has raised. Unfortunately, I do not have the information before me now and I give this House and the Member my assurance that I will report back before this session is adjourned on the questions that were raised by my colleague.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Mr. Noah.

Question 58-82(1): Retrieving Sunken Grader At Whale Cove

MR. NOAH: (Translation) Thank you, Mr. Speaker. My question is to the Minister of Local Government. I do not really want to ask the question. It comes from Whale Cove, in Tagak Curley's constituency. In Whale Cove they are saying they have not yet done anything to retrieve the grader that sank, and they do not seem to be concerned about it. I should not ask about this, because it is in Mr. Curley's constituency, but I wonder why they have not made an attempt to retrieve the grader, because it sank when it was brand new. Have they done anything to try to retrieve it since the time it sank and if not, why have they not done anything? The grader was brand new when it sank. I wonder what they have done to retrieve this grader in Whale Cove?

MR. SPEAKER: Mr. Wah-Shee.

HON. JAMES WAH-SHEE: Mr. Speaker, I will have to inquire regarding the concern raised by the honourable Member and provide the information tomorrow.

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

Supplementary To Question 58-82(1): Retrieving Sunken Grader At Whale Cove

MR. NOAH: (Translation) Thank you, Mr. Speaker. A supplementary. If there has not been any attempt made to retrieve it and they are going to try to retrieve it, how much would it cost? When an expensive thing like that sinks without being used, it does not look very good when they have not made an attempt to retrieve it. Everyone is thinking about the cost of living going up -- if they are not going to try to retrieve it I do not know how much it would cost. I would like to find out how much it would cost to get it retrieved. Thank you.

MR. SPEAKER: I presume the Minister will take that under advisement too and bring you a reply tomorrow. Oral questions. Mr. Kilabuk.

Question 59-82(1): By-Law Officer In Pangnirtung

MR. KILABUK: (Translation) Thank you, Mr. Speaker. This question is directed to the Minister of Local Government. I have asked whether the hamlet of Pangnirtung can get a by-law officer. Would the Minister of Local Government find funds to have a by-law officer in Pangnirtung? Thank you.

MR. SPEAKER: Mr. Minister.

HON. JAMES WAH-SHEE: Mr. Speaker, I will take the honourable Member's question under advisement for a reply for tomorrow.

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

Question 60-82(1): Northern Preference For Housing Program Tenders

MR. McLAUGHLIN: Yes, Mr. Speaker. I have an oral question for the Minister responsible for the NWT Housing Corporation. The recent budget and main estimates right now indicate that mostly rehab housing is going to take place in the Territories and the Minister indicated that this would be done practically entirely by northerners, and I realize that advertising has only been done in the northern papers. I am wondering if the specifications are being made available to southern companies if they hear about the tenders and phone for them? Are officials sending these out only to northern companies or are they sending them to southern companies as well? If they are making them available to southern companies, maybe it could be suggested that those companies should have to physically come up and get them, so that at least they could experience some of the northern operating costs. I would like to know if the 10 per cent difference will still apply for northern companies?

MR. SPEAKER: Mr. Minister.

Return To Question 60-82(1): Northern Preference For Housing Program Tenders

HON. ARNOLD McCALLUM: Mr. Speaker. When I was talking about northern preference or about what would happen with the corporation in terms of our rehab program for the coming year, I indicated that we would be advertising solely in the newspapers of the Northwest Territories. If contractors outside the Northwest Territories read of those tenders and want to respond to them, I have no difficulty with them responding to them, but as I had indicated, we will be advertising only in northern media. That does not rule out southern contractors responding to those particular tenders.

As to these contractors coming into the Territories to pick those up, I think what has been the general practice is that they have normally been sent out to people, as they make requests for tender documents. As regards the northern preference treatment, we would hope, by advertising in the North only, that we would have only northerners respond to those tenders and, therefore, there would be no need for a 10 per cent preference to look after northern contractors. If, in fact, southern contractors do respond, we will still utilize our northern preference. What we are attempting to do is to make sure that it is northerners who respond to the tenders; but we have no limits, as it were, on where the northern media send their newspapers, etc. So, if southerners do respond, we will still be looking at it to give it a northern preference.

MR. SPEAKER: Oral questions. Mr. Noah.

Question 61-82(1): Lack Of By-Law Officers

MR. NOAH: (Translation) Thank you, Mr. Speaker. I want to add to what Mr. Kilabuk was saying. It is directed to the Minister of Justice. I wonder why some settlements do not have any by-law officers. Are there not enough by-law officers? There are no by-law officers in Chesterfield Inlet. I would like to know if it is too costly, or are there no funds to fund a by-law officer for the settlements?

MR. SPEAKER: Mr. Minister.

Return To Question 61-82(1): Lack Of By-Law Officers

HON. GEORGE BRADEN: Mr. Speaker, as I indicated earlier on to my colleague, it is a matter of concern to the Department of Local Government to work out with the municipalities in respect of hiring by-law enforcement officers, and have the required revenue, or dollars, at the municipal level to hire or to provide for this type of service to a municipality. I might add just generally that the RCMP do provide some types of municipal police services, but if it is the choice



of a municipality to hire their own by-law officers to administer certain municipal laws or by-laws, then that is clearly a matter for my colleague, Mr. Wah-Shee, the Minister responsible for Local Government, to work out with the municipality concerned. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Oral questions. Mr. Noah.

Question 62-82(1): Transfer Of RCMP To Keewatin

MR. NOAH: (Translation) Thank you, Mr. Speaker. A supplementary to my question. The Minister knows that a lot of people in the Mackenzie Valley do not like the RCMP. I wonder why they do not move these police officers into the Keewatin area or the areas where they do not have by-law officers, since the people in the Mackenzie Valley do not like those people.

MR. SPEAKER: The question, I think, would belong to Mr. Braden.

HON. GEORGE BRADEN: Thank you, Mr. Speaker. I will take that as advice from my colleague from the Keewatin, and I am certain that some arrangements can be worked out. Thank you.

MR. SPEAKER: Oral questions. Oral questions.

Item 4, questions and returns.

ITEM NO. 4: QUESTIONS AND RETURNS

Are there any written questions today? Are there any returns? Mr. Braden.

Return To Question 46-82(1): Underground Mining Problem

HON. GEORGE BRADEN: Thank you, Mr. Speaker. I have a return to written Question 46-82(1), asked by my colleague, Mr. McLaughlin, on February 24th. It concerns hours of work in underground mines.

The honourable Member for Pine Point has expressed concerns over the limitations on hours of work permitted underground in mines such as Polaris. The Mining Safety Ordinance establishes limits which are common throughout Canada. That is, no person may remain underground for more than eight hours in any consecutive 24 hour period. The reasons for this limitation pertain to occupational health and safety protection. In recognition of the recruiting and other problems faced by mines such as Nanisivik and Polaris, we are considering legislative changes which will permit exemptions to be made. It must be recognized, however, that we must ensure that the workers' health and safety are protected, and our approach to resolving this matter will consider that along with other factors. In our current review of the Mining Safety Ordinance, we intend to address this issue. At this point in time, no temporary arrangement for the extension of underground hours of work exists with Polaris or any other Northwest Territories mine. Thank you.

MR. SPEAKER: Returns. Are there any further returns for today?

Item 5, petitions.

Item 6, tabling of documents.

ITEM NO. 6: TABLING OF DOCUMENTS

Mr. Butters.

HON. TOM BUTTERS: Mr. Speaker, I wish to table Tabled Document 25-82(1), Analysis of Freshwater Fish Marketing Options, Department of Economic Development and Tourism, February 1982. It contains a summary in Inuktitut.

MR. SPEAKER: Thank you, Mr. Minister. Tabling of documents.

Item 7, reports of standing and special committees.

Item 8, notices of motion.

ITEM NO. 8: NOTICES OF MOTION

Mr. Patterson.

Notice Of Motion 41-82(1): Motion Of Appreciation To Monique Bégin

HON. DENNIS PATTERSON: Mr. Speaker, on Wednesday, March 3rd, I will move, seconded by the honourable Member for Yellowknife South, that this Assembly express its appreciation to the Hon. Monique Bégin, Minister of National Health and Welfare, for her just action in recently reversing the socially undesirable and discriminatory policy of National Health and Welfare whereby Inuit women in the Northwest Territories married to non-native men were deprived of the benefit of certain non-insured health services at no cost; and further, that this House support the same reinstatement of these rights for Indian women married to non-native men in the Northwest Territories. Thank you.

MR. SPEAKER: Notices of motion. Mr. McCallum.

Notice Of Motion 42-82(1): Recognition Of Snowmobilers

HON. ARNOLD McCALLUM: Mr. Speaker, I would like to give notice of a motion for which I would hope to get unanimous consent later, that this Assembly would recognize the efforts of six snowmobilers from Fort McMurray and Fort Smith who leave today on a trip to Resolute Bay to test out particular equipment that would be of benefit to people in the Territories, and as a result of pledges that they would receive, that various charitable organizations would benefit from this particular trip.

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

MR. McLAUGHLIN: Ludy Pudluk is going to race them in a jet.

Notice Of Motion 43-82(1): Protection For Polar Bear Pass

MR. PUDLUK: Mr. Speaker, I would like to give notice of a motion which I will move on Wednesday, March 3rd, 1982. It is going to be seconded by the honourable Member for Frobisher Bay. Now therefore, I move that this House join with the Baffin Regional Inuit Association in recommending the following to the Minister of Indian and Northern Affairs:

- 1) that the Minister of DIAND immediately transfer the site to the Government of the NWT for protection under the Wildlife Ordinance;
- 2) that the federal government provide protection under the Canada Wildlife Act;
- 3) that the Inuit of Resolute Bay be fully involved in the management of the site;
- 4) that these protective arrangements be of an interim nature pending the negotiation and settlement of Inuit claims.

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

Notice Of Motion 44-82(1): Tabled Document 25-82(1) To Committee Of The Whole

HON. TOM BUTTERS: Mr. Speaker, I would like to give notice of a motion for which I will request unanimous consent under Item 10, and that is to move the document that I tabled a few moments ago into committee of the whole for discussion at a time to be set by yourself.

MR. SPEAKER: Notices of motion. Last call, notices of motion.

Item 9, notices of motion for first reading of bills.

ITEM NO. 9: NOTICES OF MOTION FOR FIRST READING OF BILLS

Mr. Butters.

Notice Of Motion For First Reading Of Bill 10-82(1): Small Business Loans  
And Guarantees Ordinance

HON. TOM BUTTERS: Mr. Speaker, I give notice that on Wednesday, March 3rd, 1982, I shall move that Bill 10-82(1), An Ordinance to Amend the Small Business Loans and Guarantees Ordinance, be read for the first time.

MR. SPEAKER: Thank you. Notices of motion for first reading of bills.  
Mr. Braden.

Notice Of Motion For First Reading Of Bill 11-82(1): Liquor Ordinance

HON. GEORGE BRADEN: Mr. Speaker, I give notice that on Wednesday, March 3rd, 1982, I shall move that Bill 11-82(1), An Ordinance to Amend the Liquor Ordinance, be read for the first time.

MR. SPEAKER: Thank you. Have you more?

Notice Of Motion For First Reading Of Bill 12-82(1): Legal Questions Ordinance

HON. GEORGE BRADEN: Mr. Speaker, I give notice that on Wednesday, March 3rd, 1982, I shall move that Bill 12-82(1), An Ordinance to Amend the Legal Questions Ordinance, be read for the first time.

I would just give notice, Mr. Speaker, that I will be asking for unanimous consent, if it is possible under the rules, to proceed with the first reading of these two bills.

MR. SPEAKER: Item 10, motions.

ITEM NO. 10: MOTIONS

Unanimous consent being requested by Mr. McCallum for his motion. Do I hear any nays? Proceed, Mr. McCallum.

Motion 42-82(1): Recognition Of Snowmobilers

HON. ARNOLD McCALLUM: Mr. Speaker, thank you.

WHEREAS a group of six snowmobilers from Fort Smith and Fort McMurray leave today, March 1st, 1982, on a trek to Resolute Bay;

AND WHEREAS these men raise funds for charitable organizations by virtue of their trip;

AND WHEREAS northerners will benefit from the practical application of new technical equipment;

NOW THEREFORE, I move that this Assembly extend its best wishes and congratulations for a successful trip to these six men.

MR. SPEAKER: Do I have a seconder? Mr. Braden. Your motion is in order, Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, I do not want to take up very much time, save to say that this is the second trip that I know that these men have embarked upon; some of the equipment that is being used is of benefit to people as they travel throughout the Territories. I know that a number of charitable organizations have benefited greatly from the money that they have been able to obtain through pledges. I would hope that the Member from Resolute Bay will be involved and talk to people within his community, and hope that they would be able to welcome them to Resolute Bay, as I am sure that the people will in that particular community, and I would want this Assembly to go on record as recognizing the efforts of these men in this particular trip. Thank you.

MR. SPEAKER: Thank you, Mr. McCallum. Mr. Braden, as seconder, do you wish to speak to the motion?

HON. GEORGE BRADEN: Question.

Motion 42-82(1), Carried

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

---Carried

Mr. Butters, I understand that you are requesting unanimous consent?

HON. TOM BUTTERS: Yes, Mr. Speaker, to move the Analysis of the Freshwater Fish Marketing Options, into committee of the whole for discussion at a time set by yourself.

MR. SPEAKER: Are there any nays?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Proceed, Mr. Butters.

Motion 44-82(1): Tabled Document 25-82(1) To Committee Of The Whole, Carried

HON. TOM BUTTERS: Mr. Speaker:

I MOVE that Tabled Document 25-82(1), Analysis of the Freshwater Fish Marketing Options, Department of Economic Development and Tourism, February 1982, be moved into committee of the whole for discussion at a time set by yourself.

MR. SPEAKER: Thank you, Mr. Butters. Mr. Braden, as seconder, do you wish to speak? To the motion.

SOME HON. MEMBERS: Question.

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

---Carried

That then would conclude motions for today.

Item 11, introduction of bills for first reading.

ITEM NO. 11: INTRODUCTION OF BILLS FOR FIRST READING

Mr. Butters.

HON. TOM BUTTERS: Mr. Speaker, I would request, if possible, unanimous consent to give first reading of Bill 10-82(1), An Ordinance to Amend the Small Business Loans and Guarantees Ordinance.

MR. SPEAKER: Unanimous consent is being requested for Bill 10-82(1), for first reading today. Are there any nays?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Proceed, Mr. Butters.

First Reading Of Bill 10-82(1): Small Business Loans And Guarantees Ordinance

HON. TOM BUTTERS: Mr. Speaker, I move that Bill 10-82(1), An Ordinance to Amend the Small Business Loans and Guarantees Ordinance, be read for the first time.

MR. SPEAKER: Is there a seconder? Mr. Tologanak. All those in favour? Opposed, if any? Bill 10-82(1) has had first reading.

---Carried

Mr. Braden.

HON. GEORGE BRADEN: Thank you, Mr. Speaker. Could I have the consent of the House to proceed with first reading of Bill 11-82(1) and Bill 12-82(1)?

MR. SPEAKER: Unanimous consent is being requested for first reading of Bill 11-82(1) and 12-82(1), waiving the time limit. Are there any nays?

---Agreed

Proceed, Mr. Braden.

First Reading Of Bill 11-82(1): Liquor Ordinance

HON. GEORGE BRADEN: Mr. Speaker, I move that Bill 11-82(1), An Ordinance to Amend the Liquor Ordinance, be read for the first time.

MR. SPEAKER: Do you have a seconder? Mr. Tologanak. All those in favour? Opposed, if any? Bill 11-82(1) has had first reading.

---Carried

Mr. Braden.

First Reading Of Bill 12-82(1): Legal Questions Ordinance

HON. GEORGE BRADEN: Thank you, Mr. Speaker. I move that Bill 12-82(1), An Ordinance to Amend the Legal Questions Ordinance, be read for the first time.

MR. SPEAKER: Is there a seconder? Mr. Butters. All those in favour? Opposed, if any? Bill 12-82(1) has had first reading.

---Carried

Item 12, second reading of bills.

ITEM NO 12: SECOND READING OF BILLS

Mr. Butters.

HON. TOM BUTTERS: Mr. Speaker, I would like to go back to the well once more with Bill 10-82(1) and request unanimous consent to provide a second reading of this bill at this time. I may say that it has been examined by the standing committee on legislation and has been put to the House.

MR. SPEAKER: Unanimous consent is being requested. Are there any nays?

---Agreed

Proceed, Mr. Butters.

Second Reading Of Bill 10-82(1): Small Business Loans And Guarantees Ordinance

HON. TOM BUTTERS: Mr. Speaker, I move that Bill 10-82(1), An Ordinance to Amend the Small Business Loans and Guarantees Ordinance, be read for the second time. The purpose of this bill, Mr. Speaker, is to amend the Small Business Loans and Guarantees Ordinance to allow a business enterprise, regardless of its estimated gross revenue, to apply for a loan; to allow loans and guarantees to be made for the provision of working capital for the acquisition of current assets; to provide for members of the Northwest Territories Eskimo Loan Fund Advisory Board to be members of the Business Loans and Guarantees Board; to increase the fund from five million dollars to \$11 million; to increase the maximum for loans and loan guarantees from \$100,000 to \$500,000, and to replace the term "loan director" with "secretary" of the Business Loans and Guarantees Fund.

MR. SPEAKER: Is there a seconder? Mr. Braden.

HON. GEORGE BRADEN: Question.

MR. SPEAKER: Question being called. All those in favour? Opposed, if any? Bill 10-82(1) has had second reading.

---Carried

Mr. Braden.

HON. GEORGE BRADEN: Mr. Speaker, I wonder if I might have unanimous consent to proceed with second reading of Bills 11-82(1) and 12-82(1) and I note, as did my colleague, Mr. Butters, that these two bills were considered this morning by the standing committee on legislation?

MR. SPEAKER: Unanimous consent to waive the time limit.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Are there any nays?

---Agreed

Proceed, Mr. Braden.

Second Reading Of Bill 11-82(1): Liquor Ordinance

HON. GEORGE BRADEN: Mr. Speaker, I move that Bill 11-82(1), An Ordinance to Amend the Liquor Ordinance, be read for the second time. The purpose of this bill, Mr. Speaker, is to give the Liquor Licensing Board the power to prohibit the sale of liquor in licensed premises in a community on days on which a public meeting is being held in that community.

MR. SPEAKER: Is there a seconder? Mr. Nerysoo.

AN. HON. MEMBER: Question.

MR. SPEAKER: Question being called. All those in favour? Opposed, if any?  
Bill 11-82(1) has had second reading.

---Carried

Mr. Braden.

Second Reading Of Bill 12-82(1): Legal Questions Ordinance

HON. GEORGE BRADEN: Mr. Speaker, I move that Bill 12-82(1), An Ordinance to Amend the Legal Questions Ordinance, be read for the second time. The purpose of this bill, Mr. Speaker, is to amend the Legal Questions Ordinance to allow the Executive Member responsible for Justice and Public Services, rather than the Commissioner, to refer legal questions to the courts.

MR. SPEAKER: Is there a seconder? Mr. Patterson.

AN HON. MEMBER: Question.

MR. SPEAKER: Question being called. All those in favour? Opposed, if any?  
Bill 12-82(1) has had second reading.

---Carried

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

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

Bill 1-82(1), Appropriation Ordinance, 1982-83, Bill 8-82(1), Vital Statistics Ordinance, Tabled Document 3-82(1), Tabled Document 9-82(1), Tabled Document 15-82(1) and Tabled Document 16-82(1), with Mr. Fraser in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Bill 1-82(1), Appropriation Ordinance, 1982-83, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 1-82(1), APPROPRIATION ORDINANCE, 1982-83

CHAIRMAN (Mr. Fraser): The committee will come to order. We are dealing with Bill 1-82(1), main estimates, and we are on page 3.01, the Northwest Territories Housing Corporation. Mr. McCallum.

Northwest Territories Housing Corporation

HON. ARNOLD McCALLUM: Mr. Chairman, I would have some opening remarks to make on the budget and then I would respectfully ask your and the committee's approval to have the chairman of the board of directors of the Housing Corporation, as well as the president of the corporation itself, come into the committee to deal with specific questions and comments that may be made about the operation of the corporation.

As I had indicated, Mr. Chairman, I have some opening remarks dealing with the corporation. However, I am pleased to present for consideration by the committee the budget of the Northwest Territories Housing Corporation for the coming fiscal year. This budget reflects the Government of the Northwest Territories share of contribution funding to the corporation for its operation. This budget totals \$28,367,000 for operations and maintenance, which is an increase from the \$24 million that the Assembly voted in 1981. As well, there is a capital budget of \$7,573,000, which is an increase from the \$6.1 million of 1981.

These increases, Mr. Chairman, reflect for the most part the impact of inflation and the increased costs of maintaining existing levels of service and subsidization in the light of more and more burdensome utility costs. As a result, Mr. Chairman, many priorities of the corporation have been deferred. There is little funding available for new programs. It should be noted, however, that the priorities recently identified by the priorities and planning secretariat of this government are identified and identify energy conservation and home-ownership as the prime objectives of the government. Although the corporation has also identified these areas, current financial restraint has severely curtailed the corporation's ability to develop and deliver these programs in the coming year.

By way of introduction to the corporation's mandate, I would like to briefly outline something of the philosophy, if you like, of the corporation and some of its objectives and goals. The general mandate or policy of the corporation -- that is, the direction under which it operates -- is to provide social housing programs based on need, environment and research, which will make available an adequate standard of housing to all residents of the Northwest Territories. I should note, Mr. Chairman, that the Housing Corporation is a non-profit corporation and this government, as well as the Assembly, must reinforce or make up its mind, if you like, as to the principal mandate of the corporation and that is to provide social housing. Included within the corporation's mandate is the commitment to be involved in community design; to build, maintain and operate the corporation's facilities as prudent landlords; to encourage and facilitate home-ownership in the Territories, as well as to develop a proper and workable formula that would achieve this end.

#### Objectives Of The Housing Corporation

In keeping, then, with the general policy or direction, there are some objectives that I should want to comment upon. First, to support housing associations and/or authorities as viable local organizations responsible to the corporation and then to the government for the administration and maintenance of housing. Secondly, to provide for the rehabilitation and maintenance of older housing, where possible. Thirdly, to acquire, develop and provide land for housing and ancillary programs or other programs, in co-operation with the communities. Fourth, to make available a wider range of home-ownership programs. Finally, to encourage the development of local construction groups.

In the past, Mr. Chairman, the corporation faced a number of problems. Management of the corporation has, however, utilized the last half year to review procedures and methods with a view to improving control, giving better service; and the management has been able to respond, I believe, with urgency and appropriate action to this ongoing business of the corporation, as well as rising to emergency situations when they have come up and when they are required. I believe the staff of the corporation, from management on down, should be commended for their dedication and hard work...

HON. GEORGE BRADEN: Hear, hear!

HON. ARNOLD McCALLUM: ...over the past particularly difficult year.

#### Accomplishments Of Housing Corporation

Mr. Chairman and Members of the committee, there are a number of accomplishments that should be noted. I should now like to point out what the corporation did in the past year, and to identify some of the things that we would like to see occur in the coming fiscal year. There were 114 new houses under construction last year, and approximately 45 or 40 per cent of them are still pending completion. The rehab program saw 131 units started during the 1981 construction period. The majority of these have been completed, and as well, there were 51 mini-rehabs also completed during the year.



In response to a directive from this Assembly, the porch program begun in 1980 was continued last year, and porches completed on approximately 110 to 120 northern rental and public housing units. There are approximately 70 to 75 more still under construction.

In the home-ownership program or area, 39 small settlement home assistance grants, SSHAG grants, were approved, and the grant amount was increased by \$3000 to \$18,000 to allow for increased freight costs on log harvesting. I want to mention here, Mr. Chairman, that the Housing Corporation is currently negotiating with the federal government and its crown corporation, Canada Mortgage and Housing Corporation, a dynamic new rural and native housing program which I believe will further the corporation's home-ownership plans particularly with respect to native peoples.

In recognition of the need for skilled labour at the local level, the corporation developed a construction training program which continued successfully in some communities during the past year. The skills acquired by local trainees through this program provide a base of skilled manpower in the community that is then available for future projects. Construction skill training has also helped to break down the barriers between the community and the corporation, and has resulted in more co-operation and understanding.

Finally, Mr. Chairman, as to accomplishments, I would like to mention briefly the conferences that were held in the past year: one in Inuvik; one in Hay River; and one in conjunction with the Dene/Metis organizations held in Yellowknife. The recommendations which came from all three of these conferences have been and are being seriously considered and reviewed, and I believe are being responded to.

#### User-Pay Policy

The current budget that is placed before the committee, Mr. Chairman, highlights a few areas -- and there should be certain highlights made of the impact of it -- as well as to indicate to you what we hope to accomplish in this coming year. We are anticipating approximately two thirds of the moneys available to the housing associations in this budget -- two thirds, Mr. Chairman -- will be spent on fuel and power. In the 1982-83 fiscal year, the utilities portion of the corporation's budget amounts to approximately \$20 million, of which approximately \$18 million is budgeted for fuel and power alone. Now, I emphasize that figure, Mr. Chairman, because I am sure that Members will agree that this is an extraordinary cost, and as a result, the board of directors of the corporation has developed a user-pay policy, which is intended to provide an incentive for people in the Territories who are social housing tenants to conserve energy. The policy has been implemented on a test basis in various communities, not the least of which are Cambridge Bay and Fort Simpson, and in communities in the Inuvik and Hay River districts. According to reports that we have from the Hay River district, for example, it has reported a reduction in energy consumption of 30 to 50 per cent since the implementation of this program. What the user-pay policy provides is a total subsidy on kilowatt hours up to a certain amount, and then charges a minimal amount on the number of kilowatt hours over and above that. In this way, we are able, then, to show the tenant what the total cost of their bill is, and the amount that the tenant will have to pay. Obviously, the fewer kilowatt hours used, the less will be the end charge to the consumer.

Mr. Chairman, high utility costs are forcing the corporation to re-evaluate design concepts for northern housing units, and the future efforts of the corporation will be directed toward more energy efficient, super-insulated smaller compact houses, in the realization that energy costs will likely continue to rise.

I would like now to very briefly turn to the rental aspect that is a concern of many people in the Assembly. Our O and M budget will reflect that revenues from rental collection will total just over \$3.5 million, and as you can see, this is a fractional percentage of our total O and M expenditures, and does not even begin to cover the maintenance costs on existing rental units. The rental scale applied to northern rental units has traditionally been, and remains, the lowest in Canada, and this has had negative repercussions in negotiating our funding deficit with the lending institution, CMHC. The present rental scale is adjusted to income. Those families with low incomes who cannot afford market rents pay a minimal rent. As income rises, however, rental costs rise accordingly as a portion of one's income. Social housing has always been intended for families of low income whose rent would not increase materially with an increase in the rental scale.

Turning very briefly, then, Mr. Chairman, to the capital area, highlights include a formal change in the life of the construction cycle for new homes from one year to two years, a realization that we are not always able to build houses in one year. It would allow for a more orderly and timely approach to constructing new housing units. The current budget allows for identification and preparation, if you like, of land for site preparation, foundation placement. We expect to provide those things for 82 units for the 1983-84 fiscal year.

#### Home-Ownership Program

Also reflected in the current budget is an increase in the home-ownership program. I had indicated that last year, as far as the SSHAG program was concerned, we raised it from \$15,000 to \$18,000. This year, there is an increase as a percentage of the total capital budget for home-ownership from 17 per cent to almost 22 per cent, and the SSHAG program accounts for an increase of nearly 5.5 per cent of the corporation's funded budget, an injection well over a half a million dollars. The board of directors recently approved for the coming fiscal year an increase in the amount per unit grant in the SSHAG program of \$12,000, bringing to \$30,000 the total now available for individual SSHAG units, and the board is currently looking at a number of options to enhance this program. I think, Mr. Chairman, that that is a very significant increase, a realization that people have to have more funding to build homes under the SSHAG program.

Now, those are a few highlights, Mr. Chairman, of the budget of the corporation and our expectations for the coming year. In conclusion, I would like to stress that the corporation is attempting, as much as possible, to keep abreast of changing family structures which impact on the appropriateness of housing design and unit size. Increasing population, increasing numbers of single parent families, and single accommodation requirements -- these and other factors put additional strain on the corporation's ability to keep pace with the changing times and social norms. I believe that there is a great challenge facing the corporation, but I believe as well, Mr. Chairman, notwithstanding the difficulties, that the corporation meets these challenges with sensitivity, and it will be able to provide the kind of social housing that is required in the Territories.

Those are the brief opening comments that I had, Mr. Chairman. I would now ask your permission to have the chairman of the board of directors, the Deputy Commissioner, Mr. Pilot, and the president of the Housing Corporation, Mr. Irving, to come in to be witnesses for further debate, further questions, on the corporation.

CHAIRMAN (Mr. Fraser): Thank you, Mr. McCallum. Is it agreed that we have the Deputy Commissioner and the president of the Housing Corporation -- is it agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Fraser): We have Mr. Pilot, the Deputy Commissioner, and Mr. Irving, president of the Housing Corporation. Mr. McCallum, have they any opening comments before we go into general comments?

HON. ARNOLD McCALLUM: What do you think I just did?

CHAIRMAN (Mr. Fraser): Do you wish any of your witnesses...

HON. ARNOLD McCALLUM: Oh, they can.

CHAIRMAN (Mr. Fraser): I understand the finance committee chairman has no remarks, so we shall go right into general comments. Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, being on the board of directors of the Housing Corporation, I would like to declare a possible conflict of interest, and I will not be taking part in this debate.

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

HON. DON STEWART: Mr. Chairman, I wish to declare a conflict of interest through my association with Igloo Building Supplies. Therefore, I will not vote or take part in the debate on the Housing Corporation's budget.

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

MR. MacQUARRIE: I have no conflict of interest and I would like to ask some questions.

---Laughter

MR. SIBBESTON: Too bad.

MR. McLAUGHLIN: A good trend was developing.

#### Rental Arrears In Public Housing

MR. MacQUARRIE: The first matter is that about two months ago, or perhaps a little more than that, I heard on a CBC news report that a regional housing officer in Frobisher Bay, when questioned about arrears in rents, seemed to imply in his answer that the collection of these rents was a very touchy matter. He may have used the word "political"; I do not remember. The implication seemed to be that if the Housing Corporation tried to collect these rents, that there might be displeasure at the political level, and yet I would like to say that two years ago at the budget session, this House passed a motion with respect to that, which I will read -- it is very brief: "I move that the Northwest Territories Housing Corporation take steps to instruct and assist local housing associations in the Northwest Territories to begin small claims proceedings in all cases where rents are not duly paid at the commencement of each month, and where it appears to the housing association boards that tenants have the means to pay the rent." So can I please ask what is the situation with regard to that now? I think quite clearly, if I recollect the debate at that time, that most Members of this House felt that where there is an ability to pay, steps should be taken to make sure that payment is made; and yet it would appear that there still is a situation where that is not happening. So could we have an explanation, please, of first of all, what is the situation with respect to rental arrears, wherever public housing is in the Northwest Territories, and what is being done about it?

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

DEPUTY COMMISSIONER PILOT: Mr. Chairman, speaking on behalf of the board of directors of the corporation, it is the policy and has been the policy of the board of directors to continue with the program of rent collection; that is,

we have not changed at all from that direction received from this House. However, I did not hear the news broadcast, and I believe what the individual may have been referring to is the problem that occurs at the community level. We have tied the collection of rent into the amount of funding that is provided to a housing association for the maintenance of their buildings, and we will, in fact, through our assessment of what should be collected in any particular community, deduct that amount from the appropriation that we would in fact be giving to an association to carry out maintenance. What happens is, at the community level, it becomes very difficult for some of these associations to adhere to the rent collecting formula, and there are, indeed, a number of occupants who have large arrears.

#### Legal Action To Recover Rental Arrears

It is, and continues to be, our policy that these individuals be put into a position in which they must either answer to the association as to the reason for the arrears -- if it is a social situation, an economic situation, then there is the Department of Social Services to fall back on -- but if it is pure neglect on the part of an individual who has sufficient funds to meet his obligation in rent, then we encourage that the association take the individual to court. I do not have the information -- perhaps the president does -- of how many people have, in fact, been taken to court, or have been threatened to be taken to court, because of their arrears. Now, if you wish, I would have the president perhaps speak to that further if that is necessary.

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

MR. MACQUARRIE: Yes, I would appreciate that being further spoken to. I seem to recollect from the interview as well that the statement was made that no one in that area had been taken to small claims court, and I would appreciate knowing whether it is being done, and also whether all officers of the corporation and all associations are aware of this policy of this Assembly in that regard, if they are made aware of what this Assembly's policy is.

CHAIRMAN (Mr. Fraser): Mr. Irving.

MR. IRVING: Mr. Chairman, I would advise that currently there are 10 legal actions being entertained to recover rental arrears, and the corporation policy is that our district offices and associations are made aware that the rental arrears item is -- that is to take action to recover these arrears where humanly possible. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Irving. General comments on the housing corporation budget. Mrs. Sorensen.

#### Encouraging Northern Entrepreneurs In Construction Business

MRS. SORENSEN: Mr. Chairman, we have heard our Minister responsible for the Housing Corporation, tell us that tenders for the rehabs that will be undertaken over the next year, primarily in the Eastern Arctic, will be placed in the Northwest Territories only. I guess the reason behind that is clear to everyone, that we want to stimulate northern business; where there is no business, we want to perhaps in fact create the ability of our northern entrepreneurs to get into the construction area, primarily at a smaller level with the rehab level, and then perhaps if he sees that there is potential, moving into the greater area, that of building -- because we know that in the future this government will continue to be building and repairing its public works. Now, I am very concerned that while the Minister is saying this and the Housing Corporation is in fact advertising as such, I am concerned that still the tenders may go south.

Now, I want to know what kind of assistance is the Housing Corporation getting from Economic Development, that is in the job of assisting small businessmen to get into business. Is the Housing Corporation working together -- do we really mean when we say we are going to tender in the North that these jobs and these business opportunities are, in fact, going to stay in the North, or are we paying lip service to that, and in fact inviting southern tenders, although we are just tendering in the North? I mean, how committed are we, Mr. Minister and Mr. Chairman, to the whole idea of encouraging and assisting our northern entrepreneurs in getting into the business of construction through the side door, through rehabs?

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

HON. ARNOLD McCALLUM: Mr. Chairman, there are now in the Territories a number of private businesses from whom the corporation can get the materials and have the materials transported, if you like, to our points of entry to the Territories. As regards rehab and the actual work that is done in various communities through the rehab program, that is why we have been undergoing and undertaking the training of people within the communities. A lot of this work is being done by housing associations themselves, who may contract locally or who may have their own people to do the work. As well, we would hope that we would be able to -- not hope -- I am telling you -- you know, you want a commitment. As far as I am concerned, that is what is going to happen for as long as I would have any kind of responsibility to this House for the operation of the corporation. It will happen that we will contract local people to do the work -- not only to supply the materials, not only to transport those materials where possible, using northern carriers, but for local people within the communities, be they housing association people or be they band or Metis groups, community groups, to do the work as well.

So, the commitment that I have, that I am saying, for as long as I am involved with the government -- not just with the corporation -- that we would do everything that we possibly can do to make sure that this work and the moneys realized from the work are turned over in the communities and in the North and that that will continue and will be the ultimate goal of the government and the corporation. Not only within the Housing Corporation, but I think this government, through DPW, has indicated and has shown that this occurs in other government departments, where local contractors get the work to be done, so that the money stays in, so that we work with Economic Development, with Education, and the corporation puts on training programs itself whereby people get the skills required to continue to provide that service in communities, because the Member is correct, we are going to be in social housing, like it or lump it.

I, for my part, as long as I am a Member of the government I will do everything that I can. I know that I have the support of my colleagues on the Executive and I am confident that I have the support of Members of this Assembly to commit the corporation and therefore the government to using northern contractors and northern people and if it requires to assist them through Economic Development to get started in the business, then we do that as well. The corporation has done that in the past. It will continue to do it. Maybe the chairman of the board of the Housing Corporation would like to add something to it, but that is the commitment that I would make.

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

#### Commitment To Northern Preference

DEPUTY COMMISSIONER PILOT: Mr. Chairman, the board of directors is also committed to northern preference, as indicated by the statement made by the Minister. We have the same concern as expressed by Mrs. Sorensen. However, in that, we cannot stop southern suppliers from bidding on northern contracts. They will obviously, through friends or through associations, receive copies

of northern newspapers which indicate that there are tenders available and we recognize that the southern market is soft at the present time and that there is going to be tremendous competition for the supply of materials for the housing program. It is going to be a difficult decision within the administration of the corporation when they come to assessing the tenders that are received by the various companies or the various individuals. What we have in place at the present time is a northern preference and if a southern company does bid, we would then apply the northern preference to the lower of the northern tenders, to see what the variance is, and that is only a 10 per cent spread.

So, as it stands now, the way the directive is and the instructions we have, the president and his administration will accept any and all tenders if they are legal and meet all of the criteria that has been established in the tendering procedures, whether they be northern or southern, and they will have to be assessed on the value of each and then apply, as I say, that 10 per cent northern preference if there is, indeed, a southern bidder, to indicate whether the South is going to outbid northern businessmen. That is all that we in the corporation can adhere to at the present time, unless further direction is given to us to make a change in that kind of a policy or in the policy that we have in place today.

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

---SHORT RECESS

CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum. We are still open for general comments. Mrs. Sorensen.

MRS. SORENSEN: Mr. Chairman, I believe that in some way I have had somewhat of a conflicting answer to my comments and to my question. The Minister has said that he in his power or with his responsibilities as spokesman for the crown corporation, the Housing Corporation, will do everything in his power to make sure that northern business and northern workers benefit from the work that will be done by the Housing Corporation in the coming year and I believe that he sincerely means that. However, the chairman has said that he cannot stop southern tenders from coming north; that southern entrepreneurs find out about the tenders through various means. People send them copies of our newspapers. Local people phone their friends in the South. I think that our chairman of the board raised a very interesting issue and a very important issue, that the southern entrepreneur, particularly in the business and construction industry, is hurting right now and will continue to hurt because of the southern economy, which means that they are going to be looking north for jobs and business opportunities, so that not only are we going to have an influx of people and businesses tendering on our jobs, but we are also going to have an influx of workers. I believe we have already seen that over this past winter, workers coming north looking for jobs and having difficulty finding housing. What our chairman has said is that even if these tenders come forth and if the southern tender is competitive, given even the 10 per cent northern preference, that the bid will go to the southern entrepreneur.

#### Value For Money In Awarding Contracts

Now, being a former consumer advocate, I can understand that the Housing Corporation and its officials would want to get good value for their money. If they can get goods and contracts cheaper in the South, then their mandate, I suppose, given their jobs, is to do that. However, there are political ramifications to giving many of our contracts to southern entrepreneurs and I think that is one that this House must face. Are we prepared to pay a little bit more? Are we even prepared to go higher than 10 per cent?

Now, I understand that there is a line that you draw, because you do not want to promote inefficiency in your northern businessmen. You do not want to hand them the jobs. You want to be relatively assured that you are going to get the job done, and just being northern does not necessarily mean that. So, I am wondering, Mr. Minister -- and perhaps the chairman of the board, Mr. Pilot might want to comment -- whether there is a way that we can take a little bit more caution when we do look at these tenders, to provide for maybe a second level of decision making. Now, we do that, for instance, in our Executive Committee within our hiring practices. We say, "All right, you run the ads in the North. If you cannot come up with a suitable candidate, then you must apply to the Commissioner and the Executive Committee, as a department, if you wish to go south for hiring purposes." Is that a possible thing, Mr. Minister, with respect to the Housing Corporation and the tendering of bids to southern contractors?

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

HON. ARNOLD McCALLUM: Mr. Chairman, I do not think I agree with the Member that the chairman of the board and myself are at odds with one another in the initial reply to the Member's question. I do not think that we are. I think we recognize -- and I would be the first to recognize -- that we are going to get responses to our advertisements for work to be done in the Northwest Territories because the market is soft in the South. Now, there is no question that southern business people, in order to maintain their labour force, will bid cost prices, and in some cases may even bid below cost in order to sustain their particular business until, hopefully, their market in the South hardens up and they are able to get other particular projects.

I guess what I would say, and I am sure that the chairman as well as the president of the corporation -- because I have every faith, not only in the board, but I have every faith in the president of the corporation and the people who work within the corporation -- and I mean that sincerely -- that they recognize what has to be done within the North. I would expect that the corporation and its officials would work on the premise that if we can get it done -- that "it" being the work -- in the North by northern businesses, that we would use northern businesses. I know that we have to be careful that we are not being ripped off in terms of having people in the North take advantage of this particular premise under which we would operate and say, "Okay, guarantee that we are going to use northern people"; but I believe that because there will be competition among northern suppliers, northern contractors, northern business people, that northern business will not rip off the government, that they would sharpen their pencils and would be able to provide services and goods to the government in such a manner that we would get the best possible value for the money expended.

#### Northern Businesses Need An Edge

When we are in competition, when it is opened across the country, then northern businesses, I suggest to you, need an edge. They need the edge because of the cost of transportation of materials, because of the overhead that is evident in trying to maintain a business in the Northwest Territories. I would expect that the board of directors, as well as the corporation officials, would recognize what has to be done, and that is to support northern business people. So I would suggest to the Member that the corporation, as well as the government in general, would work on a policy or on a mandate to use northern business people where northern business people can provide the service, and provide the service economically, because I believe that were we to advertise in the North, that you will find northern business people will be more responsible and more responsive to the kind of work that is being done. So I suggest to you that both Mr. Pilot's initial reply and my reply are not that much different, in that we would expect that where any particular government department can get it done by northerners, that we would work toward that particular goal.

As to an influx of people from the South and getting more responses, when a southern business has to rely on northern contracts to sustain itself, they have to bear the brunt of a lot of other incidental costs, and I would expect that in this particular time that we would be able to get a much better deal from northern business and northern contractors by simply advertising in the North itself. Now, again Mr. Pilot may want to comment as well, but I would expect that we are working on the same premise, and that is simply put, if we can get it done in the North by northerners, then that is the way we go.

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

#### Point-Spread Formula

DEPUTY COMMISSIONER PILOT: Thank you, Mr. Chairman. I would just add to what the Minister has said, that it should be pointed out that we do have, within the administration of the corporation, a professional purchasing office who do research the approximate tender cost of each contract that we are putting out, and they in turn would advise the president and the Minister if a northern contractor or a person tendering on a supply of goods to the corporation was in excess. We also have developed a point-spread formula, which, if the Members are interested in hearing about, can be spoken to by the president; but this is an indicator which the administration uses in assessing the various tenders that come in on the different contracts that are put out through the bid system. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Pilot. Mr. Pudluk. General comments.



MR. PUDLUK: (Translation) Thank you, Mr. Chairman. I would just like to add to what Mrs. Sorensen said. The Housing Corporation have been saying for many years now that they would give contracts to the northerners. I think it was last year in Arctic Bay, there was a tender from Arctic Bay, and even though he did not have the highest bid, they gave the tender to somebody from the South, even though their bid was higher. I do not know how else we could solve this problem, because even though the Housing Corporation says one thing -- even though they say they are going to give the northerners a preference -- they turn around and give the tender to southerners. So I do not know what else to suggest to solve this problem. We hear what they are going to do but we see that they do just the opposite of what they said they would do. Thank you.

CHAIRMAN (Mr. Fraser): Does the Minister wish to comment on that? I do not know if there was a question there or just a comment.

HON. ARNOLD McCALLUM: Qujannamiik, iksivautaq. How does that grab you, Dennis Patterson?

---Laughter

---Applause

#### Housing Corporation Utilizes Northerners

The Member talks about my saying something, the chairman of the board or the president of the corporation saying one thing, and then something else happening. I know for a certainty that we have a northern based enterprise who puts together houses in the North. I know that we have northern businesses who supply the materials, who use northern lumber, who use northern people to put the packages together, either to build new houses or to put the material together for rehabs. I know for a fact, again, that we use northern carriers. I know for a fact that the construction and maintenance that is carried out by the corporation through associations is done by people in the communities. I know for a fact that the corporation has responded pretty near instantaneously to requests from Members of this Assembly to provide rehab or housing in their constituencies, done by northerners in all instances. Now, maybe we are not ivory soap -- 99 and 44/100ths per cent pure...

MRS. SORENSEN: Never, never!

HON. ARNOLD McCALLUM: ...but, you know, how many of those are around? We have responded. Now, you cannot look at the Housing Corporation and the working of the Housing Corporation or the operation of that corporation over the past years and equate it with what has gone on in the past year. I suggest that it is a different ball game altogether. We hire, we utilize northern people to do this. Now, I would be the first -- and maybe the chairman and the president would be the second and third, or whatever order -- to indicate that we have to do more, but I suggest to you, Mr. Chairman, and to Members of the committee, that we are responding to the kinds of things -- that we help, we assist northern business people in many different walks of life, either as the labour force, as carriers, getting the actual raw material, to provide those materials that are needed to bring about better housing.

I recognize what the Members have been saying, that there is more to be done and we have people within the employ of the corporation who do exactly as the Member for Yellowknife South had indicated -- that they have to look at it in light of getting best return for dollars, because they know there will be another can tied to that appendage of themselves, that somebody is going to take action against, because we are spending money irresponsibly and that is the difficulty -- trying to reach that balance. I think that the corporation has responded; very much so; more so in the last while than it has in many years, to the kinds of concerns that are being raised here and that have been raised in this Assembly

over the last five, six or seven years. Now, I do not want to go on too long, for fear that I protest too much. I do not mean to do that but we have concrete, hard evidence to show that we do utilize northern people and that we would continue to operate on the principle that if northerners can do it, we will do it in the North.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Minister. I have Mr. MacQuarrie next.

Contract Between Housing Corporation And Baffin Building Systems

MR. MacQUARRIE: Thank you, Mr. Chairman. A little later I want to come back to the rental question again, but a couple of comments that the Minister has made lead me to another matter now that I have wanted to deal with. He said that what has gone on in the past year is a totally different ball game and earlier expressed concern about trying to make sure that the government is not ripped off by northern contractors. Well, I want to make reference to a particular contract that was signed by the Housing Corporation in this past year, between the Housing Corporation and Baffin Enterprises Ltd., or sometimes called Baffin Building Systems, I guess. I was asked to raise this matter by someone, so that is one reason that I am doing it, but also, when I looked into it, I certainly see that there are principles involved in the whole matter that should be of concern to everybody in this Assembly. I would say that as a result of looking at it, at least to my mind, there are very serious questions concerning the propriety of what was done with respect to that contract and because it does raise serious questions, I would ask the indulgence of the chairman and the Assembly to spend a little time or to allow me a little time to go into it.

To the best of my knowledge, it is a contract which after the change orders are in, involves the construction of two fourplex units and eight Woolfenden units in Frobisher Bay and 10 rehabs. As of January 21st, 1982, the amount of that contract was \$1,648,988.60. I understand -- but I cannot vouch for this -- that there is a possibility, because of the nature of the contract, that it may yet go higher than that, to as much as two million dollars.

Now, I would ask, first of all, for some response to try to get a perspective on just what this contract means. I had asked for the contents of this contract file to be tabled earlier, and they were. When I read through them, I see a statement that the expected average price for putting up the Woolfenden units would be about \$26,000 a unit. So, if that is so, that comes to about \$202,000. I notice in other contracts that rehabilitation per unit is sometimes done in the neighbourhood of \$14,000 or \$15,000 a unit. So, 10 units would be about \$150,000 and I am told, but I am not sure about this, that there are contracts in the Northwest Territories where a fourplex unit would be put up for \$60,000 and if there are two of them, that would be \$120,000. When I add those figures together, that comes to about \$472,000 for two fourplex, 10 rehabs and eight Woolfendens and yet this contract is for \$1,648,988.60. I see that this contract was not tendered, that it is a negotiated contract -- a kind of cost plus contract. I guess my first questions to you would be, then, was any part of that particular contract ever tendered? Was the whole contract or any part of it ever tendered? The second question, in the figures that I gave with respect to doing rehabs and Woolfendens and fourplexes, was I very far out of line in the figures that I quoted?

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

HON. ARNOLD McCALLUM: Mr. Chairman, the Member asks for particulars of a contract that deal more with the day to day and I am not that conversant with it. I would respectfully suggest that either the chairman, but likely the president of the corporation would be able to respond to that better than I.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Minister. Mr. Irving. Or Mr. Pilot.

### Issuing Of Contract To Baffin Building Systems

DEPUTY COMMISSIONER PILOT: Thank you, Mr. Chairman. The figures as quoted by Mr. MacQuarrie are accurate. As of January 21, 1982, the total contract with change orders was \$1,648,988. There were other components to the original contract. One was for demonstration units. This was deleted from the original amount of the contract. The history of this particular contract goes back a good number of years, at which time the Housing Corporation was instructed to become involved in a training program, and when that training program was added to the particular contracts that we are referring to, it entailed or necessitated a management agreement to be developed between the Housing Corporation and Baffin Enterprises Ltd. The amount of the agreement, I believe, was in the documentation that was circulated to the Members; it indicated that for each unit that was constructed there would be a percentage or an amount of money given to the contractor to administer that particular contract. The original contract would have been tendered. However, the year prior to this contract year Baffin Building Systems was involved with a rehab construction program and training program, and it was a motion of the village or the town of Frobisher Bay that we continue this contract with Baffin Building Systems because of their excellent working relationship with the Inuit people of that area. It also included the community of Pangnirtung.

Prior to this contract being signed, it was discussed at a board of directors meeting, and a motion was passed at that time that the Housing Corporation continue its involvement in the training aspect of this particular contract, and in so doing instructed the administration to negotiate a contract with Baffin Building Systems. However, during the period of time between the instructions given to the administration and the actual signing of the contract, the administration -- or at least I as chairman -- did caution the administration on several occasions with regard to the content and to the amount of funds that were being assigned to this particular contract. I do not believe it was in this particular package that was distributed to the Members, but there are on file my comments concerning this particular contract. However, when it is broken down, when you look at what it costs to rehab one of our houses, I believe it is in the \$45,000 to \$50,000 range, and you subtract that, and you subtract the contract for the fourplex, the actual construction cost of the Woolfenden units does come into line.

However, it still does not answer the question of a negotiated contract, and there was concern expressed by other contractors in Frobisher Bay at the time that this contract was let. A meeting did ensue between the contractors and the corporation, and it was understood that this would be the last time such a contract would be entered into when there were and still are competitive contractors within Frobisher and the Baffin region that could, indeed, bid on these contracts, and they may come at a lesser cost.

### Revamping Contract And Tendering Procedures

The administration is concerned and has been concerned about such contracts, but we were committed to them. Since the last time we appeared before this Assembly, we have restructured the corporation by the introduction of a vice-president responsible for construction. Some of his expertise that will be brought to the administration is in the area of contract administration, and we are now in the process of revamping our complete contract and tendering procedures. We have also acquired the services of a very senior financial vice-president, and we are now changing the financial structure of the corporation, not only to come in line with the territorial government administration that is required, but also developing the systems within the corporation to monitor the day to day financial activities of the administration. So we have come a long way from last year. We are quite aware that this particular contract was one that gave us all concern because of the method in which it was let and awarded, and assurances can be given to the House that all future contracts will be awarded

through the tendering process unless direction is received otherwise. In some areas where there is a very small community and only one contractor in the community, we can negotiate the contract with that individual rather than going to the expense of tendering and perhaps having, as was pointed out by Mr. Pudluk, southern contractors coming into a small community. So I do not know if I have touched on all the areas that were raised by Mr. MacQuarrie. If there are other questions or further questions, I would be pleased to try and answer them. Thank you.

CHAIRMAN (Mr. Fraser): Supplementary, Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. First of all, one question that I asked that I do not think you answered is, was part of this contract actually tendered at one time and a decision made not to go ahead with the results of the tender?

CHAIRMAN (Mr. Fraser): Mr. Pilot.

#### Tendering Of Rehabilitation Portion

DEPUTY COMMISSIONER PILOT: Mr. Chairman, I believe the rehab portion was tendered. All of the prices that came in on the tender documents were in excess of the budgeted amount, and therefore a negotiation took place with Baffin Building Systems and the former president of the corporation and vice-president of construction with Baffin Building Systems. I should point out that Baffin Building Systems did not originally tender on the rehab program, they were invited through an addition to the contract that we are discussing to add the rehab program within the dollar figures that we had budgeted to the contract, and that is the area in which we received complaints from other contractors in Frobisher Bay. As I said, we did meet with them and we gave our guarantee that no further or no future contracts would be awarded in such a manner.

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

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I have a question of the NWT Housing Corporation about what happened last year. There was to be some housing that was supposed to arrive at Lake Harbour and two of them were built. There were supposed to be four of them, but they built only two. One of them had stopped over at Frobisher Bay, and it was supposed to be in the garage of the NWT Housing Corporation in Frobisher. We would like to know what is going to happen to the house that is stuck in Frobisher Bay, if it is going to come to Lake Harbour or not. I would like to know why we never were informed why that house got stuck in Frobisher instead of coming straight to Lake Harbour? So I would like an answer to these questions. Where is that house going to be? What are they going to do with that house that was stuck in Frobisher Bay that was supposed to go to Lake Harbour? Thank you.

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

#### Warehouse Facility To Be Built

MR. IRVING: Mr. Chairman, that was, I take it, part of last years problem involving supply. That house will be built in Lake Harbour. You will note later on in our expenditures where we have shown a building warehouse for Lake Harbour -- one of the problems of getting material into Lake Harbour is that there is no place to put it pending construction. There are no facilities there, so we are building a warehouse there this year so that the previous problem of supplying material and having it either disappear or not get to where it is supposed to go will not happen again. I would assure the Member that we are going to do everything in our power to build that house as soon as possible in Lake Harbour. Thank you.

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

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I would like to ask another question. I would like to know if the white people who take contracts have their own lumber? Do the people who do contracts from the South have their own lumber or do they get their lumber through the territorial government? Thank you.

CHAIRMAN (Mr. Fraser): Mr. Irving.

MR. IRVING: Mr. Chairman, that involves two types of contract. Firstly, the building materials are supplied on a supply tendering process. That is the first part and then, secondly, the construction or the erection of those materials or prefab houses involves another contract. Our policy this year is to use northern supplied materials and, also, to utilize northern construction firms to do the erection. So, in answer to the question, the materials for the most part will be supplied by northern firms. That procedure has already commenced and the first contract was awarded last week to a northern supplier to start off our 1982 program. Thank you.

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

#### Awarding Of Maintenance Contracts To Local Workers

MR. KILABUK: (Translation) Mr. Chairman, I think I have three questions. The Minister does not seem to be too happy. Maybe he will be happy because this is a new subject. I want to ask him a question and I do not know if they have considered this yet, but in some parts we have to ask our questions and try to remind the Members. You all know in my community they have taught the people how to do maintenance work. They have been going to school for three years and they teach them different subjects about building houses. When are they going to be getting their first contract? Will they have to do some testing on them first, before the people that took the training get their first contract? That is my first question.

The Housing Corporation employees have a lot of programs to carry out and they have to do some stove cleaning, maintenance and oiling. I know that sometimes they do not have enough time to do the rest of the work that they are supposed to be doing. I have known in the past that sometimes people live in houses that burn easily and some people have been burned. We do not know what caused the problem of the houses being burned, but I think it was caused by faulty wiring and the stoves not being cleaned. I wonder, Mr. Chairman, since the housing people have a lot to do, if maybe you could contract these things out. Maybe that would solve some of the problems. There are a lot of people who want to do contracts for building houses in the Northwest Territories. Maybe it would be better to give a contract to the people in the NWT, because there has been some training done. The people who have taken training were taught to check wiring and pipes. If they were to do some contracting, such as checking wiring and pipes, maybe we could use their services and it would be a little bit cheaper. The people who do contract work now should be evaluated to see if they are doing a good job or not, because a lot of Inuit people are starting to take training and a lot of them know what they are doing. Mr. Minister, I am asking you a question which has never been touched upon before. Thank you.

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

HON. ARNOLD McCALLUM: Mr. Chairman, I would say that I am happy that things are going well. I am not unhappy. I believe that the maintenance workers' training that has been going on has been fairly successful. The Member is correct that you must have oil burner maintenance, to look after furnances and stoves. They have to be maintained over the years. The training centre in Fort Smith has sent out people over a number of years to teach people oil burner mechanics. I know there have been courses in the East, as in other parts of the Territories and the training program begun and continued by the corporation.

### Maintenance Handled Locally

As to when individuals in the community are prepared and ready to take on contracting jobs for the association, it would be the local housing association who would be doing that kind of maintenance or hiring of people. It may be that we should be having these people meet certain standards, as I am sure that particular courses that are run now by Thebacha College, in DACUM charts, would be able to indicate how much they are able to do and when they could become private entrepreneurs and do contract work. Maybe it is overdue that they should be getting tested more as to how well they can do things, but I think that what we have been doing for some time is to try to get as many people involved with being able to do some kind of maintenance, so we do not have to take people in from the outside. Maybe Mr. Irving would like to comment further on it, but I think what we have been doing is to try to give them experience and then giving them some kind of an evaluation. Mr. Irving may have more.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Minister. Mr. Irving.

MR. IRVING: Mr. Chairman, the matter of maintenance at the community level is supervised and handled by the housing association, which is a group composed of housing tenants. They rely on funds from the rent collected and as we know, the rental rates are very low. There are some rents that are not collected and, in fact, the amount of rent does not even pay for the power bills that are incurred. There is a problem in sometimes effecting the complete maintenance, because of the matter of not having enough money. That is one of the problems, but I stress that the maintenance is handled locally.

We have been involved to some degree with construction training and maintenance training. I would say that the Department of Economic Development have also been involved in this area, particularly in the contract training. We foresee in the future that we would concentrate more on construction of housing, rather than the training area and perhaps have other departments that would be more eager to have the funding to concentrate on training.

### Cause Of House Fires

I would like to mention one point in regard to house fires, an example of something that recently happened. One of our newest units, a Woolfenden design house in Rankin Inlet, burned to the ground. The first report that came to our attention was that possibly wiring was involved and we looked at this specifically and found out it was not wiring -- that alcohol was involved. This was a new house and in regard to the new houses, since I have been the president of the corporation, it has not come to my attention that faulty wiring has been the cause of any house fires. I might also point out that these houses are inspected, not only by ourselves, but by CMHC inspectors, who are our major co-funding partners in building homes, and the inspections are very strenuous in this regard. I think too often that the construction or the wiring of houses has been blamed for the fires when, in fact, that does not occur, and I mentioned that one example, the last fire that occurred. Thank you.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Irving. General comments. Mrs. Sorensen, you are next.

MRS. SORENSEN: Mr. Chairman, I had not really finished with my comments with respect to northern preference and the need for the Housing Corporation to be really sensitive to this, and I understand that it is a political thing, and I am speaking as a politician when I speak the way I do.

---Applause

---Laughter

HON. DENNIS PATTERSON: First time! First time!

Northern Contractors Should Be Number One Priority

MRS. SORENSEN: Thank you, thank you. Mr. McCallum raised, I think, a significant point when he said earlier that southern businesses and contractors were hungry, and that they would bid at cost or below cost in order to sustain their businesses. Now, they can undercut their contract in order to sustain their businesses. Our northern businessman cannot do that because he automatically has higher costs, 30 per cent at least higher cost, even before he adds his profit margin, in Yellowknife, because of the northern climate. I suggest that the Housing Corporation -- and I add the Department of Public Works and, in fact, the entire government -- does not exist to keep the southern entrepreneur in business. While I feel sorry for those that are going out of business in the South, I think that Members will agree with me that the northern businessman and the northern contractor who are employing northern people have to be our first priority, and that extends from our government into our crown corporations. Our first priority as well has to be to encourage new business and to encourage the training of northern people so that they can carry out the jobs that both DPW and our Housing Corporation will provide.

We also know that we have an awful lot of young people who are up-and-coming, that our employment is very high, and that the oil and gas and mining industry, those primary industries are not high employers of northerners. Secondary or tertiary industry is, and that is what the supply and service industry is, and that is what our government is providing through DPW and Housing Corporation, indirectly through its contracts and its business opportunities.

I have totalled some \$33 million that the Housing Corporation and the DPW provide in capital money over this next year, and I would like to see -- and I know other Members would like to see -- as many of those dollars stay in the North as is possible. We know that we have a tremendous potential in our schools and in our AVTC and in our soon-to-be satellite training areas. We have potential for the training of plumbers and electricians, for dry wallers, and we also have tremendous potential for the creation of more supply and service industry, so that not only can these new businesses supply our government, but they can also, then, hopefully supply the oil and gas industry and the mining industry as well.

Government Contractors Must Support Northern Businessmen

It comes down to what comes first. We know that getting into business in the North is precarious at the best of times, and that even with a certain amount of guarantee of getting government contracts, northern businessmen have a struggle and have to fight to stay on top of it. So I think that the message has to be there, that this government will go out of its way and is absolutely committed to northern businesses and northern contractors, that we agree that we are all in this together, that our northern government and our small businessmen and our contractors are in this together if we are all going to survive up here.

We have to let them know -- and I agree with Mr. McCallum -- that we will not tolerate businessmen that rip us off, and that we will go through the full extent of the law to see that they are taken to task if that happens, but I sincerely do believe that northern businessmen will not rip us off. There is always a bad egg, I know that, but I just do not feel that, given the proper training and proper experience, and given the potential of further contracts, that that businessman is going to rip us off.

Mr. Chairman, this Legislature is on record as saying that it wants -- and in fact expects, and in fact demands -- that the oil and gas industry and the mining industry buy north, and if we are not demonstrating that, absolutely and totally, within our own government, then I think it is a farce to ask those industries to do that, to buy north. We have to be the examples and we have to go out of our way to do so.

So I have a question arising from that, and it is this. Mr. Pilot, if your corporation received a bid from a southern manufacturer, and you know he is suffering, that manufacturer -- say it is a manufacturer that provides construction material -- so you know that bid is underbid, because the construction industry is in a major slump in the South, and you get a bid from a northern retailer which is a reasonable bid given the fact that the northern retailer has to cover his northern costs and make a profit, and yet it is beyond the 10 per cent northern preference, but it is a reasonable bid -- because you say you do the research -- who are you obligated to give that bid to, that tender to?

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

DEPUTY COMMISSIONER PILOT: Mr. Chairman, not to pass the buck, as they say, but I think I should ask the president of the corporation to respond to that because that is the day to day operation of the corporation, and he is the one that will have to interpret the question that is being asked, and provide an answer to it. So if I may ask the president?

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

MR. IRVING: Mr. Chairman, the Member asked a hypothetical question, and I think each problem has to be addressed at the time, giving concern to a number of ramifications. I might make one point, that the majority of the funds that are expended on housing, some two thirds of the money that we are involved with, does not come from the territorial government. It comes from CMHC, and they do not have a northern housing preference or policy. However, we have a very good working relationship with that federal crown corporation, and I do not experience any problem, at this time, in carrying out the policy that has been provided to me by the chairman of the board and the Executive, which is to use for the most part northern contractors and northern supply.

I think that, perhaps, the problem at this time is not as great as you want to make out, because, recently, we have just begun our \$14 million material supply program, and we advertised only in the North. We have, in our professional purchasing office, a system whereby we know what we should be paying for those materials. It was interesting to note that the northern supplier that was the low bidder and secured the bid in the amount of a quarter of a million dollars, was 16 points under the mid-line. My point here is that that northern supplier is competing very well with the southern supplier; in this case, we do not even need to use the 10 per cent preference. I think one of the things is that northern businesses know the problems in regard to supply and how to get it from the factory at the wholesale price to the f.o.b. point. They perhaps know a little better than some of the southern suppliers. My point, I suppose, is that I do not anticipate any major problems at this time regarding the contracting process.

#### Northern Supplier And Contractor Will Be Favoured In New Procedures

On the other hand, the matter that was brought up about the BBS contract in the Eastern Arctic -- I suppose you cannot have your cake and eat it too -- where a northern firm was being assisted with some supply problems that arrived last year, where it does not look very good. So I would say that, with the new tendering procedures that we have implemented in the corporation and with our purchasing office as it is now operating, I do not really see a problem, and that we can look after the northern contractor and the northern supplier within the wishes of this Legislative Assembly, as I understand them. Thank you.

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

MRS. SORENSEN: Well, I know, Mr. Chairman, that we do have problems with manufacturers, by their very nature of being manufacturers, being able to underbid our retailers. That is a very real fact, and I guess that is one of the reasons that we went to a larger local purchase, to \$5000, and hopefully it will be higher, to enable retailers to bid on local purchase.



However, I wonder if Mr. McCallum could respond -- and I realize it is hypothetical to my earlier question, but would the Minister want to know about situations like that so that he could advise the administration of the Housing Corporation on a situation like that? I do not know whether you were listening -- yes, just checking, just checking.

Information On Southern Underbidding To The Minister

It has happened in the past, we could be faced, and probably will happen, this spring, in our tenders, where because they are hurting in the South they will underbid, and underbid by quite a lot, in order to maintain their business and keep their business alive, so that they can survive until things pick up in the South, whereas we know that if the same thing happens here, if our northern contractors underbid they are just going to go under because of the other costs, the additional costs that are added to being in business up here, so would the Minister want to know about situations like that?

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

HON. ARNOLD McCALLUM: Mr. Chairman, the definitive answer, of course, obviously, is yes. I would want to know when we are in that predicament. I do not want to get into the management of the corporation, but when it begs the question of a policy of the government and the interpretation of that, yes, I would want to know where the difficulty is. I think Mr. Irving identifies a real problem because even with our rehab moneys that we have to borrow from the lending institution that we use, which of course is CMHC, they do lay on certain kinds of heavies as to the business. Because it is Canadian money, they believe that there should be Canadian business people responding to it. Hopefully, we have the beginnings for a policy that is even more definitive in relation to what has been said. We will be in a better position after listening to this particular debate to even be much clearer on what we would want to do, and when I say much clearer, I mean quite possibly to the point of saying, "All right, we have tendered for these things. We have tendered only in the North. We may only respond to those that are northern businesses", notwithstanding that there may be southern businesses. We want to get the documents, we may do that.

It is the same thing, though, if one was to build a house and had to borrow from a lending institution, that institution from whom one would borrow the money would lay down certain restrictions on it, either in the erection, and in this case, in even the rehab, because the great percentage of rehabilitation work that we are doing this year comes under an agreement that we have with the federal government's crown agency, Canada Mortgage and Housing, by which we are able to borrow these funds.

I think that we are along the way that we would be able to really respond more positively to northern businesses who are able to supply. We have little trouble with manufacturers of materials. It is the middle person, as it were, the suppliers. We believe that because of the experience that northern business people have in supplying materials over a number of years, they are able to go to the manufacturers and get the same kind of deal as a southern supplier can get. I know for a fact that we have two business people in the city of Yellowknife who have indicated to us, that they do not need preferential treatment. They can get materials from the manufacturer for the same price as a supplier would in Edmonton or Calgary, and I have had that personally from these two people. So what we are looking for is to give the supplier in the North and the construction people, the contractors, the benefit of it. So when these responses to tenders that we put out come to us, if there is a difficulty or the corporation is not sure, they come and seek some kind of consultation with me, as they have in the past, and I think that we have been able to come to an agreement that yes, we are going to use a northerner. So in the long way around, yes, I would want to know about those concerns.

CHAIRMAN (Mr. Fraser): Thank you, Mr. Minister. We shall take a 15 minute coffee break precisely.

---SHORT RECESS

CHAIRMAN (Mr. Pudluk): The Chair recognizes a quorum now. Housing Corporation. General comments and questions. Are there any further questions or general comments? Mr. Noah.

MR. NOAH: (Translation) Thank you very much, Mr. Chairman. How much does the Housing Corporation have? This is my first question.

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

HON. ARNOLD McCALLUM: How much what?

MR. IRVING: There was not any question, Mr. Chairman. We did not get all of the interpretation. Could we possibly have...

CHAIRMAN (Mr. Pudluk): Mr. Noah, try again.

MR. NOAH: (Translation) We have heard that in the Northwest Territories there will not be any new houses, new rental houses. I would like to find out how much debt the Housing Corporation has up to now. This is my first question.

CHAIRMAN (Mr. Pudluk): Thank you, Mr. Noah. Mr. Irving. Mr. McCallum.

Decision Not To Schedule New Housing Is Not Based On Financial Status

HON. ARNOLD McCALLUM: Well, Mr. Chairman, I think the question relates to a statement I made in reply to a direct question from the Member, that he had heard a rumour that there was no new housing to be done this year. I would simply like to indicate to the Member that there is no new housing scheduled for completion this year. It has nothing to do with a debt, if any, that we have in the corporation. What we are saying is that we are going to complete the housing that was started last year that has not been completed.

I indicated in my opening remarks that about 40 per cent of the new housing that we started last year remains to be completed. We are this coming year going to acquire land, put in place foundations, for 82 units and to embark upon a construction period that will no longer be one year but will be two years but we will not be completing any new housing that would have come into play this year.

Now, as to a deficit that this corporation may have, the decision not to schedule new housing for completion in 1982-83 is not dependent upon the financial status, that is the deficit that the corporation may have. We are finding, as I indicated to Members in my opening remarks, that \$18 million out of the approximate \$20 million it costs this government for O and M, is involved with power and fuel. With the remaining moneys that we have, we have decided to rehabilitate 246 units in the Territories and we have to borrow money in order to do that rehabilitation. That money will cost this government over the next while approximately \$5.5 million. So if we were to begin new housing that would be completed this year, our amortization cost would rise significantly as well.

Now, I would ask Mr. Irving to comment upon the second part of the question, but I want it perfectly understood that the decision not to build new houses for completion in 1982-83 is not a result of the financial status of the Housing Corporation. It was a decision to meet the realities of life in that if we are to get approval of this budget sometime in March, then to order materials, then to have those materials transported and get them to a particular community, we would never finish the houses in one year anyway. That is what we have been up against as a corporation for a number of years. So if Mr. Irving would like to comment further upon the finances, I simply want to indicate to the Member that the decision to build housing or not to build housing was not predicated upon a financial position of the corporation.

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

1982-83 Construction Of Housing In The Eastern Arctic

MR. IRVING: Mr. Chairman, the Housing Corporation will be commencing the construction of 82 housing units, at an average cost of \$151,000 per unit in the Eastern Arctic this year, and as the Minister mentioned, these units will be completed in 1983. The forthcoming summer we will be acquiring the land and getting the foundations ready and arranging the supply and the erection contracts for 1983. I have the breakdown of where those units are going, the respective communities in the Eastern Arctic, if that is required. Thank you.

CHAIRMAN (Mr. Pudluk): Thank you. Mr. MacQuarrie. I will come back to you, Mr. MacQuarrie. Mr. Noah.

MR. NOAH: (Translation) Thank you, Mr. Chairman. The people that are renting houses have been in the same house for many years, they pay rent every month, and we know that there are some people that have problems in paying rent monthly. For example, if one person was renting a house and paying for it every month, and the house that he is renting is getting older, if he wanted to rent to own it -- if Mr. Nicholas was paying every month \$120, and his house is getting older, if he would like to purchase it, how many years would it take for him to purchase this house, using money that he paid for rent?

I have heard before that the matchbox houses, the small houses, were not supposed to be used any more. They were to be destroyed because they were too small, but there are still some matchboxes in my area. I do not know how many there are left, but there are a couple of matchbox houses being used, and if they are paying rent on these houses, maybe they are paying for the electricity or the other utilities. I think I have heard before that these matchbox houses are to be destroyed because of health problems and for space and heating problems. This is all I have to say, and maybe I am not very clear on this, but thank you for letting me speak.

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

HON. ARNOLD McCALLUM: Mr. Chairman, as with regards to the method of arriving at rent schedules and as to the matter of buying the northern rental units or matchbox units, I indicated in my opening remarks the difficulty that we face in getting rent, which is put to use in the maintenance of these homes, back to the corporation. The money that is collected as rent in the communities is used by an association to provide maintenance within that association's community. As to the method and as to the situation of buying back or getting rid of them, I would request of you to ask Mr. Irving to maybe comment further on it.

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

Calculating Sale Price Of Rental Housing

MR. IRVING: Mr. Chairman, I would like to advise the Member on his question concerning the purchase of the housing unit he identified, that the occupant can purchase that unit at the original capital cost less the yearly depreciation, less one third of his rent paid. In other words, he could purchase that house for a very low price.

I would add one other item, which is that we are expecting to put into place the new rural and native housing program that the federal cabinet is looking at at this time. I think this is going to be very advantageous particularly to the Eastern Arctic, and possible home-ownership plans that would be very workable, particularly amongst the native people in the Eastern Arctic. I cannot give any particulars at this time, because the matter is being considered by cabinet, but we are advised that we should be able to offer that program later on in 1982. Thank you.

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

Destroying Of Matchbox Houses

MR. NOAH: (Translation) Yes. My last question was concerning the matchboxes, Mr. Chairman. They were supposed to be destroyed, but I do not think that has been done, that they are being destroyed yet. The matchboxes being so small, and they are so cold in wintertime they use quite a bit of fuel to keep them warm. In the springtime being so small, they get too warm. They are called matchboxes; they are quite old. I think I have heard the Housing Corporation mentioning that they were going to be destroying them, but I do not think they have done it, and I would like an answer to this. Thank you.

CHAIRMAN (Mr. Pudluk): Mr. Irving.

MR. IRVING: Mr. Chairman, the Member is correct. Those particular houses, termed the "matchbox unit", which are in poor condition, those units are being written off and either being sold by tender to the highest bidder or disposed of by knocking down. I am aware that some of them sold for storage in the amount of \$100 per unit, and we are trying to replace them as soon as possible. Thank you.

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

MR. NOAH: (Translation) Okay. My last question is the new houses use the duct system. For the heating from the furnace the pipes that go to the living room and the bedrooms are not very good; they are always up toward the ceiling area. We have mentioned this to the Housing Corporation and we made some recommendations to have them put the furnace pipes under the floor instead of through the ceiling. If they had air vents it would be a lot better for the new buildings. We have been talking about these recommendations we have made before, but the buildings that are being built right now have pipe systems only through the ceiling area, and it gets too dry when they have those pipes up on the ceiling area. I wonder why they do not have floor vents instead. That is my question, Mr. Chairman.

CHAIRMAN (Mr. Pudluk): Mr. Irving.

MR. IRVING: Mr. Chairman, I thought perhaps that might have been a statement rather than a question. I take the advice of the Member and will be referring it to our construction department. I cannot make any other answer at this time, but I take the information under advisement. Thank you.

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

Questions On Contract With Baffin Building Systems

MR. MACQUARRIE: Thank you, Mr. Chairman. I would like to return again to the contract matter that I raised earlier, and I do have a number of questions. I would ask your indulgence to be able to go through them, because, if not, I will have to come back again later anyway.

Perhaps the witnesses would want to say later whether the company in question is considered by the corporation to be a northern company, Baffin Enterprises Ltd., Baffin Building Systems, but I notice the address for the company is 1019 Nelson Street, Oshawa, Ontario. At any rate, in assessing some of the response that was made, I recall Mr. Pilot saying at one point that actually the rehabilitation per unit would be somewhere in the neighbourhood of \$45,000 to \$50,000. Now, I am not sure where that figure comes from. Was I wrong in understanding that? If that is a correct figure, does that not include the materials, as well as the labour? In fact, this company is only providing the labour, not the materials, and that is what makes me wonder about that figure first of all. If

the corporation only budgeted about \$140,000 for labour, it would be hard to see how each rehab unit would be in the neighbourhood of \$45,000 to \$50,000, and what also makes me wonder about that figure is that I have other information on another contract -- the contractors, the Arctic Bay Housing Association -- and they tendered and received a contract for five rehabs at \$78,000, which is about \$16,000 per unit and that they are providing training as well, at the same time.

So, in the light of those other matters, I do not understand, and maybe you can clarify, how the ones in Frobisher Bay might cost in the neighbourhood of \$45,000 to \$50,000 each, but even if I were to accept that figure -- that would be 10 rehabs at \$50,000 each -- that would be \$500,000 -- your own statement in another contract document that I have here says, "the expected average price" and in brackets they have \$26,000 per unit for putting up Woolfendens. So, I stick with that figure and eight of those comes to \$202,000. Then, if there are two fourplexes -- and again, I reiterate that I have heard that construction work on fourplexes at Cambridge Bay is done at \$60,000 per unit, whereas this contract has them each one in at \$260-some thousand per unit. So, even if I were to accept that larger figure of \$261,000 per unit, that is \$520,000 for the fourplexes, \$202,000 for the Woolfendens and \$500,000 for the rehabs -- that would be your highest figures given, and I still only tally that at \$1,222,000 and this contract, as we said earlier, has already run to \$1,600-some thousand, with the possibility of going higher, in my understanding.

#### Possibility Of Contract Granted Without Tendering

You may point out to me that I am incorrect in that, that there is no possibility of it going any higher. That is still a lot of gravy, \$400-some thousand. As I say, I do not even accept those figures and I think the disparity is even greater than that, but even at that, that is a lot of money. It seems to me to have all the appearance of a very fat contract granted to somebody without tendering and that naturally raises serious questions about, if favours were done, were any favours done in return?

You did say that there was a concern about the method and I appreciate that. Can you tell me the extent of the concern? What has that meant as far as the Housing Corporation is concerned? Is it specifically looking into this particular matter and if so, in what way?

CHAIRMAN (Mr. Pudluk): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Mr. Chairman, starting backwards from the comments that were made, the concern was raised last year and addressed, presumably, by the administration just prior to the number of contracts being signed. Once we entered into the contract with Baffin Building Systems, then I had assumed that the administration had addressed all of the concerns and there was no longer an area in which I should feel personally concerned with or feeling that there may be something wrong with the contracts. I do not know of any favours having been given or received by anyone in the corporation as a result of the letting of this particular contract. Some areas that perhaps have not been addressed in the overall contract is the fact that the total of \$1.6 million had added to it two additional change orders, one to provide the piling, which was \$114,000, and the second was to provide the gravel for the foundations, which was \$110,000. My understanding is the total administrative contract, or the administration of the contract, including the training portion, was \$196,000.

The Member is correct, my quote of \$45,000 to \$50,000 included the material and I probably confused the issue by mentioning that amount of money, but that indicates the amount of work that is required on each unit. Apparently the contract for the rehabilitation was based on \$14,000 per unit and this did include the administration and -- or at least, the administration and training component was covered under the \$196,000 that I referred to earlier.

Qualification As Northern Contractors

With reference to BBS as a northern contractor, in large contracts such as this they do qualify, although their home office may be indicated to be outside of the Northwest Territories. It is no different than a lot of the other companies that we are dealing with. For example, Poole Construction or Tower Foundation, out of Montreal -- although their headquarters may be located in the South, their major work is taking place in the North. They are employing a major number of northern people in the particular contracts.

When we were faced with a northern contractor bidding against BBS, for example, and we did apply the northern preference policy, the purely northern based company was awarded the contract over BBS, on a purely northern preference situation, mainly because the second company met all of the criteria. In other words, its headquarters was based in the Northwest Territories, registered in the Northwest Territories, and the assets remained within the Northwest Territories, whereas BBS qualified for two of the three criteria, the third being the headquarters not located in the North. I am not sure whether I addressed all of the questions that were put forward and if there are further questions I would be pleased to try and attempt an answer to them. Thank you.

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

MR. MacQUARRIE: Could I ask what was the lowest tendered price for the rehab portion of the contract, which was determined to be too high, so that a negotiated contract was given out instead? No knowledge?

CHAIRMAN (Mr. Pudluk): Mr. Pilot.

DEPUTY COMMISSIONER PILOT: Mr. Chairman, I do not have that information. I do not believe it was ever brought to my attention. It was in the day to day operation of the corporation, so I do not have that information. Whether Mr. Irving has it or not, I am not sure.

CHAIRMAN (Mr. Pudluk): Mr. Irving.

All Relevant Information On File Re Contract Has Been Tabled

MR. IRVING: Mr. Chairman, no, I do not have the information either. I should like to point out for the Member concerned that the former president of the Housing Corporation and the former vice-president of construction are no longer with the corporation. I cannot answer for them. That particular figure, I may be able to locate, but it is not in my file. One last point, I attempted to put all the relevant information that I could find in the document that was tabled before the House and I know nothing further about this matter. I would say that I would be most concerned if there was any particular wrongdoing on behalf of the contractor or any member of the corporation and I put on record that I would be the first one to request that those people, if something was drastically wrong, be put through the high jump.

The corporation has taken a look at this particular contract in some depth when the matter first came to our attention late last year and I had a team of our senior management examine the matter in detail and I have found, other than just some sloppy contract work and possibly a bad situation, I have found nothing criminally wrong at this time.

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

MR. MacQUARRIE: I certainly appreciate that the senior management has changed since that time and so, there is not any implication in what I say that the present senior management has responsibility for what was done in the past, except maybe to examine it very carefully if it warrants examination very

carefully. The reason I asked about the lowest tender price is simply I am trying to determine what would be a reasonable amount for the labour on a rehabilitation unit and this was awarded at \$14,000 per unit. I must assume that that is somewhere in a reasonable range, so that even if it is \$20,000 a unit, then again, that comes to \$200,000 for the rehabilitation, \$202,000 for building Woolfenden units at \$26,000 each, which the corporation's note says is a reasonable amount, and then the two fourplexes, and for all of that the contractor is getting -- is eligible for \$1,600-some thousand.

#### Access To Negotiated Contracts Versus Tendering

Now, to me, when I compare it with what other tendered contractors are getting, it just seems to be highly irregular and that is why I believe that a closer examination of the matter is required. For the moment I will leave it at that, but there is another aspect which I am concerned about as well and that is that while this type of business had access to a negotiated contract like that, I understand that there are other groups, who are completely and purely northern based, who do not have any such -- or have not in the past, at any rate, had any such favour shown to them. They have been forced to tender and I will deal with one specifically.

I believe there is a contractor training pilot project in the Baffin region in which our own Department of Economic Development is attempting to develop construction training skills and that sort of thing. What I am informed is that this group, for instance, has found difficulty dealing with the corporation, when on the other hand, I see a contract of the type that I just mentioned, where things seem to go very easily. I would like to deal for a little while about whether there are, in fact, some roadblocks that smaller contractors run into.

Number one, I am given to understand that when materials arrive on-site that these small contractors have 48 hours to determine whether the shipment is complete or not and, having lived in a settlement for a while, and seen how the materials come off the boats, I know that it is no easy task to determine in 48 hours whether you have got everything you have ordered or not. I am given to understand that if certain materials are not there and the small contractors have not indicated in 48 hours that this is so, that they, therefore, are responsible. Is that correct or not?

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

#### Problems In Supply

MR. IRVING: Mr. Chairman, that may be true in some cases. Our vice-president of construction is not here just now. I would have to say, in qualifying my remarks, that we have had a great deal of problem with supply, which started last year and which we are trying to clean up. It would appear that the contractors, big or small, have a lack of material and there are a lot of things happening. Some of that material is being traded, some of it is being lost, and some of it was short-shipped. This is because of the late supply last spring, when the supply was done in a hurry and it caused a great many problems.

I would like to say to the Member who has raised the question that the corporation certainly is not discriminating against the small supplier. In fact, I would say that we are trying to help them out and overall we are trying to correct a very serious problem that arose from last years construction and last years supply. It is easy to close the gate after the horse is gone and we are trying our best to alleviate the problem and correct the mistakes that were made. I do not believe these mistakes are all going to be corrected until, probably, this summer and that is one of the reasons that our construction department has gone into a two year cycle on construction.

The reason that there is a 48 hour limit is that that is not our mandate. That is the shipping company. If we do not advise them within 48 hours that there is loss or damage, then we are up the creek and the corporation takes on the responsibility of providing the loss and/or damage to those materials and when that happens, then we are required to fly the material in, because most of these communities only have one or two sealifts, and then our price goes up even higher. I hope I have been able to shed some light, Mr. Chairman.

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

Paying Of Downtime To Contractors

MR. MacQUARRIE: I do understand, though, that from time to time there would be items that are not shipped or if they are shipped they are of the wrong specifications or whatever, so that the smaller contractors are unable to go ahead with the work. I do understand that if that happens there is no downtime paid for them. They simply have to wait until the materials come and then fulfil the contract. If I am wrong in that, you can certainly enlighten me, but I am given to understand that in the type of contract, for instance, with Baffin Enterprises Limited, that they would be paid downtime in a situation like that. Is my information correct or not?

CHAIRMAN (Mr. Pudluk): Mr. Irving.

MR. IRVING: Mr. Chairman, downtime as a rule is paid and that is one of the biggest areas in our cost overruns on these previous contracts, which I would like to mention favour the contractor, rather than this government, and that is another reason why we have changed the contract format and the tendering process from what it was last year. Thank you.

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

MR. MacQUARRIE: Another area of concern in respect to the comparison between the two types of contracts and businesses, I am given to understand -- and I would ask very specifically this -- that, for instance, Baffin Enterprises Ltd. would have already received payment ahead of the percentage of work completed and at the same time I am given to understand that at least one of the smaller contracting groups cannot even get some of the money that is owing, compared to the percentage of work that is already done. If that is the case, that certainly is discriminatory against the smaller contractors.

CHAIRMAN (Mr. Pudluk): I do not know if there is a question in that. Is there any question in your speech, Mr. MacQuarrie?

MR. MacQUARRIE: Yes. Very specifically, with respect to Baffin Enterprises Ltd., what percentage of the work is now completed and what amount have they been paid to date?

CHAIRMAN (Mr. Pudluk): Mr. Irving.

Progress Claims Paid As Soon As Submitted

MR. IRVING: Mr. Chairman, all contracts handled by the corporation are paid on progress claims, pending inspections by our corporation inspectors and CMHC, Canada Mortgage and Housing Corporation inspectors, depending on the percentage of the work completed. As of today, I cannot give a definite answer as to the percentage of the work that has been completed. You know, we particularly attempt to help out the northern contractor and I would say that the corporation has gone out of its way in the past six months to pay progress claims as they are submitted -- as soon as possible -- and we are not required to do that. That puts us, the corporation, in a bad position, when we are having to use funds that we might either get interest on or keep the required 90 days, but in order to keep these small northern contractors afloat, we pay almost immediately, and that presents a professional problem on occasion. Does that answer your question?



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

Guidelines To Allocation Of Public Housing Should Be Followed

HON. DENNIS PATTERSON: Thank you, Mr. Chairman. I just have a few comments I would like to make just really for the record. First of all, I do think that more yet needs to be done on encouraging the district managers to ensure that housing associations enforce and follow the corporation guidelines for allocation of housing. I know that the chairman of the board of directors has seen for himself some of the problems that are still existing in Frobisher Bay. I just want to make it clear that many of my constituents still feel that there are real inequities in the way housing, public housing is allocated in Frobisher Bay. I think the onus is on the district manager to make sure that the association in Frobisher Bay and, indeed, anywhere else follows the guidelines that are established because we have examined them in this House and I think they are fair and equitable. They are based on need, they are based on length of residence, they are based on factors such as children and this sort of thing and I think there is a good allocation policy. It is just that it still needs to be fully implemented, particularly in Frobisher Bay, anyway, and we still have people who are in the business of building and leasing houses living in public housing and plugging their commercial vehicles, into public housing plug-ins when there are other more deserving and long permanent residents who seem to be less fortunate.

The matter was brought home to many people in Frobisher Bay when quite a large number of local persons were arrested for drug trafficking and it was discovered that many of them lived in public housing and this is the sort of thing I am sure the corporation will continue to try to be vigilant to weed out these ineligible persons.

Energy Conservation In Public Housing With User-Pay Plan

There is just one other matter I would like to mention. I think that going toward user-pay is an important way of encouraging energy conservation in public housing but I am concerned that in Frobisher Bay perhaps, again, too much discretion has been given to the housing association to actually set the rates, because really the housing association should be regarded as a tenants' association. They do not have the same kind of proprietary interest in public housing that you would have in a co-op housing situation or a similar condominium or a similar venture. As a result, I am afraid that sometimes they look after their own interests perhaps and in the case of the energy -- the user-pay plan, I am concerned that they would come up with a one cent a kilowatt hour rate -- and this is proposed by the Frobisher Bay housing association -- for energy use beyond a certain normal usage level. There is some concern, particularly amongst those people in Frobisher Bay who wish to see encouragement to people to build and eventually occupy their own homes. This is really quite a low price to have to pay for energy and it does not really amount to much of a disincentive to conserve and, in fact, it may even have the other effect.

I would also just like to mention, Mr. Chairman, that I am somewhat concerned that the training initiatives that were begun so successfully in Baffin last year do not seem to have borne as much fruit this year. I am pleased to hear the president saying that perhaps it is time to take a look at putting training into areas like Economic Development or Education where costs seem to be significant when you add the training component. So I think this is probably a good direction based on recent experience.

Magazine Uses Keewatin House As Example Of Energy Conservation

Having offered a bit of, I hope, constructive criticism, I would like to now just mention, Mr. Chairman, that I was very pleased to see in this month's issue of Harrowsmith magazine, which is one of the leading magazines devoted to

innovation in energy conservation and sort of the back to the land movement in Canada, that a Housing Corporation house in the Keewatin called "Keewatin House" was featured in that magazine this month. I guess the architect got most of the credit but indirectly what this article was saying was that the house built under corporation auspices in the Keewatin, and the other houses that were built as energy conservation houses last year, are leading examples in this country of how to save energy in a cold northern climate and make use of the sun.

I would particularly like to get some information on the Keewatin house which was featured in the article or perhaps any of the other houses that were built similar to it. I would like to know who takes the credit in the corporation for having sought out the architects who produced this seemingly very advanced design; what information you might have now about the savings that have been associated with that design; what the final cost was; whether, when you look at the savings, it is a reasonable investment to build these kinds of houses on a large scale compared with what it costs to build a more conventional style house; and finally, I would like to know if this project is as successful as the magazine seems to predict it will be. Does the corporation own the plans to that particular house and if so, might those plans be made available to persons in the Northwest Territories who are interested in building energy efficient homes? I guess there is a lot of information requested there in my questions, but I think it would be very interesting to this House if we could have those details because I think looking at the energy costs, the costs of utilities in our overall budget and in the Housing Corporation budget, I think this is the way we have to go. So I would be grateful if I could get that information, either now or at some convenient point during this discussion. Thank you, Mr. Chairman.

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

#### Information On Keewatin Houses

HON. ARNOLD McCALLUM: Mr. Chairman, I can give you some information on it and maybe Mr. Irving may add to it. There were six units erected in the Keewatin region in 1980, in Rankin Inlet, Chesterfield, Baker Lake, Whale Cove, Repulse and Coral Harbour. The cost of each unit was about \$96,500. Now, the initial reports that we have on the units is that the fuel requirements are very low and the CMHC is doing a monitoring scheme on these and we may have something on those units by the end of this month, that is March. I believe the plan is adaptable for use by private builders. The scheme, I think, was done in conjunction with the Housing Corporation. A gentleman by the name of Chris Jalkotzy was involved with it. His parents are the doctors in Fort Smith. I believe he terminated his employment with the corporation about a year ago, maybe more. The units were designed in consultation with the people in those communities and there was a great deal of consultation between the architects who were, I think, from someplace in Ontario with Mr. Jalkotzy and people within the corporation and with the Housing Corporation people in Rankin Inlet. Those are basically some of the facts. Maybe Mr. Irving may be able to enlarge upon those.

CHAIRMAN (Mr. Pudluk): Mr. Irving.

MR. IRVING: Mr. Chairman, those houses were built in conjunction with our funding partner, CMHC, and I have done some research since I read the article and found that the young northern gentleman that was formerly employed by the corporation was the ramrod behind the project. He did it almost single-handedly. He was the one that contacted the architects and with the help of the CMHC went ahead with that project. Those units cost in the vicinity of \$100,000 and that does not include the cost of the property.

#### Monitoring Of Houses By CMHC

Currently those units are being monitored by CMHC under contract with a private firm. CMHC paid the \$50,000 for the monitoring contract. Two thirds of the monitoring has been done and interestingly enough, it is one of the better units

that has been built. The current monitoring process indicates that the Woolfenden unit that has been built recently is just as good and our construction division is looking at both of them and hoping to come up with maybe a hybrid.

I would like to mention to the Member concerned that the publicity generated by that article is very good for the North and for the corporation. I think one of the reasons why that article was so complimentary was that very little has been done, particularly by federal agencies such as federal DPW and Energy, Mines and Resources, in regard to this type of project. With the help of CMHC and individuals like young Chris who had the initiative to come up with this type of project, the North has taken the lead in this type of energy efficient house. We are aware that this program does not exist in northern Quebec, with the Inuit there, nor in Labrador, involving the native people there, or with -- as I said -- other federal agencies, so we are very happy to be recognized for this particular project, and I thank the Member for his remarks. Thank you.

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

#### Problem Of People Profiting From Living In Public Housing

HON. DENNIS PATTERSON: Yes. Thank you, Mr. Chairman. I just have one sort of general question. We have apparent problems, at least in my area, with people occupying public housing who probably in many ways are profiting from the very significant subsidies that are offered to people who live in housing and I am thinking of the area of utilities and taxes and all these other costs that the corporation must bear. Since the Minister who is also responsible for Social Services, has made statements before about the fact that the corporation is really in the business of social housing and yet is expected to operate without a loss, or at least without a significant loss, I am just wondering looking ahead to the future, assuming that the housing market opens up and that more and more government employees are building their own houses even in the level two and three communities, will we be looking at the day in the future when eligibility for public housing will -- when we will be actually paying, charging much closer to the actual costs for operating public housing and expecting people who want subsidies to come to Social Services rather than to go to the Housing Corporation if they want to get a subsidy? I am wondering if that might be the direction we should be moving in to reconcile the fact that we are expected to provide social housing and yet at the same time operate the corporation on a businesslike basis.

Would a possible solution be to actually charge people closer to the actual costs and refer them to Social Services if they need a subsidy? This is one way that I can think of to eliminate the problems of those people who are actually profiting from living in public housing. They would presumably no longer be eligible for social assistance, and therefore they might be housing themselves rather than taking advantage of public housing, which I see as primarily being designed for those people who could not help themselves. It is really a philosophical question, but I think it is important, Mr. Chairman. Thank you.

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

HON. ARNOLD McCALLUM: Mr. Chairman, I would agree with my colleague that it is a philosophical question. I alluded to that in the beginning of my remarks about the role or the mandate of the corporation. Do we involve ourselves with only providing social housing, or do we get involved as a corporation with some of the other programs -- or continue to be involved with some of the other programs that we are in? There have been comments made about the role of Economic Development and Tourism, for example, the training aspect of it, education -- oil-burner mechanic courses that go on, the training that goes on within the corporation itself, obviously in terms of social services. I think that we have to fundamentally decide -- and I thought I threw that out in my opening remarks -- we have to fundamentally decide why are we in the business of providing social housing and to whom do we provide it. I think that we as a government will always be in the business of providing housing, but I think it should only be social housing.

I would hope that the kinds of initiatives that we as a government have embarked upon will promote home-ownership across the Territories, but regardless of that there will be a need to supply housing to those people who cannot afford to own their own homes. Now, whether we want to give it a different name than social housing, that is what it will come to. As to who -- as to whom should provide the subsidization, that is, what government department, that may very well be another question.

MR. MacQUARRIE: Who.

HON. ARNOLD McCALLUM: No, "to whom".

MR. MacQUARRIE: To who.

---Laughter

#### Department Responsibility For Subsidies

HON. ARNOLD McCALLUM: What I am saying, I guess, Mr. Chairman, is that we as a corporation can build the units. Should the corporation as well provide the subsidies for the power, the utilities? If it is social housing, somebody has to apply for the social assistance, and we could very well take it out of the budget, if you like, of the corporation, and put it into social assistance because, as I had indicated, we are spending roughly -- well, we are spending this coming year over \$18 million in fuel and power, never mind water, taxes, maintenance.

I am not sure whether I can indicate to you with whom that responsibility should lie, but then I think it would be with the government regardless of whether we identify a particular department or not. But we are going to have to make up our minds that the corporation, first and foremost, was started to provide this kind of social housing; we took on a responsibility from the federal government. We are going to always have that. Whether it should be involved totally with the Housing Corporation or not, that is the moot point. I would expect that that is something that we as an Assembly and we as an Executive are going to have to grapple with very quickly.

At the same time, I think that, because of the cost of renovating the matchbox houses that we took over from the federal government, it now comes to this corporation, this government, to borrow the money to bring those up to 1982-83, or beyond those years, to make them energy-efficient units. That is where we as a government are having our difficulties in the corporation, but, in essence, I would see us always providing social housing. What government department is to pay for it, I do not think really matters. The government in general is going to have to do it.

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

#### Consultation With Housing Associations On Renovations

MR. KILABUK: (Translation) Thank you. I am going to have a very short question, because I am very confused. I was told by the person beside me in main estimates, the renovations for houses are many. There are quite a few of these houses that are to be renovated. Do you have to ask the housing associations in the settlements which houses have to be renovated before you do anything? Or which ones would be priorities? I think I am misunderstanding in this area. I think I am confused because I have heard that the housing association in Pangnirtung had not been asked about renovations. They had furnaces and everything, and they had to be renovated again. The 1966-67 houses, were not renovated at all, even though they were older. They only renovated the newer ones. So I was wondering if you asked the housing associations first which houses have to be renovated, or do you just decide on your own which houses are to be renovated?

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

MR. IRVING: Mr. Chairman, the program which the Member asked a question on is the rehabilitation program under section 43 of the National Housing Act. The funding comes 10 per cent from the Government of the Northwest Territories and 90 per cent from CMHC. CMHC do have certain guidelines which are required for this program and this is where there is local input. There is a needs type of survey that is done locally. There are recommendations from the local housing associations, in this case the housing association of Pangnirtung; the district office, in this case Frobisher Bay, identifies the priorities by community and that is all put together here at the Housing Corporation in Yellowknife. As an example, for 1982-83 we have identified 246 units to be rehabilitated under this program. We could do more if we had more money. CMHC will match us but with our current budget, we are limited to 246 units. I might say the majority of these will be done in the Eastern Arctic.

In specific answer to the Member's question, if families in Pangnirtung require rehabilitation of a particular unit, then they would contact the housing association in that community and request assistance under the program and if it was possible to provide rehabilitation, it would be done. I think it is important that a request go to the association. If they do not ask, they do not receive. So that is very important. Thank you.

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

MR. KILABUK: (Translation) I am not arguing against this. I just wanted to get information. I asked about this before. I asked why the houses that need to be renovated are not renovated. I was just given different answers. I will give this information to Pangnirtung. Thank you.

CHAIRMAN (Mr. Pudluk): Mr. Irving.

MR. IRVING: I would like to mention to the Member concerned that the rehabilitation is a three year program and we cannot do them all in one year. I would say that Pangnirtung would be given consideration next year for sure. I have made a note of that. Thank you.

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

#### Lower Bids By Southern Contractors

MR. EVALUARJUK: (Translation) Thank you, Mr. Chairman. I just want to say something short about contracts. I am not too sure but I have heard complaints from the Inuit in that area. The white people who have contracts -- I want to know -- the people who come from down south to tender on contracts, it costs so much for them to come up north and they pay their own way. They are even able to go home for Christmas and holidays. I am not too sure how they can bid lower than the northern contractors when they have so many expenses. It seems like the southern contractors always make more money. Is it because they are more experienced? I am not trying to say that they are making -- well, I am confused about this matter because when they are going to build houses -- for example, in Hall Beach they built houses. The houses that were built there were not built very well and they have cracks in the houses and you can hear people close by walking and talking.

The third thing is we have heard that the rent is going to go higher. People with more income are the only ones who will have a lot better houses than the others. That is all I have to say.

CHAIRMAN (Mr. Pudluk): Mr. Irving.

MR. IRVING: Mr. Chairman, the corporation is looking at a new type of program which hopefully would resolve some of their problems that the Member concerned has raised. We have not been happy with some phases of the contractor training. We believe that one of the things that the contractors should have been trained in was how to bid against some of the larger contractors in other areas, that we need to support, particularly, the native contractor in the smaller community. I am not quite sure of the particular complaint the Member raised in regard to the deficiencies of the house involved, the cracks therein. I am not sure whether that contract was completed. There are holdbacks on construction contracts. If there is a deficiency, it has to be corrected. I would like to find out just what unit that is and perhaps we can take a look at it. Otherwise, I am sympathetic to the Member's complaint. Thank you.

CHAIRMAN (Mr. Pudluk): Thank you. Any more general comments? Question? Mr. Appaqaq.

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I will make a brief comment. We already know about the new units that are going to be made. We also know that the older units that we have are starting to get a lot of snow inside them, especially this year. Whenever there was a blizzard or a storm this winter the people who live in the older units had to keep wearing their clothes in order to go to sleep, because it was so cold. Even though they had a furnace or a stove, the houses were very cold, because the older units always had to use so much fuel to keep them going. The older units that are being occupied have been occupied ever since they were built and the rents will never get lowered. I guess these have to be considered. I would like it a lot better if the housing association in Sanikiluaq were talking and making some recommendations, or telling their concerns about the problems back in Sanikiluaq.

#### Zoning In Sanikiluaq

It is not a big concern, but I would like to ask one question just for consideration. I still have the same concern, which was never resolved yet. I wonder if the Minister could answer concerning the housing rates. Will our zone be moved for housing rates back in the Sanikiluaq area?

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

HON. ARNOLD McCALLUM: Mr. Chairman, I had indicated previously to the Member that I was prepared to take back to the Department of Social Services the request that the Member has made to place Sanikiluaq in a different zone for purposes of social services and housing, because housing uses the same zoning. I had indicated that the Department of Social Services would be reviewing that whole policy and undoubtedly Sanikiluaq will be moved.

I just would make one other comment regarding the community of Sanikiluaq, in terms of what is being done in rehabilitation, what will be done, and in terms of older units. Sanikiluaq is scheduled to get 10 units rehabilitated this coming year under one particular program. I would not be surprised if there are other homes in that particular community that are being rehabilitated under another program. There is no question -- whose side are you on Binx? I am talking.

---Laughter

#### Setting Priorities For Rehabilitation Difficult

As I said, there were 10 units under one rehab program that would be rehabilitated in Sanikiluaq. I would not be surprised if there were more units under another program being rehabilitated in Sanikiluaq and there is no question there are older units. There are some communities in the Northwest Territories where there is not any rehab program going on, where there are more units, and it becomes a question of how we determine what communities get what kind of services in any

given year. It becomes a real difficulty for district managers of the corporation to try to put down priorities. In some communities in the Northwest Territories, particularly in the West, we do not have those programs going on and they have the same problems as people do in the East about making the units more habitable. But we would attempt, as a corporation, to do what we can to fix up particular units, provide employment within that particular community, by rehabilitating these units and, hopefully, all communities will get their turn over the years, but we cannot continue to just work in one community or a number of communities year after year. We have to try to spread it across the total Territories.

So, I am prepared to look at change in Sanikiluaq as to a particular zone, to be more appropriate to the kinds of assistance we may provide people, but as the Member for Foxe Basin indicated, rents will be going up. It is the same, you know, c'est la vie. That is life. It will go on. If we are going to continue to put more money into those homes, then people have to start paying a greater share of that responsibility and that is throughout the Territories, not just in particular areas.

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

MR. APPAQAQ: (Translation) Thank you, Mr. Chairman. I have a brief comment to make. I was also told before that the rates would be going up. Yes, of course they are. The NWT Housing Corporation has to look at the high cost of living first. For example, back in 1967 flour was three dollars, but in Sanikiluaq it is \$19 today. Looking at the inflation, because of the high cost of living they would have to keep the rents lower.

CHAIRMAN (Mr. Pudluk): Mr. MacQuarrie.

MR. MacQUARRIE: ~ Progress.

CHAIRMAN (Mr. Pudluk): Do you wish to report progress? Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. Pudluk): Thank you.

MR. SPEAKER: Mr. Pudluk.

REPORT OF THE COMMITTEE OF THE WHOLE OF BILL 1-82(1), APPROPRIATION ORDINANCE, 1982-83

MR. PUDLUK: Mr. Speaker, your committee has been considering Bill 1-82(1), and wish to report progress.

MR. SPEAKER: Thank you, Mr. Pudluk. Mr. Clerk, announcements and orders of the day, please. Pardon me, Mr. Clerk. Mr. Noah.

MR. NOAH: (Translation) Thank you, Mr. Speaker. When the audience is talking too much or making too much noise, who is supposed to get them to quieten down a bit?

MR. SPEAKER: I think you have done a very good job of it. It seems quiet in here now. Mr. Clerk, orders of the day, please.

CLERK OF THE HOUSE (Mr. Remnant): Yes, Mr. Speaker. There will be a caucus meeting at 9:30 a.m., tomorrow Tuesday, March 2nd, in Katimavik A. At 7:30 p.m., tomorrow evening, a meeting of the standing committee on legislation in Katimavik A.

ITEM NO. 14: ORDERS OF THE DAY

Orders of the day for Tuesday, March 2nd, 1982.

1. Prayer
2. Replies to Commissioner's Address
3. Oral Questions
4. Questions and Returns
5. Petitions
6. Tabling of Documents
7. Reports of Standing and Special Committees
8. Notices of Motion
9. Notices of Motion for First Reading of Bills
10. Motions
11. Introduction of Bills for First Reading
12. Second Reading of Bills
13. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Bills 1-82(1), 8-82(1); Tabled Documents 3-82(1), 9-82(1), 15-82(1), 16-82(1), 25-82(1); 13th Report of the Standing Committee on Finance
14. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until 1:00 p.m., Tuesday, March 2nd.

---ADJOURNMENT



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