

LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
7<sup>TH</sup> COUNCIL, 49<sup>TH</sup> SESSION

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TABLED ON JUNE 14, 1973



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COUNCIL OF THE NORTHWEST TERRITORIES  
CANADA

*TD # 11-49 (1973)*

REPORT OF THE STANDING  
COMMITTEE ON FINANCE TO THE  
49TH SESSION OF THE N.W.T. COUNCIL

JUNE 1973

**CONFIDENTIAL**

## FORWARD

The Standing Committee on Finance, during its meetings in 1973, has laid emphasis on long-term planning. The concensus of the Committee is that such operations as tourism, school populations and buildings, fisheries research, and the like, should place their efforts on the future rather than concentrating on what appears to be present needs. Research by persons more knowledgeable of the North was also advocated. In the words of Councillor Parker, "we should push the Federal Government to be allowed to do our own research". The particular item referred to here was a vacuum sewage system that appears to have the potential of settling many of the problems our smaller communities have with sanitation.

## PREAMBLE

The Standing Committee on Finance is a Committee of the Council of the Northwest Territories whose job it is to monitor the financial functions of the Government of the Northwest Territories.

## MEMBERSHIP

Members of the Standing Committee on Finance are:

David H. Searle - Chairman  
 Lyle R. Trimble  
 Bryan R. Pearson  
 Willie Adams  
 John H. Parker  
 (Des Fogg - Acting Secretary)

COMMITTEE  
MEETINGS

The Standing Committee on Finance met January 23, 1973 to review Supplementary Estimates being additional charges and expenses of the Government of the Northwest Territories for the fiscal year ended March 31, 1973. The Committee also agreed upon a report by the Standing Committee on Finance to be tabled to Council during the 48th Session.

GENERAL  
COMMENTS

The Finance Committee also met from March 6 to 9 to discuss the 1974/75 Financial Forecasts. As well the Committee met in June to approve their report and to review Supplementary Estimates.

Commissioner Hodgson opened the March 6 meeting by introducing Councillor Trimble, who was appointed to replace Councillor Sibbeston on the Finance Committee.

Deputy Commissioner Parker then went on to explain the nature of the Financial Forecast and in particular "A" and "B" levels. "A" level being the funds required to cover present on-going programs plus unavoidable increases due to such matters as wage agreements, announced price increases, and population growth factors. "B" level, on the other hand, are the funds required by the Administration to carry out new programs or to accelerate existing ones.

A complete departmental review and recommendations follow.

## DEPARTMENTAL REVIEW AND RECOMMENDATIONS

### EXECUTIVE

The Committee agreed with the proposed transfer of the Regional Headquarters from Churchill to Rankin Inlet and also the relocation of the Resolute Bay townsite.

### INFORMATION

Councillor Trimble produced a letter he had received from the community of Fort Franklin wherein they requested a radio station. Following a discussion on the matter, the Committee placed in "B" level a total of some \$645,000 to be spent between next year and 1977.

### EXECUTIVE SECRETARIAT

There was only one item of concern and that pertained to a "B" level item for the N.W.T. Museum. Councillor Trimble had some exceptions to the Museum concept as currently expressed.

### LOCAL GOVERNMENT

Considerable discussion centred on the new Water and Sewer Policy paper and it was decided that the paper was too extensive to be discussed in the short time the Committee had access to it. Further discussion was held off until a later date.

Road construction within communities was felt to be lagging and on such an ad hoc basis that roads were continually in need of repair. It was left to the Director of Local Government to identify needs and have the funds placed in "B" level.

Discussing the purchase of land, Councillor Searle suggested to ensure that development takes place, public tendering should be carried out and there should be a twenty-four (or perhaps fourteen) month building clause before the title is turned over.

### PUBLIC WORKS

The N.W.T. Highway System was discussed in detail and the Committee recommended that newly constructed highways should be contracted out, and in addition to this, the Administration should take steps to convince the Department of Indian Affairs and Northern Development that, maintenance of existing highways should also be contracted out.

Dealing with the Frobisher Bay Federal Building, it was suggested by the Committee that due to the limited number of students staying in the building that it be closed down and the maintenance funds (some \$984,000) be used to construct nine Group Homes (or facilities of a similar type) to house the students.

The Committee then discussed the Territorial Apprenticeship Program and recommended that the ratio of apprentices to tradesmen should be brought up to a one-to-one situation as quickly as possible. The Committee went on record as supporting the philosophy that each tradesman should have an apprentice under him.

SOCIAL  
DEVELOPMENT

Discussion centered around the continuing need for Group Homes and it was recommended by the Committee that the same amount per-day-per-child be paid to foster parents as the cost per-day-per-child to maintain a child in a Territorial Government hostel.

The relocation of the Yellowknife Correctional Camp to a Delta community was discussed. The Committee felt that Council's wishes were not that the present Camp be moved but that another be established in the Delta. All members agreed, and an additional "B" level item - Correctional Camp, Delta - was added. An amount of \$250,000 was delegated for this item.

The Committee then requested the Administration to develop a program for the handicapped in the Northwest Territories.

Concerning the ever present alcohol problem in the Northwest Territories the Committee, after discussion, requested that the Department of Social Development come up with a paper dealing with Territorial Alcohol problems and programs. They asked that the paper include the remarks made in an earlier paper prepared by Mr. Huggins in 1966.

ADMINISTRATION

The Committee felt a study of staff housing must be made and requested that a paper be produced covering both new and replacement policies of the Territorial Government.

INDUSTRY AND DEVELOPMENT

The Committee is in full agreement on the expansion plans for camp grounds in the Northwest Territories and recommended adding Aklavik and Tuktoyaktuk to the list of communities to receive such facilities in 1974/75.

A major discussion followed on Tourist Accommodation in the Northwest Territories and the Committee recommended that a new ordinance be written following the collation and revision of the various existing Regulations and Ordinances.

As a result of discussions on the present Tourism program, the Committee recommended that the Department of Industry and Development should develop a total approach to tourism, concentrating on long-term planning. The Department should put forward alternative programs and ask for a philosophical decision with regard to future procedure. Areas of financing for such a program would be a concern of the Standing Committee. Emphasis of the program should be such that Native people derive the benefits of tourist development and its spin-off effect to the maximum.

The Committee increased the Department's "B" level request for Grants to Remote Indigenous Communities from \$100,000 to \$210,000. Also "B" level funds were put in for a Muskrat Damming program for the Mackenzie Delta and for a proposed program to develop a Caribou herd for the Belcher Islands.

In winding up discussions with Industry and Development the Committee express the need for the Department to come up with strong, new programs in order that the residents of the Territories can partake in other forms of employment.

## EDUCATION

The Committee zeroed in on school construction pointing out to the Administration that from information presented, it appeared that a good portion of the money was going into the larger centres such as Inuvik and Fort Smith. This was contrary to Council's wishes that wherever possible education must be made available in the student's home community. Education Director Macpherson pointed out that school construction funding was based on population trends and consequently the larger centres, with most of the students, were able to show a higher need. However, if at estimates time present facilities in these larger centres are adequate, funds can be diverted to improve facilities in other communities. At the request of the Committee, the Department of Education is to put together a report on school population throughout the Northwest Territories during the past three years and projections from the next two years.

With regard to student hostels, the Committee made the following recommendations:

- (a) They would like to see a paper on hostel operations in the Northwest Territories which was previously requested. It was the Committee's hope that such a paper would indicate a gradual reduction in the number of students going into hostels as higher grades were added in their home communities.
- (b) As a large number of students attending hostels are actually wards of the Department of Social Development then it must be emphasized here as it was in discussions of the Social Development budget - that adequate funds must be paid foster parents. In other words, pay foster parents the same rate per-child-per-day as it costs to keep that child in a hostel and thereby get the children in homes rather than hostels.



- (c) A discussion on portable classrooms ended with the following recommendation: The Committee is on record that it does not support the provision of transportable classrooms unless such classrooms are for use in areas where mobility is required. In areas where mobility is not a factor, the Committee supports the policy of constructing temporary classrooms by the provision of "sticks or logs" and the use of local labour.

The Committee, in discussing the role of school principals came up with the following recommendation:

Separation of the administrative and academic functions presently carried out by Territorial school principals is recommended by the Standing Committee. The recommendation, which is modified to the extent that the size of the educational institution concerned should be a factor in such separation, is based mainly on the fact that the actual school plant is the property and responsibility of the Territorial Administration and the maintenance of the physical plant and the day-to-day school administration should be in the hands of a competent administrator, with the school principal concentrating on academic aspects of the educational system. The system of hospital administration is a precedent.

Following discussion on the A.V.T.C. site development funding, the Committee recommended that the emphasis on Vocational Training and the location of Vocational Training Centers be expanded on a regional basis. One hundred thousand dollars shown for the new year in "B" level budget (Item 46) should be retitled Adult Vocational Training - Regional Expansion and \$400,000 each in New Years Plus One and Plus Two should be added. The Department of Education is to put together a proposed program of Regional Vocational Training Expansion, building where possible on existing facilities. Suggested Eastern Regional locations are: Baffin Region - Frobisher Bay; Keewatin Region - Baker Lake.

PUBLIC  
SERVICES

One item in "A" level generated discussion. It had to do with some \$20,000 which Public Services spent providing legal books for its library. Councillor Searle was concerned that none of the books are apparently at the Court House Library. This matter is to be brought up by the Secretary to the Executive Committee.

"B" LEVEL  
PRIORITY  
ESTABLISHMENT

Following completion of the Departmental review the Committee then went through all "B" level items and gave their priorities for each.

- (a) Industry and Development (1) Grants to Remote Indigenous Communities (2) Trapper's Grants.
- (b) Local Government (1) Items 8, 9, 10, 17 and 21 - Northwest Territories Rental Housing Program, Land Assemblies, Aerial Photo & Mapping - Legal Surveys, Advance Site Preparation and Site Development (2) Item 19 - Road Construction Fort McPherson.
- (c) Social Development (1) Day Care Centers (2) Group Homes (3) Halfway Houses.
- (d) Information (1) Radio Stations.

## REVENUES

Possible areas for Revenues were:

- (a) A tobacco tax;
- (b) Increased liquor prices;
- (c) Increased petroleum product taxes.

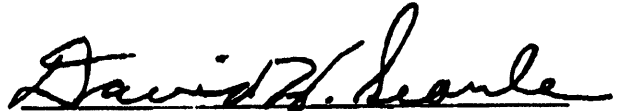
Of the three the consensus of the Committee was that the Committee favoured a Tobacco Tax but said they would require more information, (i.e.) how much does the administration want to raise by taxes and what uses does it have for them? The Administration was asked to prepare a paper on the whole taxation question and submit it for the Committee's review.

The revenue question resulted in considerable debate and it was recommended by the Committee that the Administration should resolve a formula based on the assumption that certain royalty revenues will accrue as the result of oil and gas development in the Northwest Territories. A formula should be resolved that would delineate the dollar base required as that necessary to carry out essential Territorial programs, and this amount would automatically accrue to the Territorial Administration without them having to justify it with the Department. In effect, the formula would dictate that because the Federal Government receives \$X in oil and gas royalties, in return the Territorial Government should automatically receive \$X for budgetary purposes. The Administration would then fight only for funds beyond the base amount. If the amount of royalties which may be construed as an equitable territorial share exceeds the base amount, a percentage of each dollar overage should accrue to the Territorial Government. It was agreed that the Administration should put together the pros and cons of a formula financing arrangements of this nature.

PRESENT  
CYCLE  
STATUS

The Standing Committee on Finance has yet to discuss the Supplementary Estimates for this Session. The next meeting of the Committee will be held in October at which time the New Year (1974-75) Main Estimates will be examined prior to tabling before Council in January.

DATED AT YELLOWKNIFE MAY 29, 1973



DAVID H. SEARLE CHAIRMAN

  
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DES FOGG, ACTING SECRETARY