

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

Speaker

The Honorable Donald M. Stewart, M.L.A. P.O. Box 1877 Hay River, N.W.T., XOE ORO Office 874-6522/2324 Home 874-6560 Office 873-7629-Yk. (Hay River)

Fraser, Mr. Peter C., M.L.A. P.O. Box 23 Norman Wells, N.W.T. XOE OVO Phone 587-2299 (Mackenzie Great Bear)

Kilabuk, Mr. Ipeelee, M.L.A. Pangnirtung, N.W.T. XOA ORO Phone 473-8827 (Baffin Central)

McCallum, The Hon. Arnold J., M.L.A. P.O. Box 685 Yellowknife, N.W.T. X1A 2N5 Office 873-7658/7659 Home 920-4557 (Slave River) Minister of Economic Development and Tourism

MacQuarrie, Mr. Robert H., M.L.A. P.O. Box 2895 Yellowknife, N.W.T. X1A 2R2 Office 873-7918 Home 873-8857 (Yellowknife Centre)

McLaughlin, Mr. Bruce, M.L.A. P.O. Box 555 Pine Point, N.W.T. XOE OWO Office 393-2939 Home 393-2226 (Pine Point)

Nerysoo, The Hon. Richard W., M.L.A. Laing Bldg., 6th floor, Yellowknife, N.W.T. X1A 2L9 Office 873-7113/7455 Home 873-5310 (Mackenzie Delta) Minister of Renewable Resources and Energy

Patterson. The Hon. Dennis G., M.L.A. Box 310 Frobisher Bay, N.W.T. X0A 0H0 Office 873-5342 Home 873-2082 - Yellowknife Home 979-6618 - Frobisher Bay (Frobisher Bay) Minister of Education

Officers

Acting Clerk Assistant (Procedures) Mrs. Susan Baldwin Yellowknife, N.W.T. Pudluk, Mr. Ludy, M.L.A. P.O. Box 22 Resolute Bay, N.W.T. XOA OVO Phone 252-3737 (High Arctic)

Sayine, Mr. Robert, M.L.A. Fort Resolution, N.W.T. XOE OMO Hamtet Office 394-4556 Home 394-3201 (Great Slave East)

Sibbeston, Mr. Nick G., M.L.A. P.O. Box 560 Fort Simpson, N.W.T. XOE ONO Phone 695-2565 (Mackenzie Liard)

Sorensen, Mrs. Lynda M., M.L.A. P.O. Box 2348 Yellowknife, N.W.T. X1A 2P7 Office 873-7920 Home 873-5086 (Yellowknife South)

Tologanak, The Hon. Kane, M.L.A. P.O. Box 223 Yellowknife, N.W.T. X1A 2N2 Office 873-7962/7963 Home 873-4824 (Central Arctic) Minister of Health and Social Services

Wah-Shee, The Hon. James J., M.L.A. P.O. Box 471 Yellowknife, N.W.T. X1A 2N4 Office 873-7139/7140 Home 873-8012 (Rae - Lac La Martre) Minister of Local Government and Aboriginal Rights and Constitutional Development

Law Clerk

Mr. Peter C. Fuglsang

Yellowknife, N.W.T.

Wray, Mr. Gordon L., M.L.A. General Delivery Baker Lake, N.W.T. XOC OAO Home 793-2700 (Keewatin North)

Acting Clerk Mr. David M. Hamilton Yellowknife, N.W.T.

Appaqaq, Mr. Moses, M.L.A.

Arlooktoo, Mr. Joe, M.L.A.

Braden, The Hon. George, M.L.A.

of Justice and Public Services

Curley, Mr. Tagak E.C., M.L.A. P.O. Box 36

Cournoyea, Ms. Nellie J., M.L.A.

Evaluarjuk, Mr. Mark, M.L.A.

Butters. The Hon. Thomas H., M.L.A. P.O. Box 1069 Inuvik, N.W.T.

Leader of the Elected Executive and Minister

Minister of Finance and Government Services

Lake Harbour, N.W.T.

Yellowknife, N.W.T.

Office 873-7123/7612

Office 873-7128/7129 Home 979-2373 - Inuvik

Rankin Inlet, N.W.T.

Office 645-2866 Home 645-2744

(Keewatin South)

P.O. Box 1184

Inuvik, N.W.T.

Office 979-3510 Home 979-2740

(Western Arctic)

Igloolik, N.W.T.

Phone 934-8823

(Foxe Basin)

XOE OTO

XOA OLO

Home 920-2282

(Yellowknife North)

Sanikiluaq, N.W.T.

Office 266-8860

Home 266-8931

Phone 939-2363

(Baffin South)

(Hudson Bay)

XOA OWO

XOA ONO

Box 583

XOE 2N4

XOE OTO

(Inuvik)

XOC OGO

Editor of Hansard Mrs. Marie J. Coe Yellowknife, N.W.T Sergeant-at-Arms S/Sgt. David Williamson Yellowknife, N.W.T.

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YELLOWKNIFE, NORTHWEST TERRITORIES

FRIDAY, FEBRUARY 18, 1983

MEMBERS PRESENT

Mr. Appaqaq, Mr. Arlooktoo, Hon. George Braden, Hon. Tom Butters, Mr. Curley, Ms Cournoyea, Mr. Evaluarjuk, Mr. MacQuarrie, Hon. Arnold McCallum, Mr. McLaughlin, Hon. Richard Nerysoo, Hon. Dennis Patterson, Mr. Sibbeston, Mrs. Sorensen, Hon. Don Stewart, Hon. Kane Tologanak, Mr. Wray

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Friday, February 18th.

Item 2, Members' replies. Item 3, oral questions. Mr. Curley.

ITEM NO. 3: ORAL QUESTIONS

Question 35-83(1): Closure Of DIAND Vocational Training Section In Ottawa

MR. CURLEY: Thank you, Mr. Speaker. I have a question to the Minister of Education, Dennis Patterson. Information has been received that the Minister of Indian Affairs, particularly the Department of Indian Affairs has decided to close the vocational training school in Ottawa. I would like to ask the Minister whether or not the students in Ottawa that are presently taking training courses and academic training in Ottawa -- roughly about 12 students from the Northwest Territories. In other years, for instance last year, there were approximately 17 students from the NWT taking advantage of the academic training in southern parts. I would like to ask the Minister whether these students, if they have not completed their courses, will be disallowed and not supported by this government. Or will the Minister undertake to see that they do continue their education beyond this coming fiscal year?

MR. SPEAKER: Mr. Minister.

Return To Question 35-83(1): Closure Of DIAND Vocational Training Section In Ottawa

HON. DENNIS PATTERSCN: Thank you, Mr. Speaker. The Government of the Northwest Territories now has a grants and bursaries and loan program which, I believe, is as generous as the program offered by the federal government and administered by the vocational training section of DIAND, which is now being phased out. I am confident that any students who are caught within the phase-out of the vocational training section will be picked up by the territorial government grants and bursaries program. That is Inuit students or other students from the Northwest Territories.

To answer the Member's question specifically, we have not yet determined the number of students and commitments that DIAND has made for those students currently under their sponsorship. We are endeavouring to find out precisely who is being sponsored and how we might continue to support them, in the event that their sponsorship might be terminated this current year.

I might also add, Mr. Speaker, that we are also making efforts to see that at least one of the counselling positions, now located in Ottawa, that will be phased out at the end of this school year -- we feel that there should be at least one of those counselling man years transferred to the Government of the Northwest Territories to allow for Inuit and other students in Ottawa, Toronto and Quebec. I am making all efforts with the Department of Indian and Northern Affairs to see that at least one counselling position is preserved. Furthermore, our government is making all efforts to support the continuous sponsorship of Inuit House in Ottawa as a friendship centre under the Secretary of State program because we realize this is an important non-education support for students in Ottawa. Thank you, Mr. Speaker.

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

Question 36-83(1): Request For Information On Rankin Inlet Power Failure

MR. CURLEY: Mr. Speaker, I had a question to the Leader of the Elected Executive. The question is regarding the Rankin Inlet power failure. As a Minister, could I get a statement about that situation before too long?

MR. SPEAKER: Mr. Braden.

Return To Question 36-83(1): Request For Information On Rankin Inlet Power Failure

HON. GEORGE BRADEN: Thank you, Mr. Speaker, I received a document a few days ago which I was not satisfied with because of other information that came to my attention, so I sent it back and I want my officials to do some more investigating of the Rankin Inlet power situation before I reply.

MR. SPEAKER: Thank you. Are there any other oral questions?

Item 4, written questions.

Item 5, returns.

Item 6, Ministers' statements.

Item 7, petitions.

Item 8, reports of standing and special committees.

Item 9, tabling of documents. Item 10, notices of motion. Mr. Tologanak.

ITEM NO. 10: NOTICES OF MOTION

Notice Of Motion 10-83(1): CBC Production Facility For Kitikmeot Region

HON. KANE TOLOGANAK: Mr. Speaker, I wish to give notice that on Tuesday, February 22nd, I will introduce the following motion: Now therefore, I move, seconded by the honourable Member for Keewatin North, that CBC begin immediately to plan and budget for a regional production facility within the Kitikmeot region and that CBC locate a full-time journalist within the Kitikmeot region immediately. Thank you, Mr. Speaker.

---Applause

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

Notice Of Motion 11-83(1): Bell Canada And NorthwesTel To Appear As Witnesses

HON. TOM BUTTERS: Mr. Speaker, I give notice that at the appropriate time I will be seeking unanimous consent to move the following motion today: Now therefore, I move, seconded by the honourable Member from Sanikiluaq, that the Speaker forthwith invite Claude St. Onge, vice-president of Bell Canada, Montreal, and William Dunbar, general manager of NorthwesTel, Whitehorse, to appear before this House on Wednesday, March 2nd, in committee of the whole as the first order of business for that day.

MR. SPEAKER: Thank you. Notices of motion.

Item 11, notices of motion for first reading of bills. Item 12, motions. Mr. Butters.

ITEM NO. 12: MOTIONS

HON. TOM BUTTERS: Mr. Speaker, may I have unanimous consent to proceed with the motion which I gave notice of a few minutes ago?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Are there any nays? Proceed, Mr. Butters.

Motion 11-83(1): Bell Canada And NorthwesTel To Appear As Witnesses

HON. TOM BUTTERS: Thank you, Mr. Speaker.

WHEREAS senior officials of telecommunication companies serving the NWT are invited, from time to time, to appear in this House and report to Members on their companies' current and proposed programs and respond to Members' questions;

NOW THEREFORE, I move, seconded by the honourable Member from Sanikiluaq, that the Speaker forthwith invite Claude St. Onge, vice-president of Bell Canada, Montreal, and William Dunbar, general manager of NorthwesTel, Whitehorse, to appear before this House on Wednesday, March 2nd, in committee of the whole as the first order of business for that day.

MR. SPEAKER: The motion is in order. Are you ready for the question? Mr. Butters.

HON. TOM BUTTERS: One word, Mr. Speaker. If the motion passes, I want to assure you that both gentlemen have been approached and they and their staffs will be available to present themselves on that day.

MR. SPEAKER: Thank you.

SOME HON. MEMBERS: Question.

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

Motion 1-83(1), Carried

---Carried

Item 13, first reading of bills.

Item 14, second reading of bills. Item 15, consideration in committee of the whole of bills, recommendations to the Legislature and other matters.

ITEM NO. 15: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS, RECOMMENDATIONS TO THE LEGISLATURE AND OTHER MATTERS

Bill 1-83(1), Appropriation Ordinance, 1983-84, with Mr. McLaughlin in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 1-83(1), APPROPRIATION ORDINANCE, 1983-84

Department Of Economic Development And Tourism

CHAIRMAN (Mr. McLaughlin): This committee will come to order, please. I believe Economic Development and Tourism is the next department whose budget is going to be reviewed in committee of the whole. I believe the Minister, the Hon. Arnold McCallum, would like to make opening remarks.

HON. ARNOLD McCALLUM: Mr. Chairman, I have a couple of brief comments to make in terms of the department, to indicate what the department is doing, the funding we have for this coming year and maybe to highlight a few of the things that the department is attempting to do.

Our budget has increased in terms of total amount by a very minimal amount; \$637,000, in relation to the total of the government budget. We have, in addition to that, redirected close to two million dollars internally to reflect the priorities of the government; so that in point of fact within the department, we have used just a little over two and a half million dollars toward new or expanded efforts to meet the goals and objectives and the mandate of the department.

There was a very minimal amount of money directed for capital and the greater percentage of it is directed at tourism and parks -- a considerable amount for infrastructure for community-based tourism and facilities. This is the focus of our efforts to expand this sector of the economy. Rather than to encourage new developments away from communities, we hope to provide communities who desire tourist activity with the required infrastructure to allow them to use the community itself as a base for visitors.

Explorers' Guide '83

Members will hopefully note that we have an Explorers' Guide out. There are copies that will be handed out to Members. This the 1983 guide. It deals primarily with showing what our communities have. It does not go into a great amount of advertising for fishing camps, etc. What we have attempted to do this time is to identify what the communities have to offer, and how we are going to be able to try to sell to people the idea of coming north for an experience. Next year, this guide will be in total colour. Inside the cover of the guide, I think you will recognize a reproduction of a painting by Don Cardinal from Hay River. I think Members will -- with this years guide and looking forward to our next years guide -- recognize that we are going to make a considerable effort to improve and to show to people outside the Territories that there are things that they could come into the Territories and experience; a different land and meeting its people.

Our revenues within the department show a definite decline this year, and that is the result of the sale of some of our government-owned enterprises. Naturally enough, the first that are sold are enterprises that generate revenue. We will be continuing to privatize these enterprises and divest our department of a responsibility which is much better dealt with and, indeed, belongs in the private sector.

One of the highlights of the department's budget will, of course, be the new economic development agreement, and our budget does not reflect, as Mr. Butters said in his opening statement, this governments share for the EDA. The amount that will be required is not yet determined and we will not have some idea until late next month.

Response To Recommendations Of Mair Report

During the past year, we released a study of the Department of Economic Development and Tourism specifically in and around the Inuvik area, called the Mair Report, that recommended a number of changes. I want the Members to know that the department has already responded, particularly in the Inuvik area, to a number of these recommendations. We have set up a project office in Norman Wells. We have placed an area economic development officer in Aklavik. The area around Inuvik and the Delta has been designated a development impact zone and that will deal with the recommendation that indicates that area as being a special impact zone. We have increased funding sources for businesses and there will be opportunities for businesses to avail themselves of other funds through the EDA. We have developed goals and objectives, not only for the Inuvik area, but for the entire department. Many other things have been done in relation to the Mair Report.

I had indicated to Members when I spoke in a reply to the Commissioner's Address on Tuesday, November 16th, that I would be looking at a realignment within the department itself -- a functional realignment, so that we could better meet the goals and objectives and initiate development that comes to the government and the department, rather than simply be a responsive department. We are well on our way of working toward that. Mr. Gilberg, the deputy minister, has been quite sick and ill over the last two months; that has caused some delay in it, but we are moving toward that functional realignment.

The budget, therefore, Mr. Chairman that is placed before you is based on the present organizational structure. We anticipate that any new realignment can be accomplished within the funding that is available within this budget. Once we get that, then we would present our main estimates in possibly a different fashion.

I think, Mr. Chairman, I would like to simply indicate the kind of response that we have been able to make in a number of areas. Not the least would be that our certificates of qualification for apprentice and trades people have been put out basically in English. As a result of a standing committee recommendation by the Member for Baffin Central Mr. Kilabuk, we have been known to have our certificates of qualification done in Inuktitut. We are working toward putting the certificates of qualification out in the various Dene languages as well. I think that has been a response to the concern that people have indicated. I would like to present those so that people can see what we have done, especially with the Inuktitut ones; I can pass them around so that people can see them.

Other than that, Mr. Chairman, I have no further opening remarks on the department. I would be pleased to attempt to defend the budget with the help of the acting deputy minister, Mr. Lee Horn, for whom I would ask the committee's indulgence to come in as a witness. I want to indicate to you that the total budget of this department represents about four and a half per cent of the total budget of the government. So with those few opening remarks, Mr. Chairman, I would be ready to move into general comments or questions that other Members may have. CHAIRMAN (Mr. McLaughlin): Does the committee desire the deputy minister to come into the committee of the whole?

SOME HON. MEMBERS: Agreed.

---Agreed

CHAIRMAN (Mr. McLaughlin): Sergeant-at-Arms. Good morning, Mr. Horn. Would Members like then to proceed with making opening remarks and general comments in response to the Minister's comments and the budget of the department in general? Mr. Arlooktoo.

Funding Of Projects In Cape Dorset

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I have a question for the people of Economic Development. I did not see anything in the budget for Cape Dorset. The hunters and trappers in Cape Dorset would like funding to set up a country food store for the marketing of country food and for hunting equipment, for example. The country food store in Frobisher Bay is basically the sort of thing that the people in Cape Dorset would like to set up and I do not know how much work the economic development officer in Cape Dorset has done. If he can give us some indication on what action has taken place or is taking place on the request that Cape Dorset made, I would really appreciate it. Also regarding Cape Dorset, the sewing centre applied for more funding last year. I would like to know if there is any support or funding made available to them for 1983. If you could answer my questions, I would really appreciate it. Thank you.

CHAIRMAN (Mr. McLaughlin): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, in relation to the first question that the Member had, regarding the setting up of a country food store in Cape Dorset similar to the one in Frobisher Bay, I think that one of the things that we can do better now than we had been able to in the past, is respond to community requests such as this. In the new economic development agreement, there is an amount of money close to four million dollars that is available to communities for intersettlement trade, renewable resource use, such as country foods. The department would be more than willing to get a proposal from Cape Dorset for the setting up of a country food store under the EDA. If people in Dorset require assistance putting together that request, our people in the region would be able to provide them with that assistance to put together a proposal. In the renewable resources subagreement, there were not only people from the federal government but also people from our government who sit on that, and we would be able to look very favourably, I would suggest, on the kind of request that Dorset is making; that is for the development of a country food store.

As to the second question, dealing with the sewing centre, perhaps I may ask Mr. Horn to comment on that, or to answer that question.

CHAIRMAN (Mr. McLaughlin): Mr. Horn.

MR. HORN: Thank you, Mr. Chairman. There are sufficient funds within the commerce budget in the Baffin region to provide for funding for the sewing centre. The sewing centre should make their requirements known to our Frobisher Bay office.

CHAIRMAN (Mr. McLaughlin): Does that answer your question, Mr. Arlooktoo? Yes, Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. My questions are answered, but the sewing centre at the present time has started. They got some funding assistance, a little bit, in 1982. Maybe I can inform the sewing centre in Cape Dorset of the information you have given me and they can apply for more funding. I thank you very much for the information that you have given me. I will inform the economic development officer who is responsible for Cape Dorset, and the people of the sewing centre in Cape Dorset. Thank you.

CHAIRMAN (Mr. McLaughlin): Thank you, Mr. Arlooktoo. Are there any other questions, comments by Members? General comments. Mr. Curley.

MR. CURLEY: Yes, Mr. Chairman. (Translation) I would like to speak in Inuktitut again. While we are discussing the Economic Development budget, I know there is going to be quite a bit of discussion on the budget relating to economic development in the Northwest Territories.

Meaning Of Economic Development

What does economic development in the Northwest Territories mean? It should mean employment available and assistance given to businessmen. I think it should mean that we should be studying or seeking ways of making employment. There are people who come out of school, who have graduated, who end up without work. It is obvious that in the North we need employment, but I think while we meet here in the House we have to indicate that in communities, whether they are small or large communities, there will never be employment opportunities in the communities that are suitable for the people living in the communities.

We have been asked a lot of times what kind of employment or positions are available or could be available, what sort of employment opportunities we can make available to the people in the communities that will benefit the businessmen. The government should be setting out employment opportunities, creating employment opportunities and making them available. I wonder if the Members of the Legislative Assembly have questioned this to date. It is obvious that the government will not always make available funding for sewing centres or private businessmen. Grants cannot just be given without any costs. Funding can be made available by grants and loans. Because of this we Members of the Legislative Assembly would be greatly appreciated by the people who are unemployed in the communities if there were opportunities for them to get into the private sector.

How can we help the people in the communities realize that they can make employment available for themselves? We are pretty sure that we will never find employment for people in the communities because people are bound to move around from one job to another. I think that if we were to assist the younger people, for example, it would benefit the people in the communities. I think that we should begin to discuss topics like this. How can the government assist people in the communities; Mining activities; there are not too many mining activities, and there are not many developments, and there is no marketing of country foods.

I think that we should look at ways of making employment available to the communities. Yellowknife is highly populated. Frobisher is highly populated. There are many students going to school in Yellowknife and Frobisher. Once they get out of school, what kind of work are they going to have? What kind of work will be available to them? I think we should make people of the Territories understand that there will not be -- I will be speaking in English again -- I think we should really consider that employment is not only available with the government. There is funding available, and I think we should not just be giving grants and things like that to people.

The Minister indicated that the Education budget has increased by nine million dollars, and of this six million dollars is for salaries. It does not make any sense at all. The six million dollars is not benefiting the original people of the Territories. We know that people will come, transients will come, you know, make six million dollars in total and just move back south again. (Translation ends)

Mr. Chairman, I would like to continue on a bit more in these opening remarks to the Department of Economic Development. We will be approving about \$18 million worth of expenditures for Economic Development. The question today, I think, has to be much broader than the department itself when we talk about economic development because the majority of that expenditure is likely going to be spent again in maintaining and operating the Department of Economic Development, in millions of dollars.

Employment Opportunities For People Of The NWT

So in that respect, Mr. Chairman, I am concerned that we have to find a way to try and bring about a much more satisfactory hope to those people in the Territories who are unemployed, who are taking advantage of the education and higher education in the hopes of finding a job or profession in the Northwest Territories. The North is faced with not only experiencing the recession in southern Canada but I think it is also more importantly, facing the lack of opportunities and policy direction from the government in terms of economic opportunities and employment opportunities for the people of the NWT. The question has to be addressed seriously, what are we doing as a Legislature to try and maximize the employment opportunities for our people -- for the people of the NWT firstly, rather than the southern people immigrating into the North?

We have many small communities that are asking for government grants, government assistance, but everybody knows that the government is not prepared to give any money if it is not going to have its fair share of return. To me, I think we have a future which is very bleak. I think when we analyse extensively the fact that the population of the NWT is growing, many of the young people are coming out of school and they are going back to their communities without any opportunity, the question must be asked, what are we going to provide for those people in the small communities who have been led to believe that when they complete their education they would find jobs and employment opportunities in their communities? But the fact and the reality is that they could not and likely will not find jobs and types of employment they like to have in their communities. So how are we going to address that problem?

We are able to provide very good benefits to people in the public service, in the government, who run these departments to try and serve the people. The majority of the funds that we are going to expend and allocate, and likely will approve, will be spent on maintenance and operating the department and serving the needs of the civil service itself firstly. I think some day we are going to have to have a debate as to where the northern economy is really going to be proceeding and how we are going to try and gain the confidence of the people of the NWT, that this government has a genuine interest in the economic welfare of the people it serves. When I consider this question of where do our futures lie, where does the future of the young people lie, sometimes I ask myself and conclude that we do not have very much choice. It is rather bleak and nobody seems to care about it, nobody seems to be serious enough to pass the message to the people -- the fact that they may have to find more ways to try and relocate and provide transportation or assistance to relocate people who are genuinely seeking employment.

I remember one fellow from Baker Lake came to Yellowknife last year with his family for a while seeking employment at his own expense, possibly spent thousands and thousands of dollars because...

CHAIRMAN (Mr. McLaughlin): Excuse me, Mr. Curley, your time is up. Are Members agreed that Mr. Curley can continue?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. CURLEY: ...because from Baker Lake to here is very close to \$1000 for one person. When you consider that, it is significantly more than \$1000 for two people. People like that who are looking for jobs -- sometimes in southern centres -- who spend their own money, often do not have any luck and therefore normally have to try and find a way to get back home. So I think this is a very critical period that we are facing today, not only because of the recession but because we could not have hope really to offer to the people that we are supposed to serve. I am concerned about this and I will be raising some questions as we deal with the items in the Department of Economic Development budget. Thank you.

CHAIRMAN (Mr. McLaughlin): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I think the Member has asked pertinent questions as to where we are going. I think what this department is attempting to do in those areas that he talked about -- let me talk about assistance to business, for example; business people first and foremost.

Assistance To Business People

We have now policies in place with funding available to provide business people with the opportunity to get in business, whether it is through the special ARDA program that is open to native people to buy existing businesses or to start up new businesses, or the new economic development agreement that represents a substantial amount of money which is available to help people in business. As the Member indicates, if you are going into business then you must have the wherewithal in the background to get going.

Apprenticeship Programs

With our apprenticeship programs, our employment programs, with our arrangements with the federal government for funding under the National Training Act, we have made large inroads into this area. For example, the federal funds that are available to this government under the National Training Act are four and a half million dollars alone. In the manpower development division of the

department we deal here with the apprenticeship program and at the present time there are 613 apprentices throughout the Territories. We have a rather unique situation that has been developed regarding apprentices; we have been able to start apprenticeship programs in areas, for example, among Inuit people where there has been difficulty dealing with the Inuit language. We have started an apprenticeship program to train Inuit people with no facility in English, through an interpreter arrangement, and we have graduated the first Inuk journeyman heavy duty mechanic, who did not have to write examinations but was able to do it under an oral examination. I think that is a big move forward. We expect within the next two years to graduate 30 more Inuit people under this program.

In the total budget of the department the Member talks about the amount of money that we have available; I just want to indicate to the Member that over 60 per cent of the money allocated to this department is in the area of programs -- not people, not administration. Of the people that we have employed in the department when you look at the continuing person years -- there were 208 people involved in this program -- over half of them are apprentices. There are 106 positions there. The department has close to \$18 million; \$13 million of that is available to people who are in apprentice programs or in funding for other programs to try to stimulate the economy, to try to help things.

We have been able, in upgrading trades, to get national recognition for particular apprenticeship programs. We have been able to identify 38 trades suitable for training and certification. Recently we have industrial warehousemen and we are now graduating journeymen people in that particular trade. We have designated small engine mechanics as a trade. To reflect what is being required and asked for in the communities, we have an Apprentices and Tradesmen Qualification Board that is representative of the Territories. We have seven different trades advisory committees. We have a lot of people getting their training in the Territories but we still, because of a lack of facilities in areas, have to send a number of apprentices outside to get their particular training.

I think that the point I am making, Mr. Chairman, is that we have been able to, I think, respond more definitely to the kinds of concerns that the Member has raised over the last while. However, I think that what he is indicating in his remarks is a very pertinent point. We have to make employment opportunities, and one of the ways that we are trying to do that is within this manpower development division of Economic Development and Tourism by getting involved with the federal government and by putting a great deal of effort into our apprenticeship program.

There are other programs where we are dealing with programs for people who are out of work. For example, in Pine Point we have an agreement with Canada Employment and Immigration assisting apprentices there in a simulated work experience, where the apprentices continue their training. During the layoff period, they receive their unemployment insurance benefits but we top that off at \$100 more a month. They get credit for their time served toward their apprenticeship. At the present time, there are 23 apprentices in this program. So I think what we are trying to do is react to the concerns that have been identified by Mr. Curley and I think that we have been making better inroads into it. I do not want to forget the business of providing funding for businesses all across the Territories. We are going to be in a better position to do that under the new economic development agreement. Thank you. CHAIRMAN (Mr. McLaughlin): Thank you, Mr. Minister. Members of the committee of the whole, I would like to recognize right now the presence in the gallery of the mayor of Coral Harbour, Mr. John A. Nakoolak.

---Applause

Are you going to follow up on that, Mr. Curley?

MR. CURLEY: Mr. Chairman, I gave you the name incorrectly. His name is Lucassie Nakoolak. Sorry about that.

CHAIRMAN (Mr. McLaughlin): Sorry, Mr. Mayor. Mr. Patterson.

Tourism Development Identified As First Priority

HON. DENNIS PATTERSON: Mr. Chairman, just very briefly, I would like to say that it appears to me that the first priority for economic development in the Baffin region, as identified by Baffin Regional Council and I believe by the Minister's officials, has been the development of tourism. While I recognize there are other very important concerns including the declining soapstone and sealskin market, it seems that Baffin Regional Council has specifically focussed on tourism, and has proposed an economic development association or a chamber of commerce or some kind of an organization like that which would serve as a focus for organizing and promoting tourism, particularly on a regional basis.

I would just like to ask the Minister, generally, whether he is aware of these initiatives from the Baffin region, and whether it might be possible for some of the plans that have been developed over the last couple of years in Baffin to fit in with the new economic development agreement. Is there some possibility that their plans can be translated into action through that agreement? Thank you, Mr. Chairman.

CHAIRMAN (Mr. McLaughlin): Thank you, Mr. Patterson. Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, at the present time in tourism there are five zones identified in the Northwest Territories. We expect a sixth zone to come forward during this year, and that is the Baffin zone. Our officials in the department have been very much in contact with the Baffin people over the development and the concerns that they have been raising. We have been working with them to ensure that they will have funding and I think that the Member will note that in our contribution policy, on page 15.08, we have assistance to tourism associations. It is the first year that we have been able to identify that, and there are \$240,000 allocated. What we are saying here is that five existing regional tourism associations and the Travel Industry Association are to share in this \$240,000; but that does not mean that we will not be assisting the Baffin zone when it gets operative.

Within the new economic development agreement there is a considerable amount -- approximately half of the total amount of money available under the EDA -- for small business and tourism, and that deals with tourism development in any particular area of the North. So I want to assure the Member that this is indeed one vehicle by which the Baffin and other zones can start to develop their particular plans, and our people are working with the people of the Baffin. Tourism is, as I said in my opening remarks, indeed a priority item within the department and we recognize that it is a growing industry. We are trying to make it an industry that is community-based and I indicated that that is what the Explorers' Guide '83 does indeed reflect -- community-based tourism plans. We will be working very closely with the Baffin and any other zone to enhance that.

CHAIRMAN (Mr. McLaughlin): Thank you, Mr. Minister. Mr. Wray.

Short-Term Solutions Not Solving Problem

MR. WRAY: Mr. Chairman, just some general comments about economic development. Like my colleague for the Keewatin South, I suppose the reality is brought home much harder to us than to other areas, given that most of our communities are facing 60 to 70 per cent unemployment rates, and every year we add to the problem with the number of people coming out of school. In my home community of Baker Lake, in the next 10 to 12 years we are facing the probability of somewhere in the neighbourhood of 200 to 250 people graduating through the school system, and there are just no economic or employment opportunities for those people; there are none. All over the North the problem is the same, and I think that while we have a serious problem right now, in 10 to 12 years we could have a disaster on our hands.

Part of the problem that we have always identified with the Department of Economic Development is that it has always been in a catch-up situation. We have addressed a lot of our time and a lot of our resources to what I call short-term solutions. We have subsidized businesses, co-ops, sewing centres and in many respects all we are doing is just giving another form of welfare, because many of those businesses, many of those groups, will never be economically viable. So we are not solving the problem; all we are doing is putting the problem off.

One of the things I would like to see is that we start to address long-term solutions to the problem. We have to start identifying what economic opportunities are available. Are there opportunities available in the mining industry in the Keewatin? Are there opportunities available in the fishing industry? Are there opportunities available in the harvesting of natural resources?

In the last couple of days I just received some information that consideration is being given -or perhaps an agreement has already been reached -- between the Government of Canada through the Department of Fisheries and Oceans and the Government of Greenland for a bilateral fishing agreement covering the Hudson Strait, Davis Strait, Ungava Bay and parts of the Hudson Bay. Now if the Greenlanders and the Faeroees and the Icelanders think that commercial fishing is viable in those areas, then maybe we should be looking at the viability of those areas. I think it is a problem that we spend so much time on funding a taxi business here and a sewing centre there, and while these are important they are not important in the overall long-term picture of economic development, because they only provide one job here, three jobs here, four here, but we are getting to the point where we are having to look for hundreds of jobs.

Switch Priorities To Long-Term Planning Goals

I think the department is going to have to find some way where we can start identifying major projects and major long-term employment solutions. The problem is that it is going to have to be worked in conjunction with the Department of Education because there is no point in identifying economic opportunities if we are not turning the qualified people out of our school system to take advantage of those economic opportunities. What is happening right now is that we are turning people out through our education system but we are not providing the economic opportunities for them, so we are always in a catch-up situation; we are always trying to make do, to make up.

I think we have proved in the Keewatin, through the business community and through the chamber of commerce, that where business opportunities are available there are the people ready and willing to take advantage of them. Until we can get away from this philosophy of make-work programs, in many respects, then we are never going to be ahead of the game. We have to start looking five and 10 years down the road because that is where our major problems are going to come.

During my election campaign, I had a visit one night from about 15 of the young people in Baker Lake. They said, "Where can we get the jobs? What are we going to do? We have this education but it is no good to us because there is nothing that we can do with the education. There are no jobs available." It is as simple as that. I think even if we filled every job in the community of Baker Lake that is presently filled by people from the South, we would still only take care of about 42 people, and we have to think in terms of about 300 within the next 10 years. I would like to see the department start switching its priorities to long-term planning goals, to long-term economic opportunities, things that are going to be with us 20, 30, 40 years down the road and not something that is going to operate for a couple of years and then go bust. I wonder if the Minister could indicate in terms of his department, are they implementing any policy or strategy right now which is going to start to address some of those problems? Thank you, Mr. Chairman.

CHAIRMAN (Mr. McLaughlin): Mr. Minister, I wonder if you would like to respond to that after you have a chance at coffee break to think of the answer.

---Laughter

The committee will adjourn for coffee.

---SHORT RECESS

The committee will come back to order, dealing with the Department of Economic Development's estimates. General comments. I think the Minister had a question to answer. Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I would just like to respond to Mr. Wray's comments, particularly the question that he raised as to whether the department has any long-term plans to look at the feasibility of opportunities for people throughout the Territories and specifically, I guess, in his area.

Assistance Through Economic Development Agreement

There is no question that there have been a lot of band-aid approaches to promote short-term employment, the LEAP, the LIP, these other programs, make-work programs that enhance the social assistance. I am not sure whether there are any long-term answers to the problems. However, within the arrangement that we now have with the economic development agreement, under the small business and tourism part of it -- that makes up, as I had indicated, over half the total amount of money available under the EDA -- the business assistance, in addition to tourist development, is the area for community-based economic development planning. What we are trying to do here, or what we would hope to be able to do here, would be to go to individual communities or better still, have individual communities come to us with the proposal to do an economic planning study to collect base data. It can be on an individual community basis, it may be on a group of communities or it may be in a region, but it is to take a look at what is feasible in these areas, what are the opportunities available, and what could be the opportunities available for development.

Now, for example in tourism, it is no secret that in various areas of the North people do not want tourists. Communities have come out and said that. In other areas, people do not want mining development. People in other areas do not want commercial fishing. What we are attempting to do is to marry the concerns in terms of communities with what would be available. Under the economic development agreement that we have signed with the federal government there will be the opportunity for a community to assess itself in relation to a larger area, in an attempt to provide some ideas about what could go in those areas. This is the kind of thing that we want to do and we will talk to communities and try to help them to gather these ideas. We would be able to provide the assistance, both financial and otherwise, to these communities to try to come up with something.

I think we are looking at the long term. I do not like the idea of the short-term, band-aid approach. The make-work projects, once they are funded by the federal government are usually funded on a three year basis; 100 per cent, 66 per cent, 33 per cent, and then they are out. The expectation is that our government would continue to fund these on and on, and that does not provide, as the Member said, the answer to the problem. In order to get people involved in work to be able to look after themselves -- not just in the non-renewable areas, but also in the renewable areas -- we have to make sure that they are going to be able to plan for it, and that is the goal of the department, to assist people to do that.

CHAIRMAN (Mr. MacQuarrie): Thank you, Mr. Minister. General comments. Mrs. Sorensen.

MRS. SORENSEN: Thank you, Mr. Chairman...

CHAIRMAN (Mr. MacQuarrie): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, if I might, just before Mrs. Sorensen speaks, I should indicate to you that with the acknowledgment and the development of a resource development policy by the government through Mr. Nerysoo, there are areas now identified as development impact zones and the basis of those zones is that they will be able to identify the kinds of things that will go on and the feasibility of any kind of development so that there will be community interests in it. We have identified three areas, possibly four, but are looking at other areas as well. I do not want to suggest that it is just the Economic Development department, but the government in general that is looking at these long-term plans.

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

Megaprojects Provide Opportunities For Small Business Industry

MRS. SORENSEN: Thank you, Mr. Chairman. I too have some general comments with respect to Economic Development. Right now right across Canada we seem to be hearing from small business and from those people who represent and speak for small business that government has to be much more supportive of small business, including small industry. We are also hearing that we have tended as Canadians to put all our eggs into the megaprojects basket and that that is part of why we are suffering this down turn now.

When you look closely at who small business serves in Canada and in the Northwest Territories, we have to recognize that small business tends to serve large industries and the megaprojects. Therefore when you have a decline in the numbers of megaprojects and when you have a decline in the non-renewable industry as a whole, which would include mining, you have a natural decline in the numbers of small businesses and unemployment is the result. Small business also serves those people who work in industry. They spend their pay cheques to buy the supplies and services that small businesses provide and if those people are not working for the megaprojects or for the large industries then they do not have that money in order to purchase those supplies and services from small business.

Certainly that is the situation in the Northwest Territories. We have seen an example of that with the Pine Point mine going out of service and the effects that it has had on not only the Pine Point small business but the small business in Hay River and Fort Resolution. We have another industry in the Northwest Territories that small business also serves and that is government. I guess the same could be said about government. If large industry and the megaprojects do not proceed then is there a great need for government services that existed in the past because government tends to serve people, and if the people are not there as a result of a lack of jobs, then the types of services that government provides would be very basic.

Support And Encouragement For Industry

I think that that is precisely what Canada is suffering from and what we in the NWT are beginning to suffer from. So I think that we have to recognize in Canada and in the North that the non-renewable resource industry is a major factor and a very important factor with respect to the jobs that we in the North are going to be able to have and to depend on, at least in the next 10 or 20 years. So what we have to do is begin to look at ways that we can encourage and support those industries.

I was very pleased to hear the comments that Mr. Wray had to make about the need for long-term planning and the futility of the make-work projects. But that has been said before many, many times. I guess what we have to begin to do is really say what we mean about long-term planning because that is a sexy thing to say but nobody carries it a step further. By that I mean, yes, we should support the gas pipeline down the Mackenzie Valley because that is going to employ the people of the Northwest Territories. Yes, we should support Dome and Gulf and Esso in the Beaufort Sea and their potential proposal for a pipeline from the Beaufort to Norman Wells, and yes, we should support the Mackenzie highway being extended from Norman Wells to Inuvik. Let us get going on those projects and let us ask for and support them and do what we can to make sure that they are viable and that the industries that will build them for us and will provide the money for those projects know that we support them. That is not to say that we should not be equally concerned about the environmental aspects and about the people aspects, but I think we have to, as Canadians and as northerners, begin to recognize that we cannot have it both ways, and that goes for the Slave River dam as well.

Relocation In Long-Term Planning

If we sit here and talk about the need for jobs, about the hundreds of young people that are going to be requiring jobs over the next few years, then at the same time we have to say where we think those jobs should come from, particularly if we say that we do not support the band-aid type of approach to economic development -- the make-work projects. Then we have to carry it a step further because make-work projects keep people in their communities and if we are not prepared to put an awful lot of dollars into make-work projects to keep people in their communities, then we have to be prepared to say "We want a mobile work force, we want people of the North and people of Canada to relocate and we will help them relocate." So it might mean that the people of the Keewatin may have to move to the Beaufort Sea area or they may have to move to Yellowknife or to Pine Point or to Norman Wells and relocate. Maybe that is part of long-term planning.

What proposals does this government and the Department of Economic Development have for creating, through its manpower division, assistance for relocation of families? Are we going to tie ourselves into the federal scheme for relocation? I could go on and on with other projects, LNG Arctic Tanker, Arctic Pilot Project, the road through Wood Buffalo National Park, the development of uranium and uranium mining in the Keewatin.

Mr. Chairman, I think that it is crucial that we cut the rhetoric that we have heard in this Assembly for the last three years and start talking about what it is that we need. We have, for instance, a very serious situation in the West with the decline of our mining industry and I do not see that that industry is going to pick up in the very near future. We are also seeing that those mines that are in operation are going to be moving more and more toward fly-in and fly-out and those workers are going to be coming from Edmonton and Ontario and Quebec. I have nothing against that except that we have a lot of unemployment up here and we have to provide opportunities for our own people to be employed, perhaps in a fly-in, fly-out basis.

Service Centre For Fly-In, Fly-Out Workers

We also have to look toward viable service centres in the West and I believe that Yellowknife can be a viable service centre where mines could relocate people who would ordinarily fly-in and fly-out. Workers then would fly-in and fly-out from Yellowknife to the mining centres in the Central Arctic or in the lower Mackenzie. That is the only way that our revenues are going to remain stable with the declining mining industry and that is the only way that our population is going to remain stable in this time of bust. Mr. Chairman, I believe that this Legislature has to give some firm direction to the government as a whole and in particular to the Department of Economic Development and that is why I say that, if we are concerned about jobs and business opportunities. Then we have to be prepared to encourage industry and encourage the development of more and more of the so-called exploitive industries -- the non-renewable industries -- because it is my impression that that is where the jobs are going to come from. I would like to have a response from the Minister on whether he is prepared to take that additional step to be supportive of these industries in the future, with the intention of getting our people back to work.

CHAIRMAN (Mr. MacQuarrie): Thank you, Mrs. Sorensen. There was a question at the end. Mr. Minister, are you prepared to answer?

HON. ARNOLD McCALLUM: Mr. Chairman, yes. Just a comment on the last comment about how we are going to get our people back to work. We have very few exhaustees -- that is, people who have run out of their unemployment insurance benefits. I think there are about 35 in the Northwest Territories at the present time. I indicated what we are trying to do in Pine Point, with our apprenticeship program, by keeping them going so they get their unemployment benefits and topping that up at \$25 a week or \$100 a month.

There is no question that if things continue as they have been that there will be more fly-in -or fly-over communities in the North -- and then fly-out again situations that do occur. We have now socio-economic agreements signed with Polaris to maximize benefits for northern people. We have carried out a monitoring and review process on that and things seem to be going fairly well there. We have one signed as well with Lupin, although we will not review that particular agreement, until some time next month. We have others that we are hoping to deal with, with our resource development policy and within the development impact zone group, Norman Wells, Cadillac and Cullaton mines.

Job Rotation Program

We do not have a program in place for relocation of families, we have the job rotation program. For example, Polaris as well as Lupin hire people out of Cambridge Bay and Coppermine at the present time. They come in for I think a month -- two weeks, 12-hour days -- they are out for two weeks. In some cases, these Cambridge Bay and Coppermine people in their time off are working with other people. It is the people who come in from outside and who go back out, who have difficulty relocating here in the North, because of a number of factors. There is the published reports of the high cost of living in the Northwest Territories, specifically in Yellowknife. That presents a problem to anybody who lives outside rather than those who have the company move its operation into the North. There is the lack of housing units. In fact, I met this morning with the people from Lupin and these were the kinds of concerns that they raised. We would like them to relocate in the North and do their rotation in the North, to have people move into the North, but it becomes very uneconomic to the operation to do so. What we have been attempting to do is to spend more money and to utilize funds that are available by agreement with the federal government for training opportunities. We have our northern preference policy. I have indicated on various occasions what that does for northern business people who employ northerners who have taken training either in the regions or in the communities or Thebacha College.

Negative Effects Of Federal Policies

There is no question that some of the policies that are federally initiated will have a negative effect on any kind of development. It will enhance the fly-in, fly-out opportunity and I have indicated that before. The NEB, the energy policy, the taxation of northern benefits -- those are not dead issues with this government. We have been attempting to work and to communicate these things and to try alternatives with the federal government. As I said, with our economic development agreement, we hope that we will be able to identify from communities what is going to be viable.

I should say as well that Mr. Macdonald and his royal commission on the economic development prospects for Canada will, I understand, be coming to Yellowknife or to the Northwest Territories -- I am not sure where -- to hear those kinds of concerns. We would hope that there would be representations made to that group to deal with those concerns that are being voiced here and that have been voiced by other business people and industry in general. We obviously support small industry and business people with the kinds of policies and funding that we have available. I do not disagree with the basic thrust of Mrs. Sorensen's remarks. Government can go so far. It is

a big spender. Over the last two or three years we have been ensuring that what we spend, to as great a degree as possible, is spent in the North and the contracts are awarded to northerners, but there has to be something from people in the communities as well. We can sit and look at our resources and admire them, but if we do not use them there will not be any development, there will be no work, no business opportunities.

CHAIRMAN (Mr. MacQuarrie): A follow-up on that, Mrs. Sorensen?

MRS. SORENSEN: I guess, Mr. Minister, what I am really trying to do is to follow up on Mr. Wray's comment about the need for long-term planning. With respect to the fly-in and fly-out, I have extremely grave concerns about the fact that I think the North, with respect to non-renewable resource development, will eventually be run on a fly-in and fly-out basis. I think we have to determine whether we want that or not. If we do not want that we have to look at ways to, not so much prevent it from happening, but to encourage people to fly-in and fly-out from major centres in the North, as opposed to major centres in the South.

Incentives For Relocation

You have indicated that it is a major problem and I agree with you. Who, if they live in Edmonton, wants to relocate to Yellowknife where the cost of living is higher? However, there are ways that government can encourage people to relocate. For instance, we could look seriously at our tax structure. We have one of the lowest territorial taxes -- personal income tax -- in Canada. It is true it is 43 per cent; I believe Alberta is the lowest at 38 or 39 per cent. Perhaps we should look at that. We should look at the possibility of lowering our tax. I know that you are going to say, "Well, the feds are not going to be too interested in that, because it is not particularly responsible for an area that is not raising even close to 50 per cent of its budget through its own means." But I think the federal government can recognize that this Legislature has a responsibility to governing the people here, and if the fly-in, fly-out industry -- which it really is -- is not in our best interests and we want to find another way to make sure that that revenue in personal income tax stays in the North, that that wage package of that employee stays in the North, then we have to provide some incentives for that.

Another way we could do it is provide assistance to municipalities like the municipality of Yellowknife or Pine Point or Fort Smith or Hay River to lower the cost of land so that people would be more receptive to building apartment buildings and developing housing projects. We could look at the possibility of government assisted programs to build apartments. I do not say to hand over grants, but I think there are ways to encourage people to build apartments. I think that the mining industry would look at that with a great deal of interest, if we were to say, "We want your workers, as many as possible, tr live in the North." I am not only talking about native people or long-term northerners, but white workers from the South as well. At least one of the advantages for the miner would be having his family closer to him and rather than flying long distances to get back to his family, he would merely have to come to Yellowknife or to other communities in the southern Mackenzie. Relocation assistance is already provided by the federal government through the Department of Employment and Immigration. We could do the same for northerners who wish to relocate from small centres where the mining industry may not be prepared to fly-in and fly-out their workers.

Governments Will Not Promote One-Industry Towns

What I am saying is that if we make a decision that we would like to have these workers relocate in the North as much as possible, then we have to, as a government, aggressively go after that, and that is part of long-term planning. I can see no other alternative because I do not see this part of the country having any other viable industry, that is industries that employ large numbers of people, except in the non-renewable resource industry. Nor do I see the Government of Canada any longer being prepared to set up one-industry towns, like Nanisivik and Pine Point. I think that that is a thing of the past, because I do not think the Canadian taxpayer can support the infrastructure requirement. I do not think people are prepared any longer, and governments in particular, to put millions of dollars of taxpayers' money into water and sewer and housing for communities that really only have a viability of 15 to 20 years and less if the markets for those resources do not stay high. The risks are very great and I see a trend now, and I think it is clear that governments are not going to be prepared to support one-industry towns.

So if they are not prepared to support the Pine Points and the Nanisiviks in terms of infrastructure, the only alternative is to fly-in and fly-out. That has to be probably one of the biggest things that is going to be facing this government in the next five years in terms of our revenues and our population. I am asking the government to think about that and if they take my position, which is that we have to aggressively go after the bedroom community concept for the western southern Mackenzie, then I am asking the government to be aggressive in encouraging that through its policy.

CHAIRMAN (Mr. MacQuarrie): Thank you. General comments. It was a general kind of question. If the Minister has some kind of response, certainly he is welcome to give it. Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I would just offer what I previously indicated in reply to Mr. Wray's concern about what we hope to do now with community planning. I think it is fairly well-known how I feel about the fly-in and fly-out concept and what the federal initiatives are doing to the economy in the North. I have indicated that I may be paranoid about it now, but I am wondering about a plot to do that. I am concerned about it. The arguments and the positive things that Mrs. Sorensen had indicated are exactly the things that I and a couple of officials discussed with the Lupin people this morning from 8:00 till 9:00. We are aggressively pursuing them in an attempt to have them relocate so that these people are flying in and out of a major centre here. However, the reality of the situation, as far as they are concerned, is that they have people working for them who live outside a major city in the South, where they can obtain land and housing units for about half of the price of a unit and its land in the city of Yellowknife.

Aggressive Action By Government

We talked about the tax structures and doing something with them as well. They want to be good corporate citizens but they are in the business to make money. They are now flying people out across the country, as far away as the Maritimes. I think that we have attempted to aggressively pursue this whole matter in conferences with other people dealing with Manpower, with the federal people. We bring up our concerns. We try to get consensus with other people about it. We see the difficulties that we are faced with if the fly-in and fly-out arrangement continues. The federal government with its initiatives, with its declaration that these are federal lands, leaves very little to us. I think the government can assist municipalities with the cost for providing services, infrastructure for housing. It really does vary from community to community. You know in the city of Yellowknife a serviced lot costs \$15,000 to \$20,000 --- maybe more.

However, as Mrs. Sorensen wants to impress upon us that we should be aggressive, I want to assure her and other Members, that these are the concerns that we are raising with industry and with the federal government in an attempt to arrive at the best possible solution. We are aggressively pursuing the things that she has indicated. That is why we were able to come to an agreement with the federal government under the EDA because it was recognized that it was necessary to do this long-term planning. That is why we turned around our northern preference; that is why we are in constant communication and dialogue with Lupin, with Cadillac, with Polaris; that is why we signed the socio-economic agreements; that is why we laid down particularly criteria for the development that goes on in the North, why we try to exert ourselves there. So we are aggressively trying to do something about it.

CHAIRMAN (Mr. MacQuarrie): General comments. I have no one else on the list. Is there anyone else who would like to make general comments? Is it agreed then that we will go to page 15.02?

SOME HON. MEMBERS: Agreed.

Total O And M, Directorate And Administration

CHAIRMAN (Mr. MacQuarrie): Directorate and administration, total 0 and M, \$1,658,000. Mr. Curley.

MR. CURLEY: Mr. Chairman, I have a number of questions I would like to ask the Minister and his official on the directorate. It seems to me that the amount of money that we spend trying to find out about how to apply the government programs and all various types of assistance programs or special programs -- Economic Development normally spends quite a bit of money trying to find out exactly how to apply its services and how to implement its plans to effectively serve the people of the North. I believe the Economic Development normally engages all kinds of consultants throughout the year, and I would like to deal with that a little bit. First of all, I think you have a group in your section called economic planning secretariat. Could you maybe tell me exactly what the economic planning secretariat does and who is in charge of that group?

CHAIRMAN (Mr. MacQuarrie): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I think the Member is talking about the division, planning and resource development. Is that correct?

CHAIRMAN (Mr. MacQuarrie): Mr. Curley, would you clarify for the Minister, please?

MR. CURLEY: I am asking a question under the directorate because I believe all the secretariats or groups or divisions are surely guided by the directorate of the government, therefore the question really is what does the economic planning secretariat do, and presently who is in charge? Also, I am leading to another question after that under the directorate section.

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

Planning And Resource Development Division

HON. ARNOLD McCALLUM: Mr. Chairman, all divisions of the department report to the deputy minister. Our planning and resource development division deals with the beneficial impact of non-renewable resources; it plans general economic planning; takes a look at and evaluates policy; deals with helping to develop that policy and provides technical, professional expertise. That area is under Mr. Weisbeck. There are eight continuing man years in that area. We have some casual people as well, depending upon the kinds of things that do occur. For example, we have developed a relationship with COGLA, Canada Oil and Gas Lands Administration. That is the kind of work that we would do on a continuing basis. It deals with basically economic planning and hopefully with people involved, we are able to provide the kind of expertise needed in the mineral and petroleum products section to deal with non-renewable resource development, monitoring resource activities -looking at the socio-economic agreements that we do sign with particular industries. We have a liaison function, as well, with industry and the federal government, and I referred very quickly to COGLA, for example. Those basically are the things that do occur.

There are eight people involved and continuing next year: there are seven in the headquarters division, and we now allocated one to the Baffin area. These people, as I said, are under Mr. Weisbeck in headquarters.

CHAIRMAN (Mr. MacQuarrie): Mr. Curley, are there other questions in this area?

MR. CURLEY: Mr. Chairman, I am going to deal with them in the various appropriate sections as we continue on. Thank you.

CHAIRMAN (Mr. MacQuarrie): Directorate and administration. Are there questions or comments from Members? Mrs. Sorensen.

Motion To Locate Fly-In, Fly-Out Workers And Families To Major Centres In The NWT

MRS. SORENSEN: Mr. Chairman, I have a resolution or a motion to make under this section: I move that the Government of the Northwest Territories, in co-operation with its municipalities and the federal government, develop a number of incentives for individuals and industry to locate workers, now normally referred to as "fly-in and fly-out workers", and their families, to major centres in the NWT.

CHAIRMAN (Mr. MacQuarrie): Could we have a copy of that motion, please? Thank you, Mr. Curley, for sending Mrs. Sorensen's motion to the Chair. There is a motion on the floor. Mrs. Sorensen has moved that "The Government of the NWT, in co-operation with its municipalities and the federal

government, develop a number of incentives for individuals and industry to locate workers now normally referred to as 'fly-in, fly-out workers', and their families, to major centres in the NWT." The motion is in order. Mrs. Sorensen.

MRS. SORENSEN: Mr. Chairman, for some time now I have been concerned about the increasing numbers of fly-in and fly-out workers. I recognize that there probably always will be a need for southern Canadians to be working in our resource industries -- non-renewable resource industries in particular -- and yet I somehow have felt that we as a government, and indeed the North, have been cheated by the fact that these people fly in, they take advantage of the services that are provided by this government in many ways, and yet when it comes time to declare their income tax and to declare their place of residency, they declare and therefore pay that income tax on the many thousands of dollars that they earned, somewhere in the South. They are able then to take advantage -- if they declare, for example, in Alberta -- of the provincial tax breaks and rebates and incentive programs that that province provides for those individuals who declare residency in that province. So what we find is that we may have a worker who spends probably most of his working year in the Northwest Territories and because he decides to declare his residency in Alberta or any other province, he is able to take advantage of the breaks that are provided for in that province.

I feel very strongly that we need to have and develop a stable work force in the western southern Mackenzie, and I think we can do that. We have a number of mines that have indicated that there will be a possibility of being opened. We have other mines that have just recently opened, and Lupin is one of them. We have a mining industry that obviously -- since the Minister is aggressively speaking with them now -- is interested in the possibility of making Yellowknife or Fort Smith or Hay River a type of bedroom community. I think that this Legislature should support the endeavours that the Minister has been making in this area, but he should support it in more than just words. I believe that we have to develop our own provincial-like incentives, to encourage both these individuals on an individual basis and industry to locate their workers here, and to have Yellowknife or Fort Smith or Hay River -- or indeed, Frobisher Bay, if there is a mine in that area...

HON. DENNIS PATTERSON: What about Igloolik?

MRS. SORENSEN: ...or Rankin Inlet -- I am not only talking about the lower Mackenzie -- have these people lived in the North, these people that spend much of the year working in the North, take some responsibility for community activities and community involvement, and contributing to our society, as they are taking from the society in having the jobs that are provided for them up here, and making a commitment to the society that exists here.

I think that we can provide certain incentives through a territorial tax credit, as I said earlier; through reduced costs for land, to make it available for people to build their own homes, to industry to build apartments or individuals to build apartments so that people can have reasonable accommodation at reasonable rates and look even at a lower tax rate. I think that support for this by the Legislature will send a clear message to industries that we want their workers, where possible, to live and contribute to our society in the Northwest Territories. Thank you, Mr. Chairman.

CHAIRMAN (Mr. MacQuarrie): Thank you, Mrs. Sorensen. I am aware that a number of Members have apparently some very important business to attend to elsewhere in the Northwest Territories and were hoping to leave early. That was going to occur about 12:15, at which time we might lose the quorum. I was going to ask if Members, rather than get into the full debate on the motion at the moment, would have preferred to report progress, but we will continue on. So the next speaker I have is Mr. McLaughlin.

Employees From Small Communities Should Not Have To Relocate

MR. McLAUGHLIN: Thank you, Mr. Chairman. I just want the mover of the motion to clarify a few things for me. I believe that what she is doing is primarily talking about trying to get workers who are not residents of the Northwest Territories to be encouraged by different incentives -- either the companies or the individual employees to relocate and live in the Northwest Territories.

MRS. SORENSEN: That is right.

MR. McLAUGHLIN: What I do not want to have happen is that we pick out two or three communities in the Territories and encourage their use instead of allowing present NWT residents to continue to live in their own smaller communities and go to jobs elsewhere. For example, Cominco in their Polaris operation has proven that you can have a fly-in, fly-out operation where the employees come from 15 or 20 different communities. I am also aware that a goodly portion of the employees at Polaris are residents of the province of Quebec and other provinces and that they do not, when they pay their taxes, contribute to our economy, but they are benefiting from our economy. So I am in agreement with this basic idea but I would like the Member who moved the motion to clarify that.

The other thing related to this is the creation of new communities in the Territories and I think my own community is a good example of what could happen if a mine closed for a long period of time. Uranium City in Northern Saskatchewan is also an example of a situation where a permanent shut-down of a mine has occurred. You have people left in that community that do not have anywhere else to go and do not feel that they want to go anywhere else because it is in fact their home; Uranium City is an old enough community that a lot of people were born there and the same situation applies to Pine Point. In these areas where there is large economic opportunity for development of the mining industry, all the way from Fort Resolution through Pine Point, past Hay River and into the Enterprise area south of the lake is one continuous reserve of lead-zinc. It is one of the largest reserves in the world and it would be foolish -- I think the Department of Local Government should discourage the development of any other communities in that area, that the communities of Fort Resolution, Pine Point, Hay River and possibly Enterprise should be the communities where industry is forced to locate their employees should these mines open. If the Fort Smith dam is developed, what will happen with the low cost of power is it will make at least two of those new companies very interested in opening up their operations, given the normal price of lead-zinc on the market.

Getting back more specifically to the motion, I am fundamentally in agreement with the motion if the main objective is to encourage NWT companies to have their employees become NWT residents by relocating their families in the Northwest Territories, rather than one of the provinces. But I would just like, as an aside, to say that we should not discourage companies from encouraging the employees from all the small communities in the Territories to be able to remain at home with their families when they are not working. Thank you, Mr. Chairman.

CHAIRMAN (Mr. MacQuarrie): Some clarification was asked for; would you oblige your seat-mate and answer, Mrs. Sorensen?

Motion Addresses Only Fly-In, Fly-Out Workers From Southern Canada

MRS. SORENSEN: Mr. Chairman, I have only addressed in this motion, the fly-in, fly-out worker who comes from southern Canada. Certainly the worker already living in the Northwest Territories -- in other words the Northwest Territories resident -- a northerner, would be eligible by virtue of his residency for all the incentives that the government would establish. I do not mean in any way to discourage the fly-in, fly-out from small communities because that is a viable operation and is certainly working relatively well now in some communities. I support what Mr. McLaughlin has said with respect to northern people who wish to remain in their own community and work at a mine or for the oil and gas industry.

I think, however, that there should be government relocation assistance programs for individuals in the Northwest Territories who live in communities of high unemployment to relocate. I think that we may be seeing more and more pressure from the young people in particular -- not the older long-term residents of communities but the younger people who are raising families -- the man and the woman who are unemployed who might wish to pack up and go to another community or a larger centre where they would have access to permanent jobs and to building a life in a different community. I think that we may wish at some point to look at a government relocation assistance program, but that is not what this motion is about. This motion is surely for those individuals in southern Canada who are working for industry on a fly-in, fly-out basis. Thank you, Mr. Chairman.

CHAIRMAN (Mr. MacQuarrie): Thank you. With glass flying we will have to apply for danger pay for Steve Clarkson, our court reporter. Next speaker is Mr. Curley.

MR. CURLEY: (Translation) Thank you. I want to say a few things in Inuktitut. I understand the motion about the fly-in and fly-out of people from southern Canada who are going to move to bigger communities such as Yellowknife and Hay River or move to Inuvik or other big municipalities; however, if they start residing in those communities maybe they would have more benefits for that tax base system and I would like to emphasize that. (Translation ends)

I think the motion is a good-willed and good-intentioned motion. I have some reservations about it because strictly speaking on economic terms -- you just cannot deny it -- it is just what we need, more revenue from the people who do work in places in the Northwest Territories like the Dome area in the Beaufort Sea, at Polaris and the other mines in the Territories, but that does not really solve the problem of the unemployment for the people of the NWT. That is really saying to the people who work down south, "You are welcome, you can have 99 per cent of the jobs, but you must relocate in the Territories to continue to benefit from the employment opportunities presently provided by Polaris, Lupin and whatnot; as long as you are there, you are welcome."

The thing is that that is already provided and protected by the Canadian constitution where they say mobility rights apply. What we are really saying is that we need all this 99 per cent of the labour force presently carried out by the southern workers from the provinces to relocate up here so we can increase our population and that, politically speaking, is where I have problems with it. It means that starting from today, the more we increase the population of the NWT, politically speaking we can possibly continue on with the status quo of the political nature of this government. In fact, we would probably then be able to even defeat the work of this Legislature which wants to divide the Territories into two.

Amendment To Motion To Locate Fly-In, Fly-Out Workers And Families To Major Centres In The NWT

From that point on, considering that angle, I could not support the motion at this time, but if the motion were to include, in the event that the Territories is divided, people are welcome to relocate. So I would add that, at the last section, "if, and only if, the Northwest Territories are divided". I do not know whether it is an appropriate amendment.

CHAIRMAN (Mr. MacQuarrie): Are you actually moving an amendment? Tell us what it is, please. Mr. Curley.

MR. CURLEY: I do not have a copy. I would have to receive a copy before I could put the appropriate wording there.

CHAIRMAN (Mr. MacQuarrie): Sure. Yes, we will just pause a moment and get that. The amendment would be to add on to the end of the motion "if, and only if, the Northwest Territories are divided". The amendment seems to be in order. To the amendment, Mr. Curley.

MR. CURLEY: Mr. Chairman, the reason I say that is because we have a commitment to the people of the NWT that we would assure them their involvement in the division of the NWT process, which we have agreed to in this Assembly. I think to try and put a large influx of people into the Territories prior to the very important decisions to be made by the people of the NWT would really undermine the work that we have already undertaken. We commit ourselves to have a plebiscite some day, and we generally agree that there must be consensus of the people of the NWT for the division and the location of our boundary of the Territories; and to try to bring people, prior to deciding that important question, really I think would hurt some of the people in the NWT. So I, therefore, put that amendment.

CHAIRMAN (Mr. MacQuarrie): To the amendment, please. Mrs. Sorensen.

MRS. SORENSEN: Mr. Chairman, I have some reservations about the amendment, although I certainly understand the difficulty that Mr. Curley sees, because an influx of more non-native people in the southern Mackenzie could certainly have an influence on any plebiscite that were to be taken on the question of division and so I certainly understand that. However, I guess I have difficulty because we have, I believe, an urgent problem now, and while Mr. Curley has said that this motion does not address the lack of jobs for northerners, I say that it does. I say that these people will provide revenue that we are losing as a result of a downturn in our economy, that they will be the people that will keep small business viable, at least in this part of the North, because small business serves people. It will allow us, I believe, to keep the jobs that we do have in business through the small business sector.

I see our population is decreasing as a result of closure of the mines and as a result of the downturn with respect to small business. So I do not really see that there would be a huge increase in the population numbers. These people would, I believe, take the place of those who have left because there are no jobs in certain mines. I believe that the revenues of our territorial government are going to certainly reflect that in the coming years. I believe that our predictions are too optimistic with respect to personal income tax and corporate tax. I think we have to be very cognizant of that and very aware of that. However, I think that we also

have to realize that with the loss of individuals that we are experiencing now, we are not going to need the government services that are established and growing. In fact we may have to turn in the very near future to a government that simply is a skeleton government and provides probably the most activity out of the social assistance department, as opposed to any other department.

Mr. Chairman, I understand the reason for the amendment, but I think that the urgency of the matter with respect to protecting jobs that are already there, to protect small business that already exists at least in this part of the Northwest Territories and to protect our revenues, that we should not accept this amendment. We should reject it. Thank you, Mr. Chairman.

Amendment To Motion To Locate Fly-In, Fly-Out Workers And Families To Major Centres In The NWT, Carried

CHAIRMAN (Mr. McLaughlin): To the amendment. Question being called on the amendment, which is to add "if, and only if, the Northwest Territories are divided". Those in favour of the amendment, please raise your hands. Those opposed, please raise your hands. The amendment is carried.

---Carried

All right, to the motion as amended. I still had Mr. Patterson on the list and Ms Cournoyea afterwards. Mr. Patterson.

HON. DENNIS PATTERSON: Mr. Chairman, I really think that although I fully appreciate the sentiments of Mrs. Sorensen that have led to this motion, that she has not really made clear enough the distinction between northern fly-in and fly-out workers and southern fly-in and fly-out workers because it is true that mines like Nanisivik, Polaris on Little Cornwallis Island, are served largely by fly-in and fly-out workers from very tiny communities in the Northwest Territories, and even stretching the definition of major centres to include Rankin Inlet, and miss out all these very small communities where workers' wages contribute very importantly to their economies. So I wonder if I might suggest that rather than describing the communities as major centres - I might suggest an amendment to replace the words "major centres" with "communities in the Northwest Territories".

CHAIRMAN (Mr. MacQuarrie): Are you just suggesting an amendment, Mr. Patterson, or are you moving one?

HON. DENNIS PATTERSON: I will just go that far for now, Mr. Chairman.

CHAIRMAN (Mr. MacQuarrie): All right. An amendment is suggested, but not moved. To the motion, as amended. Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, I cannot support the motion. I understand the argument is based on bringing in people because they are going to create revenue and bring it into major centres. At the same time most oil and gas development and mining developments, generally like to build their own towns around the area where they are, if they are going to locate a series of workers or a group of workers. Regarding any kind of revenue that you can retain from the income tax, the kinds of demands that you would have from these people, in terms of an extra school, better roads, water and sewage facilities, will far exceed the money that we would receive from their income tax revenue. I cannot see how we could not find another way to have a base to get some revenue without having to move a whole lot of people in. I do not see the oil and gas industry being anything else but fickle; you build up people's expectations and they get into all kinds of expectations because all of a sudden it is exciting, people are moving in, and then bang there is nothing left. You cannot force the oil and gas industry to stay if they have done their experimentation and found that it is not economic to stay. Then who has to pay the price in the end -- like Pine Point? The mine is shutting down and who is looking after those people? We have a big school there -- that was a big expenditure -- they got priority over some other communities. I do not believe that the income tax that was paid from that community really covered the costs of the school, nor the facilities that were there. In addition, I wonder if the costs of being concerned about those people is going to be anything equivalent to what they have paid, now that the mine is facing difficulty.

CHAIRMAN (Mr. MacQuarrie): Excuse me. The time that was informally agreed upon has been reached. Is it the Members' desire to finish this motion, or to report progress?

MR. CURLEY: Point of privilege.

CHAIRMAN (Mr. MacQuarrie): Point of privilege being called. Mr. Curley.

MR. CURLEY: Mr. Chairman, I wonder if it would be that we might come to an agreement very quickly. Some of us have a very strong interest in Economic Development. Would it be possible to defer any discussion on Economic Development until Tuesday because some of us will not arrive back from Rankin Inlet until late Monday night? That is just an attempt to try for an agreement to deal with maybe a short department like Department of Information or something. All the important departments the Commissioner is responsible for could probably be dealt with at that time on Monday.

CHAIRMAN (Mr. MacQuarrie): I would have to say as chairman that that is a very significant move, and I certainly would not be willing on my own hook to make that decision. I suppose if there were a motion to defer, I would entertain such a motion, but I will not make that decision. If there is no motion, there was an informal agreement to conclude today at 12:15, and I will do that now. Mr. Braden.

Motion To Report Progress, Carried

HON. GEORGE BRADEN: I do not know if you can just conclude things, Mr. Chairman. I think there has to be a motion from the floor to report progress, which is what I am going to do right now. I move, seconded by my good Tory friend Mr. McLaughlin, that we report progress to allow the Nunatsiaq Liberals to organize. They are going to need a top-notch organization to fight the mighty Tory machine we have in that riding.

CHAIRMAN (Mr. MacQuarrie): Mr. Braden has moved that we report progress. He does not need a seconder, and it is not debatable. Those in favour of the motion, please indicate by raising you hand. Those opposed. The motion is carried.

---Carried

Just before I leave the chair -- I do not get this opportunity very often, and I am not going to yield it easily -- I would like to perform a very pleasant task. This is February 18th and it is a very special day for two people who are associated with this Assembly. It is the birthday of one of our Pages, Selma Karetak who is Mr. Curley's niece, and it is the birthday of one of our Members, Mark Evaluarjuk. I am sure the Members will join me.

---Applause

Having said that, I will report progress.

MR. SPEAKER: Mr. MacQuarrie.

REPORT OF THE COMMITTEE OF THE WHOLE OF BILL 1-83(1), APPROPRIATION ORDINANCE, 1983-84

MR. MacQUARRIE: Mr. Speaker, your committee has been considering Bill 1-83(1), Appropriation Ordinance, 1983-84, and wishes to report progress.

MR. SPEAKER: Thank you. Are there any announcements from the floor? Mr. Clerk, announcements and orders of the day, please.

CLERK OF THE HOUSE (Mr. Hamilton): Announcements, Mr. Speaker. There will be a meeting of the standing committee on legislation on Monday, February 21st at 9:00 a.m. in the caucus room.

ITEM NO. 16: ORDERS OF THE DAY

Orders of the day, Monday, February 21st.

- 1. Prayer
- 2. Members' Replies
- 3. Oral Questions
- 4. Written Questions

- 5. Returns
- 6. Ministers' Statements
- 7. Petitions
- 8. Reports of Standing and Special Committees
- 9. Tabling of Documents
- 10. Notices of Motion
- 11. Notices of Motion for First Reading of Bills
- 12. Motions
- 13. First Reading of Bills
- 14. Second Reading of Bills
- 15. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature and Other Matters: Bills 1-83(1), 6-83(1), 7-83(1), 8-83(1), 9-83(1), 10-83(1), 11-83(1), 12-83(1)
- 16. Orders of the Day

SPEAKER: This House stands adjourned until 1:00 p.m., Monday, February 21st.

--- ADJOURNMENT

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