



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

10th Session

9th Assembly

HANSARD

Official Report

DAY 14

MONDAY, FEBRUARY 21, 1983

Pages 439 to 472

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

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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 21, 1983

MEMBERS PRESENT

Mr. Appaqaq, Mr. Arlooktoo, Hon. George Braden, Hon. Tom Butters, Mr. Curley, Ms Cournoyea, Mr. Evaluarjuk, Mr. Fraser, Mr. MacQuarrie, Hon. Arnold McCallum, Mr. McLaughlin, Hon. Richard Nerysoo, Mr. Pudluk, Mr. Sayine, Mr. Sibbeston, Mrs. Sorensen, Hon. Don Stewart

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. Don Stewart): Orders of the day for Monday, February 21.

Item 2, Members' replies.

Item 3, oral questions. It is apparent we should have more weekends in the middle of the week.

Item 4, written questions.

Item 5, returns. Are there any returns today? Item 6, Ministers' statements. Mr. Braden.

ITEM NO. 6: MINISTERS' STATEMENTS

Minister's Statement On Cruise Missiles

HON. GEORGE BRADEN: Mr. Speaker, some concern has been expressed in the Northwest Territories regarding possible testing of cruise missiles in the skies over our Territories. On this matter I would like to read the following statement into the record.

As the Government of the Northwest Territories understands it, the only weapons testing agreement that has been signed between the Governments of Canada and the United States is one of a general or umbrella nature. To our knowledge no specific agreement has been ratified for the actual testing of cruise missiles and there are ever increasing indications that such an agreement may never be signed, due to opposition to it in Canada. In the event that cruise missiles were to be tested in Canada, it is rumoured, and I stress the word "rumoured", that a portion of their test flight path would take them over the western part of the Northwest Territories. We have no official confirmation that this, in fact, would be the case; however, we will keep the Assembly posted as the information becomes available. Thank you.

MR. SPEAKER: Thank you, Mr. Minister. Ministers' statements.

Item 7, petitions. Are there any petitions?

Item 8, reports of standing and special committees.

Item 9, tabling of documents.

Item 10, notices of motion. Item 11, notices of motion for first reading of bills. Mr. Nerysoo.

ITEM NO. 11: NOTICES OF MOTION FOR FIRST READING OF BILLS

Notice Of Motion For First Reading Of Bill 20-83(1): Wildlife Ordinance

HON. RICHARD NERYSOO: Mr. Speaker, I give notice that on Wednesday, February 23rd, 1983, I shall move that Bill 20-83(1), An Ordinance to Amend the Wildlife Ordinance, be read for the first time.

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

Item 12, motions. Motion 9-83(1), Mr. Curley.

MR. CURLEY: Mr. Speaker, in view of the fact that some of the Members from the Eastern Arctic are out, particularly Mr. Patterson, I will defer this motion till tomorrow.

MR. SPEAKER: Thank you, Mr. Curley, and I wonder if you might just check the wording of this motion -- I realize that one has slipped by that is very similar with regard to the setting up of the boundaries commission -- again keeping in mind that we cannot by way of motion direct the Executive Committee to spend money, that we should get a permissive section in the front. It will not destroy your motion but I think it would be more in keeping with motions that have been acceptable. Mr. Curley.

MR. CURLEY: Yes, Mr. Speaker. By way of privilege also, I believe that was the view that was shared by the Members of the eastern caucus during that last debate on the territorial electoral boundaries, in view of the fact that it gave direction to the government, but we are convinced that there was nothing wrong with it and in that case I used the exact wording that was agreeable to all sides of the House. Unless you rule it out of order, I cannot see why I would have to play around with rewording of the motion.

MR. SPEAKER: Thank you, Mr. Curley. I will check the records to see exactly how that motion was handled at that time.

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. Sayine 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

Total 0 And M, Directorate And Administration

CHAIRMAN (Mr. Sayine): The committee will come to order. We were on page 15.02, Department of Economic Development and Tourism.

Further Discussion Of Motion To Locate Fly-In, Fly-Out Workers And Families To Major Centres In The NWT, As Amended

Everybody has a motion in front of them now and it is translated as amended. To the motion, as amended. Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, I believe when we recessed I had not concluded my comments on this matter and I would wish to do so at this time. The comments were reflecting on speaking against the motion.

Mr. Chairman, in our area we have a lot of experience with transient people who are more or less living or not living in our communities. The issue of fly-in and fly-out transient workers has more or less been supported locally by a number of the communities, in regard to bringing people in from Yellowknife and southern sections. There is a general fear that if companies begin to try to make communities move into a larger facilitating part of their operation, because of the fickleness of oil and gas industry, and mining industry, sometimes they are there and oftentimes the economics come to a point where they are closed down very quickly, then the community has to try to recoup and pick up the pieces. The communities would expect that they would get certain benefits in developing their town for the people who are there and stationary for a long period of time. However, they feel that from looking at the past history of oil and gas industry in the Beaufort area, in the Mackenzie Delta, that oftentimes the demands of trying to make these people more stable within the community has caused a difficulty where the community has to find ways and means of trying to overcome the infrastructure expenses.

in talking against the motion, I am not saying that some workers or some element of the industry should not be encouraged to settle and become part of the community. However, the work force that is required would look to some communities becoming very large, very quickly, and if the economics determine that the company or companies that are located in the area draw back on their work program, then the communities would have the problem of their own people being dislocated because they have had the opportunity of receiving quite large wages. They would have to readjust and on top of that, there would be a readjustment for the people who had disassociated themselves with their southern living environment coming to live in the North. Then those people would have perhaps more of a difficulty than the people who are now working with the companies and are brought in for two weeks at a time who go home for a week, or two and two, or four and two, and are not as disruptive to the community as trying to create an artificial atmosphere that perhaps that industry will be there to support them for a long period of time.

In terms of the smaller local communities, their present situation whereby the workers are brought into an oil company location to work has proven satisfactory and they are able to go home again after working for a period of time. It appears that they are happier with that working arrangement.

Taxes Will Not Pay For Facilities

The issue of bringing them at all into the Northwest Territories is that, as it is now, it is difficult enough to try to find the revenue to build up the kind of resources that are required to look after the people who are presently here and take care of the gradual build-up around oil and gas industry. I do not believe that the kinds of taxes that we will be getting from the individual workers would really even come close to paying for the expenses and the demands that the southern worker would create upon this government to have equal facilities to what they have in the South. Many of our communities still do not have running water and we still have that job to take care of. I do not see that the economy of this country really should support a fly-in and fly-out worker to encourage them to stay in the North.

The basic issue on that, in trying to reconcile that in our area, was if it was possible to do that and to encourage the industrial operations workers to locate -- in approaching that problem, it was found that it also brought in a lot of people who were really not that happy living in a northern cold climate where they did not have roads and did not have theatres and did not have the facilities. So it did create a certain amount of discontent in the people who came to live in our environment. It did, also, create a certain amount of responsibility on the company to make sure that they got out to the environment that they are normally more accustomed to. In terms of the northern operation of the DEWline, they still fly in and fly out and they find that that working arrangement is more happily adhered to by their workers.

So, Mr. Chairman, I cannot support the motion, as I cannot feel convinced in the experiences that we have had that we can have an all-out encouragement to have these workers living in the North and locating in the North. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Sayine): To the motion. Mrs. Sorensen.

Objective Of Stabilizing Population

MRS. SORENSEN: Well, Mr. Chairman, I guess I can agree with many of the comments that Ms Cournoyea has made. I believe that it is imperative that we do try to stabilize our population by encouraging the fly-in and fly-out worker to move his family to the larger centres in the North. I said on Friday that I felt that it was not with the objective of so much increasing our population but rather stabilizing our population. The argument that was put forward with respect to the fickleness of the oil and gas industry is true and I suppose the same could be said about the mining industry. The industry is fledgling and it is growing. What we seem to be seeing in the Western Arctic is that we have mines closing down but we also have mines opening up. Pine Point is an example of one closing down and Lupin is an example of one opening up. As I see it, the western part of the Northwest Territories will have an economy that is based on the non-renewable resource industry for some time. We will see mines come and go and we will see oil and gas projects come and go. However, I believe sincerely that we will always have mines and that we will always have oil and gas projects. Therefore, it would be incumbent upon us to begin the long-range plan for building a few communities in the Northwest Territories that can provide the homes and the stable workers that the Northwest Territories need.

Those communities could be Yellowknife or Rankin Inlet or Frobisher Bay or Fort Smith or Hay River. Yellowknife does have theatres. It does have the amenities of life that families might be looking for. In fact, I would say that Yellowknife by far outranks many communities of the same size in the South. It is a great place to live.

AN HON. MEMBER: Hear, hear!

MRS. SORENSEN: If I were a fly-in, fly-out worker who lived in Quebec or Ontario or even in Alberta, I would look seriously at moving my family to Yellowknife if mining was my career. Particularly so if the government provided some assistance by way of incentives to do so. That would add to the stability of this community.

Mr. Chairman, I believe that the western part of the Northwest Territories -- my part of the Northwest Territories -- needs a population that is growing but which encompasses all walks of life, not just government employees. It needs miners and it needs people who are involved in the oil and gas industry and it needs their families. As a result of the population that is growing and expanding, small business will grow, as we have seen small business grow in this part of the North over the last few years. If this government allows the industries, the mining and the oil and gas industries, to go totally to a fly-in and fly-out, we are not going to have the small business. We are not going to see our population stabilize and grow. In fact, we are going to see it destabilize. Therefore, what will we have to employ the people of the North? Small business is the employer of the majority of northern people. Small business is what the local northern person who has lived here all his or her life is involved in and what he or she could make their living from. So I see it as incumbent upon this government to encourage the population to stabilize, whereby as a result of that, we will see the spin-offs in the development of small business and small industry.

Mr. Chairman, even with the amendment that Mr. Curley added on Friday, I would have to say that we should vote in favour of this resolution because it is part of the long-range planning that other Members have spoken of and it is important that we look toward that long-range plan. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Sayine): To the motion as amended. Mr. MacQuarrie.

MR. MacQUARRIE: Thank you, Mr. Chairman. I am inclined to support the motion, I guess with some reservations. I think that I would not be particularly happy to see what might be called "selective incentives", the type that would be specifically directed at employees of resource development companies, because we would get into a complex situation of co-operating and offering incentives to people like that when there are thousands upon thousands of others who live here because they wish to live here and do so without that kind of incentive. In fact I am one of those individuals. I think that we would run into a very complex situation.

Federal Taxation Incentive To Development

I can support the motion in the sense that I think it is important to have an over-all incentive such as would come from a federal taxation policy that took account of the significantly higher costs of living in the North and was directed toward a comprehensive policy of northern development. I believe that that is lacking right now in the federal government. I am sure that they do not have a comprehensive northern development policy. As a result of that their vagueness is contributing to the North being viewed by other Canadians as a treasury of resources to be used for the benefit of other Canadians and it does not contribute at all toward the long-term stable development of a northern economy. I will vote for the motion in that context, that I would like to see this government continue efforts which it has already said it is embarking on, stepping them up and pressing harder to get a tax break from the federal government for all northern people. If we can accomplish that, that in itself would be an incentive to workers for these major resource companies to locate in the North.

CHAIRMAN (Mr. Sayine): Mr. Curley.

Unemployed Northerners Should Come First

MR. CURLEY: (Translation) Thank you. I would like to comment on the motion as amended. I am not sure whether the NWT would get tax incentives. There must be a lot of workers in the communities that are unemployed. We must think about the unemployed in the communities the people from the South are coming to. I am not too sure whether I should support it in that respect. First of all, the government should think about the unemployed people, whether they are in a smaller community or a larger community. We have to think first of our unemployed people rather than to let southern people come up from the South. We have to think about our unemployed people before we do that. When everybody has a job in the Northwest Territories, then we can have southern people sent up here to work. I am going to speak in English now. (Translation ends)

Mr. Chairman, I can understand the motion. The intent of the motion, I think, is fair and inevitably will have to be the case eventually during the evolution of the economic or industrialization of the North but in my view we have to start from the local level. We have I would say, the highest rate of unemployment, labourers and workers, more than any other province or compared to the municipalities in southern Canada. My thinking is that we should be directing our energy and our policies to try to maximize and improve the employment force, to try to at least force these unemployed workers to work and get involved in those megaprojects which this government supports. To try and pre-empt that, I think, would alienate the unemployed. We have unemployed people in small communities in my riding. The Keewatin Chamber of Commerce has used figures; there are about 90 per cent unemployed in the region. What we are saying is, "Forget about those 90 per cent unemployed in Keewatin region; let us bring in all those fly-in and fly-out workers from the South and let them settle in the major centres like Rankin Inlet." I do not think that would go well with the image of this government.

I am thinking that we should be directing our energies to looking at the northern human resources first, to try and ensure that they get the best share of the pie by way of improving incentives to the major resource companies. Give those who want to hire from the North an incentive and try to resolve our unemployment problems in the North. When we have exhausted the potential of companies who work in the North, exploration of oil and gas and mining companies, to acquire workers from the communities, when that is no longer possible, then I would say let us pass a motion like this but not before we have relocated those people who are presently unemployed at Pine Point.

Who would want to bring in a bunch of fly-in people by pre-empting those unemployed who were recently laid off in the present economy that we have? That is the problem that I have. For this reason, I think we are putting the cart before the horse. I realize we want to share that revenue with the government and the mining companies but I do not think we should do it at the expense of the unemployed people that we have in the North who do not have the same opportunities to get in for various reasons; because of their transportation costs and because of the transportation alignments that we have so the southern workers tend to have a better hand in getting into major resource projects that we have. For these reasons, not because I disagree with the intent of the motion, but because I see that we have to resolve this problem of unemployment first, I cannot support the motion as it is. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Sayine): To the motion. Mr. MacQuarrie.

MR. MACQUARRIE: Just a couple of comments in response to Mr. Curley's concerns and they are very legitimate concerns, no question about that. But the truth is, right at the moment there are significant numbers of unemployed in communities, yet this is happening where we have people flying in and flying out. I think the intent of the motion is to try to ensure that if it is happening anyway, that the Territories be enabled to benefit as much as possible from it. For example, let us say that if Rankin Inlet were one of the centres to which people came from elsewhere and were going to reside, then their presence would increase business opportunities in that community and opportunities for local employment in those businesses. There would be some benefit as well. But the unemployment problem is more complex than just saying we are going to compel resource development companies to employ northern people. We can and should do that with respect to the kinds of jobs where a great deal of specialized training is not required. I think we should do it in that case but the truth is that on a number of these projects there are jobs that require specialized training.

Training Programs In Specialized Employment

So rather than just prevent this motion from working what it is intended to do, we get back to the point that Mr. Wray raised on Friday, and that is that we have to do some long-range planning with respect to resource developments, there has to be an encouragement of a change in attitude with respect to some of these, never dropping legitimate social and environmental concerns -- they are always important. There has to be an encouragement by this Assembly to make people more receptive to certain kinds of projects that could create significant employment and then immediately begin training programs that would ensure that there are northern people who could find, not just labouring employment, but specialized employment in some of those industries.

Just as an example, I would use the Arctic Pilot Project. I know that is on hold and so on, and I am not saying that that is one of the projects that should go ahead, but I just use it as an example that if it were to go ahead there are a number of ships that would require crews. The kind of approach we need is where, at an early stage, the Assembly and community leaders decide that in the long term, if social and environmental concerns are addressed satisfactorily, that is the kind of project that we could support and then begin immediately to ensure that there are

people in the area that are affected that are trained, who could become the crews of those vessels. I think that is the approach we have to take, rather than just saying we do not want this kind of thing to happen as long as there are unemployed in the North.

CHAIRMAN (Mr. Sayine): To the motion as amended. Mr. Curley.

Establish Training Centres For Resource Related Skills

MR. CURLEY: Mr. Chairman, eventually the day will come when we see those people fully engaged in those kinds of activities as skilled labour in those major resource projects, but I am not satisfied that we have exhausted our attempts to establish training centres for the necessary skills that are needed for positions in resource companies. I am not satisfied that this government has really come to an agreement with the federal government for training in the essential labour skills required and if we do bring in people from the South and allow them to settle, look at the chances of their competing with the long-term northerners who have taken training. I would say that the long-term northerners would have less opportunities if we bring in all this influx of skilled people from the South, if this motion is passed.

I want to see people from the North have an opportunity to be trained first and that we not just pay lip-service to the unemployed but actually by way of action express to the people of the North that we are going to establish necessary training programs and actually implement those training programs for resource development activities. We talked about establishing a mine training centre in the North and that never came about. There may have been a report here and there by the bureaucrats in the government who were probably more interested in why such a mine training project could not be established in the North. I think we have to really get serious with our economic opportunity and let us demonstrate that we can establish those centres. Then, I think the unemployed would feel that they had been represented by the government and that our interest was not only to bring in those labourers and skilled workers from the South and allow them to settle but that we have a genuine interest and that we can demonstrate by way of action that we are going to establish those training opportunities so that we can offset the fears of people like myself and the unemployed people of the North.

These are the concerns that I have and I think they are shared by many of the unemployed people of the North and if we can satisfy them too, I think they would support this motion but I am not convinced we have proved that we are actually doing something for our own unemployed people and unless that happens I cannot support this motion. Thank you.

CHAIRMAN (Mr. Sayine): Mrs. Sorensen.

MRS. SORENSEN: Mr. Chairman, I certainly understand Mr. Curley's comments with respect to unemployment but I think we are really talking about two different things. I do not think it is fair to say that to support this policy or resolution is to hurt the unemployed, or have any effect on the responsibility we have to employ the people of the Keewatin. We are a large territory here. This motion is a response to a particular difficulty that we have in the southern Mackenzie -- that of two mines that have recently shut down, Tungsten and Pine Point, with a concurrent decline in the number of businesses that served not only the mines and the industry itself, but the people who worked in those two mines. What I am trying to say in this motion is that we should take something like the fly-in, fly-out and turn it around to our advantage, for those people that live in this part of the Northwest Territories.

Jobs And Opportunities Relate To Population

There is a direct relationship between population and the number of jobs and business opportunities that the people who live in that area have. There is a direct relation between the population and the number of government jobs that are available to the people that live in any region. There are no jobs, no business opportunities if there are no people to serve. I think Members should really think about where jobs come from. They do not just get pulled out of the air. That goes further too when you think about services like that of a doctor or a lawyer or other services. If you do not have the population, you do not get a doctor. If you do not have the population, you do not get a lawyer.

What I am saying is that this motion serves to respond to a problem that we have in the southern Mackenzie -- that of an increased move to fly-in, fly-out, as we are seeing now at the Norman Wells project and as we are going to see at the new mines that are opening, such as Lupin. This move toward fly-in, fly-out in an increasing way will slowly deplete our population. It will lessen the number of businesses that we have in this area. It will lower the number of jobs that we have in this area, jobs that not only non-native people are getting, but native

people in this area are getting as well. It will lessen the quality of education because we will not have the tax base to provide the schools or the services in the schools to our children. It will lower the number of doctors because if there is not the population to serve, then there is no need for a specialty in the medical services. Our lawyers will begin to leave, therefore the quality of legal services will lessen.

This motion, then, is to fill the vacuum and to begin the long-range planning that we need to do in this part of the Northwest Territories to make sure that we have a stabilized population so that we can continue to provide the jobs and the business opportunities for people who live here. While it may not serve the needs of the Keewatin, that is certainly another issue and an important issue, and if Mr. Curley can come up with some ideas instead of rhetoric -- pounding his desk and saying we need jobs yet every time someone comes up with an idea to produce a job, he says "No way", or he says we cannot do it, or he is opposed to it -- if he can get beyond the rhetoric and come up with some solid ideas for industrial expansion, come up with ideas to serve the people of the Keewatin...

CHAIRMAN (Mr. Sayine): Mr. Curley, point of privilege.

MR. CURLEY: Yes. I respect the debate this morning. I think it has been very fair but I must indicate to the Member for Yellowknife South that in no way were my comments rhetorical. I have dealt with the issue and I reject the accusation of making rhetorical statements about the North, because that is not what I am interested in in this House.

CHAIRMAN (Mr. Sayine): A matter of debate, I think Mr. Curley -- not a point of privilege. Go ahead, Mrs. Sorensen.

Long-Term Plan To Provide Stability

MRS. SORENSEN: In conclusion, Mr. Chairman, I would just say that this concept is not a new concept. It is not a concept that I have come up with or that I have pulled out of the air. It is something that our government has already indicated that it is looking seriously at. In fact, the Minister said "aggressively" so. Our Minister of Finance is now looking at the possibility and alternatives to tax credits, reorganization of the current tax benefits, taxation of benefits that the federal government has just initiated, looking at the possibility of a lower income tax than the 43 per cent that we pay now. All of these are alternatives that we are presently looking at and this motion simply gives support to that aggressive work that Minister McCallum is now undertaking. Further, it gives direction from this Legislative Assembly and gives us the long-term plan that we always refer to -- at least one of the long-term plans that we need to look at to provide stability to at least this part of the Northwest Territories. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Sayine): Mr. McLaughlin.

MR. McLAUGHLIN: Thank you, Mr. Chairman. I would like to speak in favour of the motion because what the motion attempts to do here is to have workers located in the Northwest Territories. It is recommending that the NWT government in co-operation with the federal government, develop a number of incentives. These will not just be incentives for companies to build housing for their employees in communities in the North. They could be incentives to train northerners on the job. If a company hires northerners who do not have any skills, the federal government would pay half their wages for the first six months that they work and then once they attain a skill -- that is a way of locating a worker and his family in the Northwest Territories, by taking a territorial resident and giving him the job skills. That is an example of how the territorial government could co-operate with the federal government and locate workers in the North, by actually locating a worker in the North who lives here, locate him and his family at a community where there are some jobs available. So it certainly makes sense to me.

In Pine Point right now we have all sorts of skilled and some unskilled people who could work if there was an incentive put in place where the federal government would pay the air fare from Pine Point to Norman Wells when these people are hired. Because right now Manpower pays the rates for people from Quebec to go to Norman Wells and to go to other places in Canada because Quebec has high unemployment. I do not think that program is being applied as well for the Northwest Territories as it is for other provinces. So that is another area where we could get some co-operation from the federal government to help northern workers and help northerners be hired.

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

So to make sense out of this motion so that it achieves what is needed for northerners, I am going to amend the motion. In the fourth line, after the word "workers" to delete the balance of what is there now and put in the words "and their families in the Northwest Territories". So the motion would now read: I move that this committee recommend that the NWT government, in co-operation with its municipalities and with the federal government, develop a number of incentives for individuals and industry to locate workers and their families in the Northwest Territories. I think that also takes out something that I do not like, which is too much of an emphasis on major centres, because I would like people to still remain living in their small communities and travel to jobs. Like I said yesterday, Cominco, at their Polaris project, has demonstrated very well that you can do that. Thank you, Mr. Chairman.

Mr. Chairman, I am sorry. There is one other problem with one word in the fourth line. The word "locate" could be read both ways. It could mean you will locate someone in the Northwest Territories to work for you, or it could also mean you move them to the Northwest Territories. So my amendment would start there, and change the word "locate" to "maintain", to maintain workers and their families in the Northwest Territories.

CHAIRMAN (Mr. Sayine): Let us take a five minute break to review the amendment.

MS COURNOYEA: Mr. Chairman. Clarification. Before we take a break could you indicate whether the last part of that motion is in order, "to major centres in the NWT if, and only if the NWT is divided". Is that still included?

AN HON. MEMBER: It is all removed.

MS COURNOYEA: It is all removed? Okay.

---SHORT RECESS

CHAIRMAN (Mr. Sayine): The committee will come back to order. Mr. McLaughlin, I rule your amendment is out of order, because you are deleting the previous amendment that has already been passed. Go ahead, Mr. McLaughlin.

MR. McLAUGHLIN: I hate to do this to my next-door neighbour MLA, but because the original intent of the motion was to get the fly-in, fly-out workers turned into northern workers and because the amendment was only made because of a fear of some yellow plague -- or in this case a white plague.

---Laughter

The part that I removed, in the main part, was the only reason the amendment was made, I will challenge your ruling. I hate to do that to my next-door neighbour MLA but I will do it anyway.

CHAIRMAN (Mr. Sayine): My ruling has been challenged so I will return to my seat and we will have that coffee break. I will advise the Speaker of this challenge.

MR. SPEAKER: Mr. Sayine.

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

MR. SAYINE: Mr. Speaker, I ruled an amendment to a motion out of order and my ruling has been challenged.

MR. SPEAKER: Thank you. We will break for five minutes until we can confer with our legal people.

---SHORT RECESS

Speaker's Ruling

MR. SPEAKER: I call the House back to order. In regard to the question that has been put to the Speaker with regard to this last amendment, I find that the amendment is out of order inasmuch as it deletes all of an amendment that had been previously agreed upon, which is contrary to general parliamentary procedures. I will read to you: "that an amendment must not be inconsistent with, or contradictory to the bill as far as agreed to by the committee nor must it be inconsistent with a decision which the committee has given upon a former amendment". By deleting "if, and only if the Northwest Territories is divided", which was introduced, I believe, by Mr. Curley and approved by the House, this part has been deleted; therefore, the amendment as presented is out of order. Mr. Sayine, take the chair again, please.

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

CHAIRMAN (Mr. Sayine): Ms Cournoyea, to the motion as amended.

MS COURNOYEA: Mr. Chairman, in continuing to speak against the motion I would like to bring to the attention of the Members of this Legislative Assembly that there was a group of people set up under the government body to deal with ways and means of dealing with oil and gas companies and I do not believe that they have come down with a policy yet on how that best can be achieved. I do not believe that this motion is best achieving the idea of how the industries that are moving in the Northwest Territories and operating in the Northwest Territories would better serve the growing need of revenue for the NWT.

I believe that the statement was made that an eastern province in trying to create incentives, was paying the wages of people who are presently sent up to Norman Wells. I believe the relocation is the only thing that is being paid, not the wages -- that may be just semantics or wording -- but there are provisions in Canada Manpower that pay for relocating workers but I am not aware that there is funding in our area or in the Norman Wells area where the government is paying the wages.

Incentives To Industry And Individuals

In terms of incentives to industry and individuals, I have long resented the kind of incentives that has been given to industry in terms of their operation in the Northwest Territories and we have not reconciled the same kind of incentives going to our northern businessmen and people presently operating in the Northwest Territories and in the Beaufort Sea area. They are presently competing against big development who get incentives from the federal government to operate in the Northwest Territories and at this point in time incentives are given to the oil companies which can easily be streamlined to cover their workers and give them the ability to have these tax incentives on their big development. I think it is a bit unfair to say that they should have more incentives to bring fly-in and fly-out workers to live in the communities without proper thought on what that is going to do to the communities.

Right now we have an air industry that is local and run by local businessmen who are not fly-in and fly-out workers and who are presently in a position of trying to compete with a licence that is given to the large industrial operators of the North. This could be harmful to the local workers who are presently working in the area -- local companies who are trying to hire locally, local companies who are trying to train locally. It is even a difficulty in our area to try and compete with agencies from Yellowknife and Hay River who feel that they should have a slice of the Beaufort Sea. To try to encourage without real due thought on what that is going to do further to the Beaufort Sea operation, to have an excessive number of people from the large communities such as Yellowknife demanding further preferences for northern treatment in the Beaufort Sea, I do not know what that is going to do to our communities up there. We are far from really looking at incentives for people in the Northwest Territories who live here. Let us take, for example, the taxation of trappers. How long has that been going on? The group of people who would be the type of people that this motion is going to encourage into the Northwest Territories will continue to fight for what they want in an organized fashion and in large centres to get the taxation benefits that they want. Yet the small guy who is going to live here and who is going to die here will take second or third place to the more versatile people who have the ability to work around agencies and government policy. I think this government is having a difficult time in dealing competently with what we have now, with the people we have. Until such time that we can do the small things like dealing with taxation for trappers, ability to promote incentives to industry that presently exists in the Beaufort Sea and Delta area, how are we to go and say that we should encourage others to come in when we cannot even take care of what we have now?

HON. RICHARD NERYSOO: Look at the new bill.

MS COURNOYEA: I am not looking at the new bill because I am presently talking about the motion that is on the floor. I do not believe that we have done enough for the people who are operating in those areas and then we are trying to make a motion that would encourage other people to come in. I think we should take care of people that exist in those areas first and then propose that additional people come into the Northwest Territories after we can handle the situation that exists today.

CHAIRMAN (Mr. Sayine): We will now take a coffee break, 15 minutes.

---SHORT RECESS

CHAIRMAN (Mr. Sayine): The committee will come back to order. Mr. Arlooktoo, to the motion as amended.

MR. ARLOOKTOO: (Translation) Mr. Chairman, in regard to this motion which is on the floor, I am not able to support it at this time. I understand what it is able to do but it is not trying to create new jobs and it is trying to bring in people from outside, for instance southern people. For these reasons, I am not able to support this motion at this time. Maybe the associations in the Northwest Territories, mainly the Baffin Region Inuit Association or the Inuit Tapirisat of Canada under the regional associations, because they have representatives in the communities in the regions -- because of these reasons, I am not able to support the motion which is on the floor. I would support it if there was more employment being introduced within the Northwest Territories but we have people in our communities who are still going to school and maybe we would just be replacing them with southerners. Maybe even some of the people that are just coming out of school or who have lived in the Northwest Territories for a long time will just be replaced by the people that do come in -- fly-in, fly-out. I understand clearly the motion which is on the floor but in regard to my constituents I am not able to support this motion. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Sayine): The Chair recognizes in the gallery the MP for the Western Arctic, Mr. Dave Nickerson.

---Applause

Mr. Fraser.

Incentives To Keep Those Already Established

MR. FRASER: Thank you, Mr. Chairman. I tend to agree with the statements made by the Member for the Western Arctic. We talk about incentives for people who fly in and fly out. I think we should be trying to keep the people that are here now without giving incentives to other people. I would like to know what incentives the mover of the motion is prepared to offer these people. Is she going to build them all houses to keep them in the North or what incentives is she going to give them? If they were in here working for two weeks and they get two weeks off, are they going to move into Yellowknife? Are they going to build them all homes here and keep them here? They will be looking for part-time work in their two weeks off and they will possibly get it. Tradesmen will probably get work and this is taking work away from the people that are already here.

I had this fight once before when Esso decided to fly their men in and out from Norman Wells and the people that come in for two weeks and go out for two weeks, I think, are quite happy right now. I agree that we are losing a lot of revenue from these people because they do not spend any money in the North. They make their money and they go back out. They pay their taxes in Alberta or wherever they are from -- but I cannot see it, myself, that for them to stay up here on their two weeks off would be nice. The incentive that we are prepared to offer them maybe we could offer to the people that are already here. You hear of people moving out all the time. Maybe we should try and keep the people here that are already established here, instead of trying to stop people who are flying in and flying out for two weeks. For one thing, where are they going to stay? I hear motions from the House here that there is no accommodation in Yellowknife. Where are we going to put them? How are we going to accommodate them? What incentives are we going to give them? There are a lot of questions to be asked and answered before we start forcing people to stay. If you are going to build them houses, that is going to be a tough job because we cannot even get the Housing Corporation's budget on the floor, never mind trying to build them houses. I disagree with the notion of trying to keep people here and give them some incentive to stay here when they are happy the way they are now, so I cannot agree with the motion, Mr. Chairman. I will have to vote against it.

CHAIRMAN (Mr. Sayine): Mr. McCallum.

Efforts To Gain Maximum Benefit From Resources

HON. ARNOLD McCALLUM: Mr. Chairman, I think what we have to understand is that there are a number of companies now with workers predominantly from outside of the Territories who are now working in the North, extracting resources, from which we get little or no benefit. What little we get may, if it is within a municipality or outside a municipality, be through taxation on the structures

that are there. We do not, and cannot, tax the resources. We have companies that may buy food for their camps and I say "may" because I am aware now that there are companies who, because of the increased cost, are thinking not about buying food in the Northwest Territories but buying it in the South where supposedly it is up to 30 per cent cheaper. They buy petrol from the South and bring it in. We have workers who fly into the Territories, over communities, and then out.

As Mr. Fraser says the workers do not pay taxes because you simply have to be a resident of another province as of the end of December in a particular year and we get nothing from that. The companies may buy some goods and services but I know that there are companies now who began by using the goods and services in the North who are now contemplating shutting down their northern operations and increasing the fly-in, fly-over and fly-out syndrome. I think what we should be doing is trying to maximize the benefits that we possibly can get from any kind of development in the North -- and there is little enough of those benefits. We are constantly attempting to see if we can get some revenue from resources.

The motion says to work with the federal government and the municipalities to develop incentives. It does not say that there should be, but it says develop the incentives in an attempt to locate these companies or people who work for these companies somewhere in the Territories. We are not talking about bringing more people into the Territories. These people are already in, albeit on short terms and then they are out again. We are not talking about taking people out of work, because there are people in the Territories who are working for some of these companies.

I think that we should be attempting to attract people and companies to come into the Territories. It is difficult enough now trying to retain what we have, but if we continue not to press to have these companies make better use of what is available in the North, then all we are going to do is see the extraction of resources from the North; we as a government are going to get no benefit at all from it in terms of providing for some of the programs that we want for people in the North, that is, in terms of education, in terms of economic development, assistance to local businesses and all these other things. I think what we should be doing is trying to really go after the companies and show them that there are positive aspects of locating in the North and running their work force in and out of a northern centre as much as possible, because at the present time those that are doing it on a very minimal basis are contemplating moving what they have now in the North out of the North and we keep losing more and more.

Revenue From Resources To Promote Government Programs

I cannot understand why we convolute the discussions when we are looking for something positive to happen to the North, for the people of the North -- we go all around it. What we are saying is that if we do not own the resources, surely we can participate and share in some of the revenues that are generated when these resources are extracted. If we can generate some revenue, then we would have the revenue as a government. Our businesses would have the revenue in order to provide better goods and services for people who are residents of the North. It is not always negative. When we ask people who are going to come into the North to put something into the North while they are here, that cannot be wrong. We ask the government to try to make sure that we look after people of the North. You can do that if you have the resources by which to do it. If you have not got the resources and you are not going to be able to look at ways, means, mechanisms by which you can get those resources, then you cannot very well enhance or start new programs.

So I think that what we should be doing is aggressively pursuing and talking to companies who are in the business of extracting resources from the North to put something into the North. At the present time, they may very well want to be good corporate citizens but they are finding it economically more feasible simply to come in, grab what they can and get out. If you do not agree with this particular motion, that is what I suggest you are trying to push. Let people come in, take what they can and get out. I for one am not for that. I am for people who come into the North and take something out having to, if not economically then morally, having to put something into the North. We cannot expect all our small ventures -- in mining, for example -- to continually put something back in the North when they see us not trying to push some of the larger companies into doing exactly the same thing.

As far as I am concerned, whether the motion goes or not, whether I were in the government or not, that is what I would continue to do. I would want to see and I would push to make sure that anybody who comes into the North, a corporation, a business, is putting something back, returning something for what they are taking from the North. Thank you.

---Applause

CHAIRMAN (Mr. Sayine): Mr. Curley. To the motion as amended.

MR. CURLEY: Mr. Chairman, although I admire the passionate speeches from the other side of the chamber here, I am absolutely not convinced that our priorities lie with finding jobs and placing our unemployed people in those projects. That is not the essence of this debate. For that reason I think we must guide our leaders in the Executive Committee that they do take priority in representing the unemployed people of the NWT and not those people from down south for the sake of accruing revenue for the territorial government which would likely not be spent to further improve conditions for the unemployed, but those who already have positions and job opportunities in the present northern economy.

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

I am going to move an amendment. After the word "divided", I would put a comma and add as an extension of the motion, the following, "after all attempts have been exhausted and justified to hire local and northern people".

CHAIRMAN (Mr. Sayine): The amendment is in order. To the amendment. Mr. Curley.

MR. CURLEY: (Translation) I want to talk about this. In case the motion is carried, we would not be thinking about the unemployed too much and so this is why I added this so that the unemployed people would be asked first. If we cannot work it out this way, then I do not know if the motion would be carried but in case it is carried, I wanted this sentence to be added. This is all I have to say.

CHAIRMAN (Mr. Sayine): To the amendment. Are you ready for the question?

MR. MacQUARRIE: Question.

CHAIRMAN (Mr. Sayine): Question being called. All those in favour? Opposed? The amendment is carried.

---Carried

To the motion as amended. Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, I would like to continue to speak against the motion even though the amendment was made as a caveat. I do not believe that the solution to the problem of how industry can benefit the Northwest Territories is to have the workers relocate in the Northwest Territories. I believe that we are not addressing the fundamental issue of many of the reasons of revenue coming into the Northwest Territories and why that should be. Now, I do not see having the fly-in and fly-out workers brought into the Northwest Territories will alleviate any problem and until such times as there are statistics and the background on why that will benefit the Northwest Territories, I cannot support the motion. I still believe fundamentally that the oil and gas industry in its magnitude have enough incentives for the individuals and their industry. Until such times that the local businesses have equal incentives, I cannot support the motion.

CHAIRMAN (Mr. Sayine): To the motion as amended. Mr. McLaughlin.

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

MR. McLAUGHLIN: Mr. Chairman, I would like to move to rescind the words, "if, and only if the NWT is divided".

CHAIRMAN (Mr. Sayine): We will take five minutes to go over the amendment.

---SHORT RECESS

The committee will come back to order. Having reviewed the amendment I rule the amendment out of order. To the motion as amended. Mr. McLaughlin.

MR. McLAUGHLIN: Would the amendment be in order, Mr. Chairman, if I moved to rescind Mr. Curley's motion which added the words "if, and only if the NWT is divided"?

CHAIRMAN (Mr. Sayine): No, I gave my ruling and it is out of order. To the motion as amended.

HON. ARNOLD McCALLUM: Question.

MR. SIBBESTON: Question. Let us go.

MR. MacQUARRIE: Point of order.

CHAIRMAN (Mr. Sayine): Point of order, Mr. MacQuarrie.

MR. MacQUARRIE: Yes, it has been customary in the House, Mr. Chairman, to explain why something is or is not in order. Could we have an explanation as to why Mr. McLaughlin's motion is not in order?

CHAIRMAN (Mr. Sayine): This amendment is to the same effect as the last amendment that Mr. McLaughlin tried to put forth and I ruled out of order. It is up to Mr. McLaughlin. If he wants to challenge the Chair then we will let the Speaker decide. To the motion as amended.

MR. PUDLUK: Question.

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

CHAIRMAN (Mr. Sayine): Question being called. All those in favour?

MRS. SORENSEN: Recorded vote.

CHAIRMAN (Mr. Sayine): Recorded vote requested. All those in favour of the motion as amended?

MR. McLAUGHLIN: Mr. Chairman.

CHAIRMAN (Mr. Sayine): It is under way, Mr. McLaughlin. The vote has been called. All those in favour?

HON. TOM BUTTERS: Read the motion as amended.

CHAIRMAN (Mr. Sayine): May I have the Clerk read the motion again as amended?

CLERK ASSISTANT (Mrs. Baldwin): I move that this committee recommend that the Northwest Territories government, in co-operation with its municipalities and with the federal government, develop a number of incentives for individuals and industry to locate workers now normally referred to as the fly-in, fly-out workers and their families to major centres in the Northwest Territories, if and only if the Northwest Territories are divided, and after all attempts have been exhausted and justified to hire northern people.

MR. McLAUGHLIN: We are already divided.

CHAIRMAN (Mr. Sayine): To the motion as amended. Recorded vote. All those in favour of the motion, please stand.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. McCallum, Mr. Braden, Mr. Butters, Mr. Nerysoo, Mr. McLaughlin, Mrs. Sorensen, Mr. MacQuarrie.

CHAIRMAN (Mr. Sayine): All those opposed.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Evaluarjuk, Mr. Arlooktoo, Mr. Pudluk, Mr. Appaqaq, Ms Cournoyea, Mr. Curley, Mr. Sibbeston, Mr. Fraser.

CHAIRMAN (Mr. Sayine): Abstentions.

CLERK OF THE HOUSE (Mr. Hamilton): No abstentions.

CHAIRMAN (Mr. Sayine): The motion as amended is defeated eight to seven.

---Defeated

Page 15.02, Department of Economic Development, directorate. Mrs. Sorensen.

Motion To Establish Relocation Assistance Fund For Northerners And Transportation Assistance Programs

MRS. SORENSEN: I have another motion, Mr. Chairman. I move that the committee recommend that the NWT government establish a relocation assistance fund for northern individuals who wish to relocate from areas in the NWT of high unemployment to areas where jobs and business opportunities exist, and further, establish a transportation assistance program in co-operation with industry and the federal government for those workers who wish to remain in their own community but work in an area of high employment.

CHAIRMAN (Mr. Sayine): May I have a copy of your motion? The motion is in order, Mrs. Sorensen. To the motion.

MRS. SORENSEN: Mr. Chairman, there are two parts to this motion. The first part is to provide a relocation assistance fund for northerners -- and I stress this fund would be for northern residents -- who wish to relocate from areas in the NWT where high unemployment exists and that would assist them with packing up their belongings and moving to another part of the Northwest Territories if they wish, and I stress again, only if they wish.

The second part of the motion is for those people who do not wish to relocate but live in communities where there is high unemployment. Members have stressed that there are areas in the Northwest Territories, such as the Keewatin, where such high unemployment exists. This part of the motion would assist those people who wish to remain in their communities to work in areas of high employment and fly back or rotate back to their home communities on a fly-in, fly-out schedule. Again, I would stress that this is for northern people, probably the majority of whom would be native people living in areas such as the Keewatin where, as Mr. Curley emphasized, over 90 per cent of people are unemployed.

Mr. Chairman, I think that both parts of this motion are in keeping with the Legislature's wish to begin the process of long-term planning. We have been told by our statistics people, we have been told by our Science Advisory Board that we have many young people coming up through the education system who are going to require jobs and business opportunities in the very near future. I would stress again that we already have many young people who are unemployed and actively looking for jobs but, Mr. Chairman, the reality is that the jobs in the Northwest Territories are very much based on the non-renewable resource industry. There are regions in the Northwest Territories where there is little activity going on at the present time with respect to that industry.

We do, however, have the Norman Wells area where the Norman Wells pipeline project is now onstream and where there will be many jobs and business opportunities. We have the Beaufort Sea area where there are a number of jobs that are available and we have the area around the southern Mackenzie where mines are opening up and where jobs will be available for northern individuals.

I think this is in keeping with the debate that took place as a result of the last motion and it was my intention to bring this forward in conjunction with the other motion as an overall long-range plan. First, we would take care of the fly-in, fly-out individuals -- if we have them anyway we might as well get them in the North -- and second, for those people who are presently unemployed we would, at least, provide them with the opportunity through relocation and transportation assistance to find a job in other regions of the Northwest Territories. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Sayine): To the motion. Ms Cournoyea.

Services Provided By Federal Government And Industry

MS COURNOYEA: Mr. Chairman, maybe since this is the Department of the Minister of Economic Development, I wonder if there could be some kind of clarification. My understanding is the oil and gas companies have a very active program where they go around and recruit out of communities, and when they can, when the people are available for work, they pay themselves. They have their own scheduled flights going into communities, picking up workers and bringing them in and then taking them back home.

The problem of having northern people relocate is generally inadequate housing. However, the concern I have is that a person may want to relocate but there really is not a job for him and he ends up in a community that does not have housing or any place to stay. I wonder if the Minister of Economic Development can perhaps state what is presently available, because in addition to the oil and gas industry and their program of bringing people in and out, there is also Canada Manpower. If a job is advertised and you can show that the person is not available within your direct locality, then you can apply to Canada Manpower. They will advertise the position and if the person is from another area, then they would provide the transportation costs to bring that individual into the location -- not only for the job itself but for an interview if, because of the competitive nature of that job, you have more than one or two applications that you are interested in. The concern I would have is that if the territorial government has to pay for it, why do that, if companies are already doing it and Canada Manpower is also providing that service?

CHAIRMAN (Mr. Sayine): Mr. McCallum.

HON. ARNOLD McCALLUM: Well, Mr. Chairman, I am not sure that I have got it all but the basis of it is that the federal government does now pay for job relocation. The companies have a job rotation policy, or most of them do. So when people come in, they stay in camps or whatever but the federal government will through Canada Employment and Immigration allow for the cost of relocating people from one part of Canada to another where there is opportunity and where people would want to move. Now, I am not sure whether I am saying something that the Member does not obviously already know but I am not sure what else she is asking of me.

CHAIRMAN (Mr. Sayine): Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, since these programs exist and the onus of the transportation and relocation costs being paid is dependent upon that individual showing he has a job, the concern I would have, and I would like the Minister's own ideas or his department's ideas and how he would feel about an overall territorial fund to relocate, particularly if a person just wants to go there and there really is not a job for him, when that mechanism is already in place.

CHAIRMAN (Mr. Sayine): Mr. McCallum.

HON. ARNOLD McCALLUM: Well, Mr. Chairman, I would have some difficulty, personally, trying to assist somebody to relocate to another area if there was no job for that individual; that is, to have the government pay for relocation on speculation. I do not think there is a need for us to relocate people or pay for relocation, when it can be done by the federal government through Manpower. I would be rather reluctant to get involved with another program that is similar to what is already a federal initiative. We have now a number of people in the Territories who are on job rotation. They do not particularly want to live in the area where they have their work because they have their homes in other communities. I indicated that in one instance that I am aware of, in Lupin mines, people from the Cambridge Bay-Coppermine area are on job rotation. During the period of time when they are eligible to go back to the community, they take on other jobs at the same time, quite possibly with a competing company. However, policies of companies are, I think, to put them on two week, 12 hour shifts, and allow them a way out for a time, or on three or four weeks and allow them out for one or two. I would have some difficulty, as I said, with relocating people if the individuals do not have a job, that is, purely on speculation.

CHAIRMAN (Mr. Sayine): To the motion. Mr. Curley.

MR. CURLEY: Mr. Chairman, again I have sympathy and I think some understanding of what the mover of the motion is doing. I would like to ask her whether that motion was essentially the same as the one that I showed her the other day that I intended to move and if that is what you are trying to do, do you want the document that I showed you the other day?

MRS. SORENSEN: I have no idea.

MR. CURLEY: I see. Now I know exactly why the Member is moving a motion. She wants to be known as the saviour of the northern economy but we will assure her that she will not do it at the cost of the unemployed of the NWT.

Amendment To Motion To Establish Relocation Assistance Fund For Northerners And Transportation Assistance Program

Now, having said that, I sympathize with the motion but I would like to add the following amendment, because she knows what my intent to move a motion with respect to northern workers was going to be. I move that after the last word add a comma and add the following: "and that the subsidies assistance be related both to the level and proportion of northerners in the industry's total work force".

CHAIRMAN (Mr. Sayine): Can we have a copy of your amendment, Mr. Curley? The amendment is in order. To the amendment. Mr. Curley.

MR. CURLEY: (Translation) We have just been discussing that there are subsidies for those people who are employed in the Northwest Territories. I think this is not understood. In the Northwest Territories regarding the subsidy that could be provided to those people -- and there are the mining companies in the Northwest Territories -- if they have only two or three people, the subsidies or the assistance could be used to relocate. I think that it would be better if they had more, if there were more native people who would want to work in the Northwest Territories, they would, I think -- we would have more native people, say 50 per cent of them -- and this assistance would be more sufficient. You will understand more of what I am trying to say because I will say it in English -- so just do not worry about what I have just said. For instance, if we had five Members, or even if there were five white people, this does not have to be the same thing, because people who are supporting this -- this is what I wanted to say. (End of translation)

Mr. Chairman, in the event that my amendment is not understood, I think there should be incentives for the miners or the resource companies to hire from the northern labour force. I think there should be a difference in the subsidy and travel assistance for those who favour an all-northern work force. If the particular industry was prepared to hire 50 per cent of its work force from the NWT work force, I think that incentives and subsidies should be better than for another industry whose only interest is having 10 per cent of the work force. If we do that, if we propose that the level and proportion of northerners is related to a total work force, that at least will be an incentive for them to hire northerners, not just because the territorial government is interested in giving transportation and relocation costs for one or two individuals. I do not think that would be an incentive to the industry. So my motion is trying to at least favour increased assistance to those industries that are genuinely interested in trying to establish a total northern work force rather than having only a small percentage of the work force from the North. I think if we do that, then we would at least be able to pinpoint our interests and energy into certain industries. Thank you.

SOME HON. MEMBERS: Question.

CHAIRMAN (Mr. Sayine): Question being called.

MR. SIBBESTON: Read the motion.

CHAIRMAN (Mr. Sayine): We are voting on the amendment. To the amendment. We will have the Clerk read the amendment.

CLERK ASSISTANT (Mrs. Baldwin): The amendment is: and that the subsidy assistance be related both to the level and proportion of northerners in the industry's total work force.

Amendment To Motion To Establish Relocation Assistance Fund For Northerners And Transportation Assistance Program, Carried

MR. FRASER: Question.

CHAIRMAN (Mr. Sayine): Question being called. All those in favour? Opposed? The amendment is carried.

---Carried

To the motion as amended.

MR. PUDLUK: Question.

CHAIRMAN (Mr. Sayine): Question being called. All those in favour of the motion, as amended. Mr. Sibbeston.

MR. SIBBESTON: Could I just have the motion read, please?

CHAIRMAN (Mr. Sayine): The motion that is being passed out does not include the amendment, so we can have the Clerk read the whole motion, as amended.

CLERK ASSISTANT (Mrs. Baldwin): The motion as amended is: that the committee recommend that the Northwest Territories government establish a relocation assistance fund for northern individuals who wish to relocate from areas in the Northwest Territories of high unemployment to areas where jobs and business opportunities exist, and further establish a transportation assistance program in co-operation with industry and the federal government for those workers who wish to remain in their own community but work in an area of high employment, and that the subsidy assistance be related to both the level and proportion of northerners in the industry's total work force.

CHAIRMAN (Mr. Sayine): To the motion, as amended.

MRS. SORENSEN: Question.

CHAIRMAN (Mr. Sayine): Question being called. All those in favour? Mr. McCallum.

HON. ARNOLD McCALLUM: I just want to get one thing clear, Mr. Chairman. When you say "establish a transportation assistance program for those workers who wish to remain in their own community and work in an area of high employment", does that mean on a rotation basis? That if they work two weeks or three weeks on, and a week or two weeks off, and that carries on 10 times a year, that you want this government to assist in transportation costs for 10 such movements? As I read it that is what the meaning is and I just want to have it clarified.

CHAIRMAN (Mr. Sayine): Mrs. Sorensen.

Department To Take Advantage Of Existing Funds

MRS. SORENSEN: Well, Mr. McCallum, that is entirely up to the ingenuity of your department. You have the experts, there are all sorts of programs that you can take advantage of -- the Manpower program that exists now, federal government initiatives that exist to get people working. I am aware that several million dollars are being put forward now to get people working and I think that northerners should be able to take advantage of those funds that are existing now. So if you can find a way for our government not to have to pay the full 100 per cent of costs then all the better, but I have indicated that it would be in co-operation with industry and the federal government -- federal government being any pot that they have available to them, either through Manpower or other such programs that exist. The key here is that northerners be able to take advantage of that money that now exists for southern people.

CHAIRMAN (Mr. Sayine): To the motion as amended. Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I just see that we might be presenting an individual worker with quite a tax problem because that, I expect, would be a benefit that would be taxable regardless of the size of it. Mr. Chairman, I suggest it would be taxed only because it would be a program where we as a government, would be providing a benefit and would come under the taxation of northern benefits. It is bad enough as it is now without putting more on it.

Looking at it, I do not have any difficulty; all I want to do is to get a clarification of it myself. I recognize that within the government we have more than enough ingenuity and initiative with the people who work with us to take a look at the recommendation. I already expressed my opinion on this: I think there is enough on the go now. The federal government, as I understand it, will pay for the transportation of a family of a worker and a worker to go but I think it is on a one-time basis. I do not think that they are paying for them to flit back and forth across the country wherever there is a job. It may even be for some particular trades. I just wanted to get a clarification on the number of times we are talking about.

CHAIRMAN (Mr. Sayine): Ms Cournoyea, to the motion as amended.

Industry Already Promoting Program

MS COURNOYEA: Mr. Chairman, I have been trying to find ways and means of amending the motion; however, I am at a loss. I think I understand the intent of the motion but what I am concerned about is that for many many years in our area we have been fighting to have the industry pay their own way on the basis that they get a lot of incentives from the federal government and for many years have been operating with federal government money basically. In terms of recruitment in the communities, it has always been our thrust to have the companies actively come up with their own programs, support them, promote them and work with the territorial or other training agencies to build up that work force.

Certainly I would hate to see that the work that we have been doing over the past to make the industry pay, to make the federal government program work in the Northwest Territories, I would hate to give them an out, where they say "Well, the territorial government is going to do it." We do not have those funds to do the program and the motion, the way it is written, sort of indicates to me that we are going to establish this relocation assistance fund which already exists with Canada Manpower. In a lot of senses the reason it is not being used is because a lot of people do not know how to get at it. That is a matter of education and will of the employees, whether it be Canada Manpower or territorial training but, certainly, I know that the oil and gas industry really promotes that program and in a lot of instances use it.

Regarding the business of oil and gas and mining industry paying for people to work on a job rotation basis, it has taken a lot of work for us to accelerate and get them moving over the years to do that kind of work within the Northwest Territories and they are on their way to it. It appears to me over the years in trying to promote the essence of what this motion is trying to say, to make the people who are creating and deciding megaprojects in the North pay their way and, also, to look at the problems, the background and the issues that they are raising in the communities of employment and having people employed in that industry -- the decisions are made by the federal government. The oil and gas industry and the mining industry gets their approval from the federal government to move into the Northwest Territories.

Agreements Already Gained May Be Diminished

In the socio-economic agreements that are signed between this government and the federal government, one of the criteria and priorities is for them to employ native northern people and other northerners and the criteria that they establish good working relations within those communities and pay for it. That is built in that program and within that socio-economic arrangement, and to have us, as an NWT government with a budget that we presently do have -- it may cause the federal agencies to say "Well, the territorial government should establish this relocation assistance fund." I am worried that what exists today under the socio-economic arrangements, would be diminished, that the people who make the decisions and the industry who is operating in there and the criteria that they are allowed to operate under would be taken -- something would be taken away from that and I am sure that they would be very pleased because it is a tremendous job, it is a tremendous job to get people aware of the employment opportunities. Certainly, the companies are the best people to promote themselves and they should take responsibility for their actions and not try to dump it on a territorial government that really is a subordinate government in actually making decisions in the first place for large megaprojects that go on in the Northwest Territories.

I am not against the essence of the motion but I cannot support it because it does not address clearly the result of this motion and how the other programs that are already in place and the other agreements are being addressed. I apologize, I tried to amend it but I felt that I probably would be ruled out of order. As it is, the motion may particularly in the Beaufort Sea, take away from all the hard work that we have gone to to make the decision-makers and the industry take care of the problem that they have brought up in our area themselves. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Sayine): We will take a 15 minute coffee break.

MR. PUDLUK: Mr. Chairman, I wonder if this motion can be translated into Inuktitut while we are having our coffee. Thank you.

CHAIRMAN (Mr. Sayine): We will have that during coffee break.

---SHORT RECESS

CHAIRMAN (Mr. Sayine): The committee will come to order. Everybody has a copy of the motion as amended and it is also translated. To the motion as amended.

MR. FRASER: Question.

HON. ARNOLD McCALLUM: Question, s'il vous plaît.

Motion To Establish Relocation Assistance Fund For Northerners And Transportation Assistance Program, Carried As Amended

CHAIRMAN (Mr. Sayine): Question being called. All those in favour? Opposed? The motion is carried.

---Carried

We are now on page 15.02, directorate and administration. Mr. McCallum, do you wish to have your witnesses back to the table?

HON. ARNOLD McCALLUM: May I take the deputy minister with me, Mr. Chairman?

CHAIRMAN (Mr. Sayine): Is it agreed that Mr. McCallum takes his deputy minister?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Sayine): Directorate and administration, \$1658,000, page 15.02. Mrs. Sorensen.

MRS. SORENSEN: Mr. Minister, with respect to policy development, I wonder if you could tell me how your department now works with the Energy and Resource Development Secretariat. As I understand it, some of the responsibilities of the Department of Economic Development and Tourism were removed from that department and given to Energy and Resource Development Secretariat. I wonder if you could perhaps give us an update on how the two co-operate with each other and what the separation is.

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, the answer to the second one is very short and sweet: Very well. The answer to the first part, whether in fact we have given up anything, I am not sure I am aware of what we gave up. I do not know of anything that we, the Department of Economic Development gave up to the Energy Secretariat but we get along very well.

CHAIRMAN (Mr. Sayine): Mrs. Sorensen.

MRS. SORENSEN: Mr. Minister, I was not meaning were you fighting or not. That was not at all part of the question. What I meant was what is the difference between the work of the Department of Economic Development and Tourism and the work of the Energy and Resource Development Secretariat with respect to socio-economic agreements, with respect to representation before EARP panels, or before the National Energy Board? What is the work of the department as opposed to the work of the Energy Secretariat in these two vitally important areas?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I was not referring to whether we fought or not. We supplement, as most other departments do, when a particular department is involved. We deal with socio-economic agreements. The Energy Secretariat is a policy-making group on the advice of the Minister involved. When the Economic Development and Tourism department gets involved we are involved with trying to arrange the best possible socio-economic agreements between proponents and ourselves, industry and ourselves but there is a clear separation of function. The Energy Secretariat, by and large, appears before the various panels. If they require expertise from our department, our officials work with the secretariat and provide them with the information; it may be, when there is technical advice required of the department, that the department people may make representation to it. I think I can draw an analogy on that, in the case of the proposed Slave River hydro project. Mr. Nerysoo and I are responsible, in terms of that. We lay before the panel the position of the government. We are one of the departments that may be required to go into detail on a particular aspect of that proposed project but the actual representation more deservedly belongs with the Energy Secretariat.

CHAIRMAN (Mr. Sayine): Mrs. Sorensen.

Delay In The Beaufort Sea Hearings

MRS. SORENSEN: Thank you, Mr. Minister. Could you perhaps take me through the steps that would have led this government to call for a delay in the Beaufort Sea hearings and the role that the Department of Economic Development would have played in our government's position that for the most part calls for a delay in the final hearing that was to be held any time now, I take it? What was the role of the Department of Economic Development in coming to that conclusion?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, as I say, in terms of the role that the Department of Economic Development and Tourism plays, it is similar to the role of any other of the government departments who would be concerned with it. I am not too sure whether I can tiptoe through the tulips with you on that one but I am sure that my colleague, Mr. Nerysoo, can speak in terms of the actual presentation made to the panel. As far as this department is concerned we supplied certain particular aspects that involved the department. I do not want to bypass anything but I think the question more properly belongs to the Minister responsible for Energy, Mr. Nerysoo. If the Member would prefer Mr. Nerysoo to answer that -- although we are talking Economic Development -- I will give way.

CHAIRMAN (Mr. Sayine): Mr. Nerysoo.

HON. RICHARD NERYSOO: Just to first clarify that the Government of the Northwest Territories did not indicate that the panel should delay its hearing process.

AN HON. MEMBER: Hear, hear!

HON. RICHARD NERYSOO: What did occur is that both Economic Development and the Department of Renewable Resources pointed out certain deficiencies within the environmental impact statement and have suggested that the proponents that are involved in the Beaufort Sea/Mackenzie Delta area provide the additional information that has been requested. I just wanted to include that within the comments made by my colleague, so that you are aware that there has been no suggestion to delay the project or to delay the hearings from the Government of the Northwest Territories. We have simply pointed out deficiencies and the mandate of the Environmental Assessment Review Panel is certainly to indicate whether or not the process should carry on or to wait until comments have been made with regard to the deficiencies.

CHAIRMAN (Mr. Sayine): Mrs. Sorensen.

Companies Providing Economic Benefits To People Of The NWT

MRS. SORENSEN: It is my information that the government suggested that hearings into the Beaufort Sea development not be held until the companies provided the extra information. That is my information. In bringing out the different areas of concern, I understand that the Department of Economic Development said that there had to be a realistic assessment of possible employment benefits along with more commitment to training. I am wondering if the Minister could perhaps enlighten the House a bit more on what it was exactly, that he felt was missing from the information that the proponents or the companies had brought before the panel and what suggestions this government had in terms of what it was looking for, in respect of jobs and employment benefits. It is one thing to say, "We do not think that the information is realistic," but it is another thing to say, "It may not be realistic. This is what we think would be realistic." Mr. Minister, can you expand on that for me? What would you think would be realistic in terms of companies' commitments to jobs and business opportunities and employed benefits in that region for those people?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I think the Member is talking about the position of the government regarding any kind of development and the kinds of criteria or guidelines that should be placed before any development. Those criteria, those guidelines for development, are expressed for this government through the Energy Secretariat before, for example, the Beaufort panel. We did not have people appear before the panel to lay these down. The bottom line, as far as the government is concerned, is that there must be the greatest amount of benefit accrue to the

Territories, in terms of employment. So I again have to indicate that this then becomes the government position as expressed through the Minister of Energy or his secretariat.

We are only one of X number of government departments who formulate or help formulate that policy. We believe that in any of the agreements that are signed, we have to get the greatest possible use of northerners in the work force -- skilled, semiskilled, unskilled; we have to get the greatest economic benefits, in terms of the use of goods and services of the Territories, provided by northern businesses to the proponent. However, again I suggest to you, Mr. Chairman, that that is a question that would be more properly addressed to the Minister of Energy.

CHAIRMAN (Mr. Sayine): Mrs. Sorensen.

MRS. SORENSEN: Is it not your department, Mr. Minister, that recommends to the secretariat what those benefits should be? Are you not the experts that the secretariat would come to and say, "All right, this is the policy: we want benefits, we want job opportunities. Now tell us what is a realistic level to put into these socio-economic agreements?" Is the Department of Economic Development not the experts in this area in the government? I see Mr. Nerysoo is shaking his head, so I believe that I am talking to the right person when I ask that question.

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, the Member is correct when she talks about economic benefits; she is addressing the proper questions to me as the Minister responsible for Economic Development. In terms of socio-economic benefits, we form one part of it, because we are talking about the social benefits as well. The social benefits more properly belong with the Department of Social Services. We definitely are the experts in terms of getting the economic benefits from any kind of development, and when we as a government put guidelines and criteria and provide that expertise to the total government department, we are saying, as I have already indicated, that we maximize those economic benefits. Those economic benefits are that the proponent would utilize to the greatest extent possible the goods and services that are available in the Northwest Territories by northern business people. We provide the expertise to people who want to get into business and the funds for starting up those businesses come through the Department of Economic Development, for example, Special ARDA, assistance to industry.

When you are talking about the kinds of social concerns that are involved in a socio-economic agreement, the questions are more properly directed to the Department of Social Services. We work together as one part of a team. The team approach is then put toward the proponent or the company through the Energy Secretariat. We are not the total expertise but in terms of economics and economic development, we certainly put forward our particular views. They may or may not be totally acceptable in relation to a total government position.

CHAIRMAN (Mr. Sayine): Mrs. Sorensen.

Government Position Re Benefits From Beaufort Sea Companies

MRS. SORENSEN: Mr. Minister, I am talking about economic benefits. I am talking about the position this government took and in particular your department took, with respect to saying that the oil companies had to be more realistic with respect to their assessment of possible employment benefits, along with having more of a commitment to training. So I am trying to zero in on that part of the socio-economic benefits -- that part that I think is an economic benefit and which your department has advised is deficient in the assessment that has been put before the EARP panel by the companies working in the Beaufort Sea. I agree with you that the mandate of this government is to represent the people in getting as much as they can in terms of benefits but I want to hear from you what that means. I want to know how you determine what is a realistic benefit and how do the experts in your department come to terms with -- I guess, go beyond the rhetoric of saying we want jobs and business opportunities.

HON. ARNOLD McCALLUM: It is not rhetoric.

MRS. SORENSEN: Well, it is rhetoric if you do not say what it is you mean by that. It is easy to say that, it is easy to say we want our people working, but if all you do is go before the EARP panel and say, "You are deficient in these areas", and then do not say what it is you think would take away that deficiency, then it is rhetoric. What is it your department wants? What would make you happy in terms of a proposal coming from the Beaufort Sea companies that would make you say, "Yes, that is a realistic approach; we could live with that and let us get on with the job"?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, as the Minister responsible for Economic Development, what would make me happy is that every proponent or every company coming in would, first and foremost, buy all the goods and services that are available in the Northwest Territories.

MRS. SORENSEN: Hear, hear!

HON. ARNOLD McCALLUM: Thank God we agree on something there. Secondly, in instances where those goods are not now available in the Northwest Territories but they could be if there were businesses established, that we would be able to help that business be set up. Thirdly, that they would employ as many skilled, semiskilled, unskilled labourers as are available to work on a particular project so that, in all instances, the benefits accrue to the greatest amount possible to people of the Northwest Territories for the people of the Northwest Territories and if this sounds rhetorical, by the people of the Northwest Territories. I submit that that is not rhetoric but is indicating that we want people who come into the Territories to utilize what the Territories has to offer and the companies or proponents leave something instead of simply coming in and taking.

CHAIRMAN (Mr. Sayine): Mr. Nerysoo.

Environmental Impact Statement

HON. RICHARD NERYSOO: Just to support the Minister. The other point is with regard to a specific question that was asked by the Member that had to do with our position with regard to Beaufort development. The department was quite specific in the kinds of concerns they raised. Firstly, there was in the document that was submitted and I will quote to you, "The obvious mismatch of job opportunities to labour force skills makes it very difficult to assess the employment benefits." Some of the comments were even made within the environmental impact statement, things like "It is unlikely that many residents of many small native communities would seek pipeline construction jobs." That is not necessarily true. The reality could be that if the jobs were made available to the people and that the training opportunities were there then they may wish to work on those pipelines. Those were the types of comments being made within the environmental statement and looking to -- at least address that specific question as an issue that has to be dealt with very quickly.

The other issue is from the environmental impact statement -- "At the same time the realization that unless fundamental problems such as undereducation and the lack of training are better addressed, particularly by government, development will quickly exhaust the available pool of qualified and semiqualfied manpower." It is not necessarily the total responsibility of government to address that specific concern. Industry has a certain amount of responsibility to support the government when they do suggest training opportunities and training positions that might best be addressed by the industry itself. So I do believe that they have been quite specific in the recommendations and the points that have been pointed out by the Department of Economic Development and Tourism.

CHAIRMAN (Mr. Sayine): Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, the Member enumerated three things; the purchase of goods and services, helping set up businesses and the use of labour. I want to reiterate or supplement what Mr. Nerysoo said. Where the skilled labour is required and we have people in the Territories who are willing and able to take that kind of training on, we would want the industry to a) help in sponsoring people of the Territories for that training and hopefully in the Northwest Territories rather than to paying them to go outside to NAIT or SAIT, but to utilize the facilities that we now have in place and that are being contemplated by the Department of Education -- Mr. Patterson; or b) doing the actual training on the job. I did not mean to simply indicate one, two, three, but I think a very integral part of our concern in manpower development, because it comes under Economic Development, is this whole question of training local people who are semiskilled or unskilled and with either training on the job or in institutional training, whether it is done in institutions that are now set up in the Territories or whether it be done in the regions from which these students come, that that be done.

Further, that industry would sponsor those particular candidates for that training or assist in any kind of capital expenditure for the acquisition of the wherewithal that would help people become trained. Those are the kinds of concerns that I have and therefore, the department and the government are putting forth to any kind of proponent or company involved with the development in the Territories.

CHAIRMAN (Mr. Sayine): Mrs. Sorensen.

Deficiencies Of Environmental Impact Statement

MRS. SORENSEN: Thank you. You have pointed out at least four solid areas where a proponent could satisfy the needs of the people of the Northwest Territories. I wholeheartedly agree with you on these four areas. Now, the government has said and your department has said that this environmental impact statement was deficient obviously in these four areas. What has happened since you have made that statement? Have you sat down with the company to explain why you feel that it is deficient? How it could be improved? Are you prepared to assist them with the rewriting of that impact statement so that it can pass muster, so to speak? Are we following up on this issue so that we can get on with the development that we need to have in that area of this country?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, the department puts its concerns together and as I had indicated, the position of the government is put forward by the Energy and Resource Development Secretariat. Industry would respond to the secretariat. If there is a concern of industry about various factors of the government's position, then the secretariat would come back to the individual department concerned, in this case, Economic Development and we would try to reinforce our position back to the secretariat who would then deal with the industry or company or proponent. We are adamant in that kind of a position. We believe that is the only responsible position to take regarding our department and therefore, the government is trying to get the best possible benefits for people in the Territories. If there is a concern that has been voiced by industry and/or a proponent as to the kind of criteria that we lay down, that is given to us from the secretariat, we try to reinforce it; and yes, we are actively trying to insist upon those factors that we think are necessary.

CHAIRMAN (Mr. Sayine): Mrs. Sorensen.

MRS. SORENSEN: Is there any follow-up, then? Has the secretariat come back to you for more detail? I am quite anxious to find out. Perhaps Mr. Nerysoo could fill me in on this. What has happened since we made that announcement -- that we were not happy as a government with that impact statement and that we prefer to have more information before the impact hearings proceeded? What has happened since? Have we been contracted by industry or is industry, for the most part, ignoring our presentation, which would certainly concern me, since I support basically what you have been saying? I trust that you have reviewed the impact statement and have found it to be deficient, I certainly trust that that is so and I support what you are doing. However, my concern is the follow-up, and has it happened?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, again as has been said, the department did not make any announcement on it. It was done through the Energy Secretariat. If there has been any kind of concern expressed by industry to this government, it would have been made through the Energy Secretariat and I think Mr. Nerysoo would be in a better position to indicate any kind of response from them. I am not trying to pass things off to Mr. Nerysoo, we are dealing with the Economic Development department and not so much Energy, but we are involved with it. If there was a concern that has been expressed by industry from it, it would go to the secretariat. If the secretariat felt that they needed more push on the part of the government through the department they would let us know. I am not sure whether there has been any real concern expressed by industry. If there is Mr. Nerysoo would know of it. I know that I have talked, not so much in terms of the Beaufort but with other proponents and other instances and as far as I can ascertain, they have no great difficulty in trying to meet those criteria. Mr. Nerysoo may have something further.

CHAIRMAN (Mr. Sayine): Mr. Nerysoo.

HON. RICHARD NERYSOO: In responding to the Member's question, we have not to date heard any response to the environmental impact statement deficiencies that we have outlined. We have certainly had individual corporations calling us asking us about our comments that we have submitted to Dr. Tenner but we have also suggested that Dr. Tenner is actually responsible for ensuring that the information is forwarded to the proponents of the development of the Beaufort/Mackenzie Delta. We have also responded to requests, in particular from Esso Resources, to at least send them a copy of the comments that we have made. So I believe they have taken the comments quite seriously and are prepared to address them.

CHAIRMAN (Mr. Sayine): Directorate and administration. Mr. Curley.

MR. CURLEY: I have a question to the Minister. Could you tell this House or myself exactly who is in charge of issuing consultants' contracts or contracts from the Department of Economic Development?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, is the Member referring to the issuing of consultant contracts? That would depend upon what division is involved. If the Member is referring to the planning and resource development, depending on the size of the contract, it would come through the person responsible for it or the assistant deputy minister, the deputy minister, or myself.

CHAIRMAN (Mr. Sayine): Mr. Curley.

MR. CURLEY: Is there any possibility, or would it be humanly possible, to list some of the contracts that the department issued for various projects like dealing with the GDA and revenue-sharing and resource development, small contracts that you have issued to outside consultants? Would it be possible to provide us with a list of all those contracts that you have issued during the last year?

CHAIRMAN (Mr. Sayine): Mr. Minister.

Contracts Awarded In Planning And Resource Development

HON. ARNOLD McCALLUM: Mr. Chairman, I can list the contracts that were let by the planning and resource development division for the year 1982-83. There was a contract given to a Mr. Ken Chamberlain in the amount of \$3000 in the mineral and petroleum resource activity for an updated report on mineral activity in the border area of both territories, the Yukon and the NWT. There was a \$10,000 contract awarded to a Dr. Walter Kupsch in the mineral and petroleum resources area of the division, for the provision of advice to the department and the Minister. There was another \$10,000 contract to a Dr. Roger Blais for the provision of mineral advice to the department and the Minister in the same area, mineral resources. There was a contract of just a shade over \$7800 to H.J. Ruttenbeek, economic planning secretariat, for the development of a cash flow stimulation model for the Beaufort Sea hydrocarbon development. There was a \$2500 contract, systems and computer services, economic planning secretariat, for the provision of technical assistance related to the territorial macromodel planning system. There were two contracts for the total amount of \$5100 to Nordat Computer Services for rental of a computer terminal. There was a \$26,000 given to Pratt Consulting for the provision of assistance in the preparation of documents and briefing sessions for meetings for the general development agreement. There was a \$5000 contract to Dome Petroleum for the provision of employment and business opportunity effects for the Beaufort Sea hydrocarbon development scenarios. There was a contract of just over \$2800 given to the NWT Chamber of Mines for the evaluation of the applicability of the GR-1 electrolytic gold recovery system. There was a \$1000 contract awarded to Mary Bybliw, administrative support services for a departmental management conference.

There is a possibility of a contract in the amount of \$25,000 allocated to the commerce division for funding of the test fishery in the Kitikmeot region. We would hope to give a contract for the development of a regional data base for the Keewatin, another one for the compilation of the Workers' Compensation Board's business data, a further one for the examination of computer requirements for the business profiles project, another one for a study of the NWT mineral industry, and finally, we hope to be able to award a contract for the identification of business opportunities in the Beaufort Sea area. The last six have not been let.

MR. MacQUARRIE: Did you give one to Alastair Gillespie?

HON. ARNOLD McCALLUM: No, not involved with the gasification in Nova Scotia, as much as I would like to be.

CHAIRMAN (Mr. Sayine): Mr. Curley.

MR. CURLEY: Mr. Chairman, I have some information, unlike the figures that you gave for Mr. Pratt for \$2600, during the last fiscal year there...

HON. ARNOLD McCALLUM: I beg your pardon, Mr. Chairman. The amount of money to Pratt Consulting is not \$2600; it is \$26,000.

CHAIRMAN (Mr. Sayine): Mr. Curley.

Contract With Pratt Consulting Re General Development Agreement

MR. CURLEY: Yes, that is a little closer to the figure that I have, that a person named Lee Pratt was given a \$58,000 contract to prepare background material on the general development agreement. The question really is do you really have to spend \$58,000 to do this work, when on page 15.04 you have 10.5 person years in the planning and resource development section? I really wonder what justification is there to spend that money when you have such talented people in your department.

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I did not get the amount that the Member indicated.

CHAIRMAN (Mr. Sayine): Mr. Curley.

MR. CURLEY: The figure I have is \$58,000 for GDA work done by Mr. Lee Pratt.

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I will have to check on the authenticity of that figure. I do not have that figure in front of me. In relation to the number of man years, I indicated to the Member on Friday that there were seven people involved with this division at headquarters, one in the Baffin, and two and a half man years in seasonal or casual employment. So in essence there are 10 and a half man years involved in this but two and a half are casual man years. I indicated as well at that time that some of the two and a half man years are involved with the recently formed COGLA, Canada Oil and Gas Lands Administration group so that we can keep up to date with what is going on in that area.

Regardless of the number of people that we are concerned with in this particular division, there are times when it is necessary to hire a consultant to work because we do not confess to having all the expertise that is required within this particular division, or indeed within government. Federal initiatives come left and right and to keep up with them it does require at times to hire consultants. Again, as to the authenticity of the Member's quote, I would have to come back and check with the department people about the figure of \$58,000 to work toward the preparation of documents and briefing sessions for the general development agreement.

CHAIRMAN (Mr. Sayine): Mr. Curley.

MR. CURLEY: Thank you, Mr. Chairman. I think these figures are important to us because, if we are going to approve this money -- and when we are talking about northern benefits, I would say that is hardly a benefit for the North, when we do not see the end product of the work carried out or whether any action would have resulted as a result of large amounts of money in that respect and when many of our northern firms never qualify for such generous grants issued by the department.

I also have a question to the Minister. There was a contract approved during the last fiscal year for \$45,000 with a Vancouver consulting firm, to develop resource revenue-sharing arrangements with the federal government. Again the question is, can the department not do this type of work? I would want the Minister to respond to that, to see if he would provide to the House what kind of recommendation this firm in Vancouver provided the Minister with and if we have a recommendation from this consultant from Vancouver, the amount of work that he did for the \$45,000 would be provided to this House as well. Could the Minister explain to us why was it necessary to issue that amount of contract when he had individuals in the department that could have probably provided that at a very lesser cost than this firm did? Thank you.

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, it has been indicated to me that the figure of \$58,000, which the Member quotes, is a figure that was spent over two years. I gave you the figure for the fiscal year 1982-83. Regarding the Vancouver firm and the development of resource revenue sharing -- we did indeed hire a Vancouver firm and hired on a consultancy basis, some expertise of a person who had been formerly in the Department of Regional Economic Expansion, to provide us with the expertise in developing resource revenue sharing, because in fact we did not have that kind of expertise within our department.

CHAIRMAN (Mr. Sayine): Mr. Curley.

MR. CURLEY: Thank you, Mr. Chairman. I would say that the contract was probably \$58,000 but divided into two fiscal years. In fact, I would say then the total amount of contract was likely \$58,000 but a portion of it was paid in the last fiscal year. So the recommendation should be one that should be accounted for, because we are throwing money around and yet we are talking about northern benefits and we are not reaping at all the benefits or advice given to us by these contracts.

Economic Development Study For The City Of Yellowknife

I also have some information on the fact that contract practices probably should be tightened up in the department. The question is also about a \$93,000 contract given to Resource Management Consultants to do a 10 year economic development plan for the city of Yellowknife. I wonder if the Minister could explain a little bit of detail about what this 10 year plan is for the city of Yellowknife? Specifically did the head of your economic planning secretariat say that the second installment of contracts for the Resource Management Consultants be held back because of the poor quality of work and wrong numbers being used as a basis for the report? Could you explain and expand a bit on that generous contract given to those groups and what is the city of Yellowknife benefiting from such a project like that? Thank you.

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD MCCALLUM: Mr. Chairman, the source of the information that the Member is referring to I expect is coming from a former employee who was not too happy with his employment, first and foremost. That was an employee who was on staff for a period of time and on a probationary period. I expect that that is the source of the Member's figures. I am not going to dispute the figures. I indicated that the \$58,000 that he referred to before was over two fiscal years. It can be accounted for obviously, with the hiring of that firm. So there may well be a certain amount of sour grapes on the part of the employee who is now not employed with this government, because his probation was terminated.

As regards an economic development study for the city of Yellowknife, they would have applied, as did other communities, through the old general development agreement, to have an economic development study done for a community, in this case, the city of Yellowknife. The city then makes applications under the old GDA. The project was approved. The city then hires their own consultant group. We do not. That is the same as occurs in other communities and I can think of other communities where this was done. The municipality may or may not accept or be happy with the kind of report that was given. That is up to the city or town whether they agree or disagree with it. They have been allocated X amount of dollars to do that study and they hire their own consultants.

So all I can say is that, in this instance, the city of Yellowknife, as did other municipalities in the Territories, applied for a grant under the general development agreement to conduct an economic development planning project in the municipality and were awarded X amount of dollars to do it. Whether they are happy with it or they are disenchanted with the report, as produced by the consultant that they hired, is entirely up to them.

CHAIRMAN (Mr. Sayine): Mr. Curley.

MR. CURLEY: Mr. Chairman, I attempted to rely on my sources among the officials when I asked a question last November, to give me a list of the grants and contributions issued by the various departments through the Minister of Justice but again, that information was incomplete. So to try and rely on the government as my source is unreliable. If you want me to give you a list of my sources every time, I think you will really be looking for real disagreement because co-operatively speaking and sincerely speaking we cannot get these sources of information accurately from your officials. Could you advise me as to how best I can obtain information without having to disappoint you? This Assembly should be provided with positive recommendations rather than going through disagreements as to how we are shaping up our northern economy, when we are supposed to be provided with this information so that we can make the best judgment and decision for the welfare of the people of the NWT. Thank you.

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I at no time asked the Member to reveal his sources. He asked me what contracts were given in the last year. I enumerated those contracts that were given for the year 1982-83, not only the ones that were given but the ones we hoped to be able to do; if we cannot do those then we will try to get them done the next year. I am not asking him to reveal his sources. I know full well the source of that information that he has -- but if you are asking me for information from the department, then what I would give him in a particular year is what I know to have occurred. I am not going to shoot him any line.

CHAIRMAN (Mr. Sayine): Mr. MacQuarrie.

Allocating Contracts To Consultants

MR. MacQUARRIE: I would like to follow up that matter a little bit. Regardless of what the source might be, it is not a matter that can be dismissed lightly. I would say that in respect to contracts, whether they were contracts for goods or services, that there is always the danger that they are awarded on some basis other than need and availability to deliver the goods and services in the best possible way. I recall about two years ago pressing -- with respect to contracts for goods -- to have a filing system where contract performance was evaluated and maintained, and where there had not been good service that those contractors not be used again. I was given to understand, on quite good authority, that it did happen sometimes, that firms defaulted on contracts and yet they were awarded others in the future.

So my question to the Minister is, since that is always a concern how does the department safeguard against it? In the awarding of these service contracts for consultants, what is the procedure that is used by the department to ensure, first of all, that when they are awarded it is because there is some genuine and pressing need for that kind of thing, and then when the need is established how does the department govern the allocation of contracts to whichever consultants? Is it on the basis of capability? If the answer to that is yes, what evaluation is done afterwards? Who determines whether the results were worth-while or not, and if they were not worth-while what is done about that in the future? Who makes these kinds of decisions? Could it all be in the hands of one individual who decides they are going to issue a contract; they choose who it is going to and then they are satisfied with whatever results come in? Can you tell me the departmental method for addressing those concerns?

CHAIRMAN (Mr. Sayine): Mr. Minister.

Contracts Awarded On Basis Of Capability

HON. ARNOLD McCALLUM: Mr. Chairman, certainly as far as I am concerned, contracts that are given out for consulting work would be given only on the capability of a particular contractor to do the work. Anything that is over \$5000 has to be tendered and the contracts receive my approval. If they are over \$10,000, I get Executive Committee approval. As much as possible we use northern contractors to do the work. For example, if a municipality was awarded an amount of money to do a planning study and they wanted to hire a contractor, they would have to satisfy themselves. If the work is done for this department then I would want to be satisfied as to what was being done. So it is done on capability. If there have been instances in the past that were questionable, then I can only indicate that I would question those kinds of things myself and I would not get into the situation if there had been concerns in the past.

Again we go to tenders, and when they reach a particular amount I get concurrence of my associates; I would still have to make a proposal to the Executive Committee for such a consultant contract being awarded and that would be done on the basis of capability. That is in giving a contract. After the contract is completed then I would want to satisfy myself through the division from which they have been given that there has been work received for expenditures put out.

CHAIRMAN (Mr. Sayine): Mr. MacQuarrie.

MR. MacQUARRIE: I have no doubt that in most cases there is work received for money paid but the question is whether it is any damn good or not.

HON. ARNOLD McCALLUM: That goes without saying.

MR. MacQUARRIE: It does, does it? The Minister, I gather, then must be satisfied that the work that is received is adequate. That is a hard thing to test, of course, but could I ask whether there ever has been the case where the department, in recent times, has very openly declared its dissatisfaction with the kind of work that is turned in, and if so, what is the result of that? Do they not get any further contracts? Do you refuse payment in that case?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I cannot speak with very much authority of the past, only the recent past in terms of months; but I am told that there have been instances where the work received was evaluated and found to be wanting. When that has occurred we have negotiated a reduced payment or we have held back moneys until the study was completed to the satisfaction of the department. I am not sure how many swipes at it you are allowed, but it would seem to me that it is a little fewer than you are allowed playing baseball -- which is three.

MR. MacQUARRIE: Thank you.

CHAIRMAN (Mr. Sayine): Page 15.02, directorate and administration. Mr. Curley.

Department Appears Incapable Of Proper Financial Planning

MR. CURLEY: Mr. Chairman, surely, I say, it might be fine and dandy for the Minister and his officials to try and justify all the contracts that we do not know about that have been issued in the past for outside consultants, but if we continue to do that forever, we are never going to be able to develop the manpower and experts in the department to carry out that work. I wonder, if that might not be the source of the problem for the department today, that we have not been able to properly develop financial expertise and planning expertise in the department, because we are relying continually on those consultants who every year probably renew their contracts from the department to do planning for all the various types of agreements that this government normally enters with the federal government. If we admit that we do not have the capabilities here for financial planning and evaluation of the large-scale projects that we are facing and are about to face in the North, we are never going to develop our manpower and expertise in the department.

Some time ago I introduced a motion that this government establish a specialized fisheries group in its department so that we could then begin to plan that part of the renewable resources that we have in the Territories, so that people who rely on that part of the economy can have the type of programs developed in the North, but the end result I have not seen up to date; nothing has happened to it. My contention at that time was that I did not believe that the department had any expertise in the fisheries development possibilities, so therefore my recommendation was to try and establish a team, a group; in that group, a division created to plan for fisheries and planning so that we can develop the types of assistance programs or other programs that could satisfy our people who are dependent on that renewable resource.

I am not going to ask the Minister what happened to it, because I know for a fact that nothing has developed out of that, but unless we start putting in the type of proper accounting and evaluation and review of contracts that consultants normally receive from this government and from this department, I really do not think that I should be expecting the capabilities of this government to enable us to plan and develop the type of improvement that we want as an Assembly; it will not be realized. After all, we are going to continue to rely on these people when we should be maybe improving our man years, person years, for the money that we would have given to those guys. We have just had a list of those things. If you have a good planner and financial expert in that department who has been involved in business experience, whether or not from southern Canada, hired and moved up here, I would think that we would begin to develop something.

Motion To Develop Proper Evaluation, Review And Accounting Procedures For Contract Consultants

In view of that, Mr. Chairman, I would like to move a motion which I think could guide us to something and it will be up to the government to do what it wants with this. My motion is: Whereas the Department of Economic Development and its departmental officials have continued questionable accounting and evaluation and review of contracts issued to consultants for various projects; now therefore, I move that this committee urge the Minister of Economic Development to develop proper evaluation, review and accounting procedures for contracts issued to outside consultants. Thank you.

CHAIRMAN (Mr. Sayine): Can we have a copy of your motion, Mr. Curley? Mr. McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, I do not want to speak to the motion because I have no real difficulty with that kind of direction. I fully accept the direction. If I may be allowed to comment on the comments that led to the Member's motion, I had indicated in November that we would be going through a functional realignment of the department. I indicated on Friday that because of certain circumstances, that we have not come as far as we possibly could with that functional realignment of the department. But let me say this -- we have personnel within the department. If we do not have anybody who is expert in the department to do research, then obviously we have to hire them or we hire consultants. If we have the people who are capable of doing it, and they are not able to function well, then there is a simple expedient -- we do not keep those people on staff. However, it is the same thing as with any other department, and I do not want the Member to take it in the wrong light. You know, where did the education committee get the expertise? From the North? From the department? No, no, in both cases. They went south.

CHAIRMAN (Mr. Sayine): To the motion, Mr. McCallum.

HON. ARNOLD McCALLUM: What did he say?

MR. CURLEY: To the motion.

MR. MacQUARRIE: In other words, he scored another point there.

HON. ARNOLD McCALLUM: Oh, he did not like that. I am sorry. I apologize. In the beginning, I said I am not trying to be facetious or smart with him. I am simply stating it. I asked before that, Mr. Chairman, with your indulgence, that I would not speak to the motion. I took it from the way that you allowed me to continue that it was all right with you.

CHAIRMAN (Mr. Sayine): Well, I should give Mr. Curley the chance to speak to the motion.

AN HON. MEMBER: Hear, hear!

HON. ARNOLD McCALLUM: That is fine. Mr. Chairman, if I may be allowed on a point of privilege...

CHAIRMAN (Mr. Sayine): Go ahead, Mr. McCallum.

HON. ARNOLD McCALLUM: The Member made certain comments about the department acquiring consultants. I was responding to those comments and in fact if you recall, I raised my hand before he made the motion. I am not going to prolong it. Suffice it to say -- the Member will be happy to know we hired people from the South to deal with the fishery problem...

CHAIRMAN (Mr. Sayine): Point of order, Ms Cournoyca.

MS COURNOYEA: Mr. Chairman, I have no objection to the Minister speaking on the comments made before, but my understanding of the comment that Mr. Curley is making, as it relates to the motion, is that there should be a body within the government that can adequately review and take a look at the consultants' reports coming in, and not saying that there should not be southern consultants, not saying that it was a dirty thing to hire them. He was just basically saying that we should have a component within the department that could evaluate critically what is being submitted.

CHAIRMAN (Mr. Sayine): To the motion. Mr. Curley.

Department Must Tighten Up On Contracts

MR. CURLEY: Thank you, Mr. Chairman. I will not enter into any debate with the Minister, although he may want to follow up on it. Mr. Chairman, I really believe that we can develop the department because until the political development has occurred at least, we as a junior government should

have to accept the fact and express or apologize for the fact that we do not have capabilities and expertise in our junior department. If that were the case, the Minister's role is going to have to be questioned, and I do not think he would appreciate that.

I believe that small companies normally hire specialized people for their departments, and I suppose in the government too we have to rely on our deputy minister who is an educational specialist, the deputy minister responsible for major economic development branch. However, in my view that might be good because you give the individual a promotion; but how many of our officials in the department have gone through commerce, business administration, have a degree in economics or are we concerned at all with those? Should we, as a government, start to specify that the Department of Economic Development should have experts on financial affairs and business and so on, certain skills and experience? If they do not mean anything, then I would say all the qualifications that we normally attach to positions in the government do not mean anything.

When I ask people in my riding to apply for positions, whether it be senior positions in the game department and wildlife services, I normally know they do not have all the skills that are required, but I like them to try anyway, because when you have determination you can acquire skills. If you do not have the determination, you do not learn the kind of skills required. So that is why I think we have to start from somewhere, and my motion is simply asking us to tighten up. In business if we have a questionable contract issued, the immediate response is tighten it up, let us clean it up and let us have a proper accounting. If you are not provided with the best possible information, even though it means that there might be some unpleasant reports trickling down to the chief of a particular department or the Minister, we will never know that there has been some error that could have been prevented, if only the Minister and his senior officials had been aware of certain facts. So that is what this motion is trying to do. I do not question the Minister's staff knowing something about the nature of the work and whatnot, but I do not believe that they have trickled down to the person who really should have known about it, and that is all I can say about my motion. Thank you.

CHAIRMAN (Mr. Sayine): To the motion. I will have the Clerk read the motion.

CLERK ASSISTANT (Mrs. Baldwin): The motion is: Whereas the Department of Economic Development and its departmental officials have continued questionable accounting, evaluation and review of contracts issued to consultants for various projects; now therefore, I move that this committee urge the Minister of Economic Development to develop proper evaluation, review and accounting procedures for contracts issued to outside consultants.

CHAIRMAN (Mr. Sayine): To the motion. Mr. MacQuarrie.

Incompetent Consulting Firms Established

MR. MACQUARRIE: I realize it is not an easy thing to do, but I believe it is desirable to attempt to do it. Nevertheless, I support the motion very strongly, especially in view of the fact that over the last several years it appears that a lot of people who either were not successful in whatever they were doing or because they saw a good thing, have established consulting firms; in many cases, they undertake studies which I believe they are not really competent to do and some of the work that comes out is not particularly high quality. I just believe that it is important to make the attempt to ensure that whatever material we get back is worth-while and if it is not, something should be done about it.

CHAIRMAN (Mr. Sayine): To the motion. Ms Cournoyea.

MS COURNOYEA: It is just a question of clarification, Mr. Chairman, from the Minister of Economic Development. In the general development agreement criteria for reporting, there was somewhat of a two-party reporting structure, whereby the group that got the grant and the territorial government were in-party to that reporting structure and the accountability of the grant, as it was issued in stages. My understanding was that the NWT Department of Economic Development under one of their divisions would be evaluating as well as the group receiving the grant, the credibility and whether the work was good or not. With the new criteria for developing the programs and the research projects that probably will be going on, is this same make-up of reporting and accountability going to be in place?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, under the old general development agreement, as I understand it, there was a mechanism in place whereby the total expenditure under the GDA was evaluated and individual projects as well. The same holds true under the new economic development agreement; there is an evaluation of the amounts of money under the agreement in total and there is an evaluation of the project before the contract is allowed to go ahead. There is, as well, one following the completion of the project. That is the kind of thing that would continue and hopefully we would be able to do it with this motion in a better way than it has been done in the past.

CHAIRMAN (Mr. Sayine): To the motion. Ms Cournoyea.

MS COURNOYEA: Just another clarification in regard to this motion and the comments of the Minister regarding realignment of the department. Would the Minister see that the motion would work into the realignment and that if some members of his staff are in positions that are no longer necessary, would this realignment or this motion dissolve those positions in favour of positions that would be manned by people who have the qualifications to go into this new regime of realignment?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, I do not look at functional realignment or organizational theory as setting up pigeonholes for pigeons. I would prefer to look at organizational theory as completing a task that has been identified by the department as being essential to the total operation of the department. In essence, if the realignment of the department suggests that there is a redundancy or there is no need for certain particular functions that are already in existence, then those functions will not be identified in a new alignment and as is the case with people within the employ of the public service they would be offered positions in other parts of the government. Where people are not within the employ of the public service, then I would have to evaluate whether the continued success of the department is imminent with such personnel still on strength.

CHAIRMAN (Mr. Sayine): To the motion. Are you ready for the question?

SOME HON. MEMBERS: Question.

Motion To Develop Proper Evaluation, Review And Accounting Procedures For Contract Consultants,
Carried

CHAIRMAN (Mr. Sayine): Question being called. All those in favour of the motion? Opposed? The motion is carried.

---Carried

Directorate and administration, \$1,658,000. Ms Cournoyea.

MS COURNOYEA: Mr. Chairman, in regard to the Economic Development deputy minister and the co-operative movement in marketing and planning, what relationship is there presently and in the realignment, is there any plans to change that relationship?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, the reorganization that I speak of in terms of the department is not completed. It is not completed because Mr. Gilberg has been quite sick of late. He is an integral part of any kind of reorganization since he is the deputy minister. As to the relationship of the department and the co-ops, that is something that will be discussed quite thoroughly. We do not intend to relinquish or abdicate the responsibilities that we have now with the co-ops; it may require going into some detail at a later time but at the present time I am not in a position to indicate either its continued existence as we know it, a modification of that existence, or a complete change to it.

CHAIRMAN (Mr. Sayine): Ms Cournoyea.

Marketing Plan For Co-ops

MS COURNOYEA: Mr. Chairman, in marketing and determining the products that would be sold from individual co-ops, what involvement and direction does the marketing agency of Economic Development have and how much work is put into determining the markets and the particular products?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, in the past there was a marketing function within the department, I guess a marketing agency. There is no such agency within the department at this time. There is an individual under the commerce division who is involved in marketing. That individual with his expertise is available to the co-op people whenever they so desire it.

CHAIRMAN (Mr. Sayine): Ms Cournoyea.

MS COURNOYEA: Mr. Chairman. Has there been any exploring through the commerce marketing section of the Department of Economic Development, in talking to the co-ops to go over the problems of the products that are presently being sold and what there should be? Has there been any talk or planning done over the last year?

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: Mr. Chairman, as I indicated, there is no marketing secretariat or agency; there is an individual within the commerce division. That individual has been in dialogue with the co-op people. I am not aware of the kinds of things that are being discussed. We do work with the co-operative people in terms basically of marketing services, in trying to develop and get implemented a new comprehensive marketing plan for co-ops. We will help them in terms of management training as well. However, in terms of the marketing, I think it is simply communication with the individual in question to meet with the co-op people to try to develop a total marketing plan for the co-ops.

CHAIRMAN (Mr. Sayine): Ms Cournoyea.

Sealskin Marketing Issue

MS COURNOYEA: Mr. Chairman, I realize from the Minister's first statement that he does not have a marketing agency. In view of the seriousness of marketing for a number of the products that are being made at the local co-op level and particularly in regard to the sealskin marketing, I would presume that there were some talks going on and some kind of strategy being planned to work around that. I realize at this stage, that certainly the Legislative Assembly Members have expressed a concern about the marketability of seal products and we have not changed or found an alternative. I was just concerned and wondering what the commerce section, or the person, or your department, has done with the co-ops to overcome this serious problem. I am not being critical or anything like that, or trying to put you on a spot but it is a very serious concern for my constituents in Holman Island. They are one of the largest harvesters of seal. They have traditionally taken 9000 seals a year and their co-op is largely dependent on that. As a result of the problems that have been experienced over the last couple of years in the seal industry, the co-op is trying desperately to find other products that they could market.

At the same time, because the source is there, and as well Mr. Chairman and Mr. Minister, the efforts to promote big game sports hunting, the availability of dogs and the expansion of the teams in that community can utilize more of the meat that comes from seals. At the same time it is very important that the seal industry issue is attacked and dealt with in a very serious manner because it is a serious situation. I was hoping that through the Economic Development portfolio and working with the co-ops, that some talks have been going on and some determination on what is going to be done about that problem.

CHAIRMAN (Mr. Sayine): Mr. Minister.

HON. ARNOLD McCALLUM: I would just comment in terms of the co-ops and the problem with the seal-skin market. I know full well it is a very important part of communities -- not only the Member's community, but in other communities in the North. We have been in contact with the federal government about attempting to find new markets, especially in the eastern countries of the world. We, together with the federal government are trying to come together with some kind of strategy to open up these new markets. In addition, in dealing at a marketing level with the individual co-ops we have to try to look at the development of other kinds of smaller products that utilize sealskin. It may be in a number of areas, but we do not consider it as being a minor part of Economic Development, we consider the marketing of sealskins and/or sealskin products to be a very large part. That is why we have been working with the federal government to try to develop new and different markets, especially in the East. I think that the European market for sealskins and sealskin products is about shot.

CHAIRMAN (Mr. Sayine): The time being 6:00 o'clock, I will report progress.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Mr. Sayine.

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

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

MR. SPEAKER: Thank you, Mr. Sayine. 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 Members' Services Board this evening at 6:30 in the caucus room. There will be a caucus meeting at 9:30 tomorrow morning in room 216.

ITEM NO. 16: ORDERS OF THE DAY

Orders of the day, Tuesday, February 22nd.

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

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until 1:00 p.m., Tuesday, February 22nd.

---ADJOURNMENT

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Government of the Northwest Territories, Yellowknife, N.W.T.
\$1.00 per day; \$30.00 for 1st session, \$20.00 for 2nd and 3rd session; or \$50.00 per year
Published under the Authority of the Commissioner
of the Northwest Territories