



COUNCIL OF THE NORTHWEST TERRITORIES DEBATES

56th Session

8th Council

Official Report

TUESDAY, JUNE 17, 1975

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YELLOWKNIFE, NORTHWEST TERRITORIES

TUESDAY, JUNE 17, 1975

ITEM NO. 1: PRAYER

--- Prayer

THE SPEAKER (Mr. Searle): Turning to the orders of the day, Item 2, questions and returns. Are there any returns?

ITEM NO. 2: QUESTIONS AND RETURNS

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I have quite a number of returns this morning.

Return to Question W13-56: Telephone Service and Emergency Communications, Detah, N.W.T.

On June 12th, 1975, Councillor Nickerson asked question W13-56 concerning proposed telephone service for Detah. I have the following reply:

Canadian National Telecommunications are anxious to have this installation completed, and the delay at the moment is due to a problem beyond the control of Canadian National Telecommunications. The necessary antennas have been installed and the cable has been strung, but the radio units themselves are not yet available. The manufacturer of these radio units has been experiencing design problems and is behind in his projected delivery date. The radios should be available very soon and once Canadian National Telecommunications has the radio units the installation will be completed in short order.

Return to Question W18-56: Opening of West Channel, Rae-Edzo

On June 12th, 1975, Councillor Wah-Shee asked question W18-56 concerning the culvert presently in the west channel and the desire of the people of Rae-Edzo to have a full sized culvert installed in order that canoes may pass through it. I have the following reply:

The requirement for a single culvert large enough to accommodate canoes was taken into account in the design for reconstruction of the highway and a metal pipe arch culvert 7 feet 2 inches high by 8 feet 9 inches wide will be installed by the contractor in lieu of the existing two parallel 48 inches diameter metal culverts.

Return to Question W19-56: Mackenzie Highway, Rae-Edzo to Yellowknife

On June 12th, 1975, Councillor Wah-Shee asked question W19-56 concerning dust-free oil-top surface along the Rae-Edzo section of highway. I have the following reply:

Dust treatment along the highway between Rae and Edzo can not be considered this year due to lack of maintenance funds. Treatment will be undertaken when the average seasonal traffic count between May and October meets the minimum warrant of 250 vehicles per day and adequate funding is provided by the federal government.

Return to Question W20-56: Airport Upgrading, Rae-Edzo

On June 12th, 1975, Councillor Wah-Shee asked question W20-56 concerning the possibility of a survey by the Ministry of Transport for an all-weather airstrip at Rae-Edzo. I have the following reply:

In March 1975, Ministry of Transport tabled their five year forecast showing proposed site surveys and construction projects. Rae-Edzo was not included in this forecast; however, a request was placed with the Ministry of Transport in April 1975 to include Rae-Edzo in their planning for a site survey. There has been no reply to this letter; however, a further request is going out today to the Ministry of Transport western region and we will refer to the Councillor's question.

On June 12, 1975, Councillor Wah-Shee asked a second part to question W20-56 concerning an aircraft in the water near the Rae-Edzo float base. I have the following reply:

The aircraft is no longer the property of Gateway Aviation. The insurance company sold the aircraft to Mr. John Cox of Edmonton who in turn sold it to Mr. Ball of Ball Brothers Construction. The ice has apparently shifted the aircraft into the main channel. The Department of Environment advises that the delay in salvaging the aircraft is because of legal considerations involved. As recently as June 16, 1975, the Department of Environment was discussing action necessary with the agency carrying the insurance for Ball Brothers. A written proposal is in the mail to the Department of Environment at this time. The Department of Environment will forward a copy of the proposal to the Government of the Northwest Territories immediately on receipt of same. At this time the Department of Environment can give no indication of a date that salvage will be completed.

Reply to Question 023-56: Commissioner to Investigate Question W22-56

On June 12, 1975, Councillor Butters asked question 023-56 concerning the possibility of an international wildlife range taking in part of the Yukon and Mackenzie Delta. I have the following reply:

The administration is aware of the North Slope wildlife range in Alaska, and that there has been a suggestion that an adjoining area in the Yukon be protected. The rationale, in part, is apparently due to the fact that this area includes a part of the annual range of the Porcupine caribou herd which seasonally occupies areas in Alaska, the Yukon and the Northwest Territories. A committee involving the Yukon is currently reviewing this matter; however, this administration has not received a request to consider similar protection for the area involved in the Northwest Territories nor are we aware of any suggestions to this effect.

Reply to Question W26-56: Hall Beach, Cape Dorset, Polar Bear Hunting Season

On June 12, 1975, Councillor Evaluarjuk asked question W26-56 concerning an increase in the quota for polar bears in Hall Beach and Cape Dorset and an extension of the polar bear hunting season for Cape Dorset. I have the following reply:

1. Polar bear quotas were originally set to protect this valuable species from possible over-harvest. At the time that quotas were established the Northwest Territories government and the Canadian Wildlife Service committed themselves to carry out polar bear studies in order to determine the status of polar bear in Canada. These studies are now bearing fruit in that many settlements have had quotas adjusted in the last five years. It is unfortunate that all areas of the Northwest Territories have not been studied; however, once the Northwest Territories fish and wildlife service has the necessary information indicating that the quotas can be adjusted, they will be. We feel the polar bear is too valuable a species to permit hunting at levels that would bring greater short-term benefits to the detriment of future generations of Inuit hunters.

2. At the moment the market for polar bear hides is very poor. We feel that if hunting were permitted either earlier in the fall or later in the spring, the quality of the hides would not be as good, as a result the prices for the hides would be lower still. In all fairness to the hunters selling their hides we feel that a longer hunting season should not be permitted. Furthermore, it was on recommendations from Inuit hunters that the present season was set.

Return to Question W31-56: Spence Bay Airport.

On June 12, 1975, Councillor Lyall asked question W31-56 concerning the Spence Bay airstrip. I have the following reply:

A joint Government of the Northwest Territories/Ministry of Transport team is scheduled to arrive in Spence Bay on June 20, 1975, to evaluate the existing site and determine if any other sites could be developed which would more readily serve the needs of the community. An engineering report will be completed within three to four months after the site visit. This report will be sent to the settlement for their ultimate decision.

Present planning calls for construction in 1976 and facilities, such as a terminal building, lights, etc., in 1977 and 1978.

Return to Question 043-56: Roads, Repulse Bay and Hall Beach.

On June 13, 1975, Councillor Evaluarjuk asked question 043-56 concerning road construction between Repulse Bay, Hall Beach and Igloolik and an air link between Hall Beach and Igloolik. I have the following reply:

a) The territorial government has no plans for a road link between the communities of Repulse Bay, Hall Beach and Igloolik. The responsibility for roads has not been transferred to the territorial government but remains with the federal government. We have not put forward the suggestion of such a road link as it has never been raised with us before. Such a road would be very expensive, particularly considering the number of people it would serve.

b) At this time Nordair holds a licence and operating certificate which authorizes a class 3 unit toll service to serve the points Hall Beach and Igloolik. The latest Nordair schedule dated April 27, 1975, indicates flights scheduled for each Monday and Thursday. A query is being forwarded to Nordair this date for figures on the number of flights operated and how many on the scheduled day of operation.

Return to Question W45-56: Road Between City of Yellowknife and Prelude Lake

On June 16, 1975, Councillor Ernerk asked question W45-56 concerning:

a) Dust control on the Yellowknife to Prelude Lake highway this summer, and
b) "Spot improvements" referred to in the sign near Giant Mines. I have the following reply:

a) Dust treatment along the Ingraham Trail had to be curtailed due to financial limitations in the highway maintenance budget, to the extent that only two sections could be treated. One section was treated with calcium chloride, adjacent to the Yellowknife River picnic site and boat launch. The other area was treated with bunker oil for approximately two miles east from the Giant Mine mill site. This was an arrangement whereby the government procured the bunker oil from Giant Mine in exchange for the rental of the government distributor truck to place oil on local roads within the mining camp.

b) Funding from the federal government was not available to reconstruct the existing 20 miles of road, consequently work was limited to the worst spots with the limited funds provided. The "spot improvements" consisted of blasting rock outcrops and widening the road at several locations where visibility was restricted by sharp curves. Blasting and earth moving work was done last fall. These "spot improvements" will be completed within the next two weeks after the equipment presently on site finishes gravelling the road surface at the various locations.

MR. SPEAKER: Further written questions?

Question W47-56: Director, Game Management

MR. PUDLUK: Mr. Speaker, I have one question here. It is about the superintendent of game. After Mr. Paul Kwaterowsky had been released from his job I heard that there was a replacement only for temporary. I would like to ask when is this replacement for permanently, when it is going to be? Thank you.

Return to Question W47-56: Director, Game Management

THE COMMISSIONER: Mr. Speaker, the replacement for a new head of what was called the game management services and now is the fish and wildlife service, recruitment is under way and I would take it that sometime within the next month or month and a half we should have a person on site and in the position.

MR. SPEAKER: Further written questions?

Question W48-56: New Cat for Pelly Bay

MR. LYALL: Mr. Speaker, I would like to ask the administration if and when Pelly Bay are getting or considered to get a new Cat. Because of the fact that this has been asked for in 1973 and also I ask that they get moneys right away to repair the equipment that they have at present so they will get the summer jobs done but I would strongly ask the administration to consider a new Cat for them as soon as possible.

THE COMMISSIONER: Mr. Speaker, I will take the question as notice and file a reply.

MR. SPEAKER: Further written questions?

Question W49-56: Subsidized Sewage Pick-up for Municipalities

MR. STEWART: Mr. Speaker, could I be advised as to the plans of the administration in instituting a subsidized sewage pick-up for municipalities similar to the water delivery policy?

THE COMMISSIONER: Mr. Speaker, it seems to me that most sewage pick-ups in the Northwest Territories are subsidized. As to this particular one that Mr. Stewart is speaking about, I will have to check it and file a reply.

MR. SPEAKER: Further written questions?

Question W50-56: Municipal Share of Moneys for School Purposes

MR. STEWART: Mr. Speaker, could I be advised when we may expect the results of the study by the administration on a method to be used in setting up municipal shares of money for school purposes?

Return to Question W50-56: Municipal Share of Moneys for School Purposes

DEPUTY COMMISSIONER PARKER: Mr. Speaker, the study of municipal taxation is an extension of the study which was carried out under contract by persons from the University of Alberta. The review of school taxation will be completed well in advance of the next taxation year.

MR. SPEAKER: Any further written questions?

Question W51-56: Education Ordinance.

MR. BUTTERS: Mr. Speaker, at what stage of progress is the draft for the revised Education Ordinance which was considered by the legislation committee of the 7th Council early in October 1974? Can the administration give any assurances that this Council will be permitted to consider the new Education Ordinance this coming fall?

Return to Question W51-56: Education Ordinance.

THE COMMISSIONER: I think, Mr. Speaker, the best answer I could give is that we are waiting for representations to be brought forth which is in line with the feelings of the past Council. As yet, we have not received any representations. It occurs to me that the Minister of Indian Affairs funded a tripartite group from the native organizations and I imagine they are carrying out their study. Secondly, I would think as to the second part of the question that the legislation committee of Council would certainly be in order to have those representations made to them so that they would have the benefit of both the thinking of the previous Council and the reasons for the amendments, plus the thinking of those interested groups and what their feelings are.

MR. SPEAKER: Mr. Lyall?

Question W52-56: Spence Bay, Proper Boat Size.

MR. LYALL: Mr. Speaker, I would like to ask the administration whether or not they are considering getting a boat that is of the right size for them to go whale hunting on North Boothia because of the fact that in 1949 they were taken away from the hunting ground and put into a place where there was no source of food of that nature and they have asked me at this time to bring it up and I also understand that it has been brought up by the last member from the Central Arctic and I would like to ask if the administration would not consider this, that the game department strongly ask the administration to get it for them.

THE COMMISSIONER: Mr. Speaker, I think we will have to take the question as notice and file a reply.

MR. SPEAKER: Further written questions?

Question W53-56: Federal-Territorial Land Transfer Program.

MR. BUTTERS: Mr. Speaker, would the administration provide Council with material which reflects the current situation of the federal-territorial land transfer program, such information to include (a) settlement name, (b) the square miles requested, (c) square miles transferred, (d) date requested and (e) date transferred and (f) the time interval between (d) and (e)?

THE COMMISSIONER: We will accept the question as notice, Mr. Speaker, and file a reply.

MR. SPEAKER: Further questions?

Question W54-56: Liquor Outlet at Fort Simpson.

MR. BARNABY: Is the administration aware of another liquor outlet being opened in Fort Simpson against the wishes of the majority of the people in the area and what could these people do to stop this from happening?

Return to Question W54-56: Liquor Outlet at Fort Simpson.

THE COMMISSIONER: Mr. Speaker, I understand that the question concerns another outlet at Fort Simpson. There is really not much the administration can do. The only way that they could have got a licence would have been from the Liquor Control Board and I would be reluctant to interfere unless there was something of a major importance. So I think the answer is that the administration would not act on this unless there is something of a major nature.

MR. SPEAKER: Further written questions?

Question W55-56: Size of Gas Tanks, Clyde River.

MR. KILABUK: I have one question concerning a question that was asked by the Clyde River people concerning the shortage of gas in Clyde River. I would ask the administration if it would be possible if Clyde River could get assistance in purchasing gas, as much as 20,000 gallons. We all know that the shortage of gas occurs mainly in the springtime.

THE COMMISSIONER: Mr. Speaker, again I will have to take the question as notice and file a return.

MR. SPEAKER: Further written questions?

Question W56-56: Arctic Services.

MR. PUDLUK: Mr. Speaker, one question: In Resolute Bay I want to know if Arctic Services have a licence to sell liquor. If not, I will have to make a motion on that.

THE COMMISSIONER: Mr. Speaker, I do not think they have. I am not sure, but I will check, but I do not think they have.

MR. SPEAKER: Further written questions? Mr. Lyall.

MR. LYALL: Is it in order for me to ask Mr. Pudluk to read that question again? I did not hear it. Could you repeat it, sir?

MR. SPEAKER: I think we will have Mr. Pudluk repeat it. Would you repeat your question, please? Mr. Lyall did not hear it.

MR. PUDLUK: I was wondering if the Arctic Services have a licence to sell liquor in Resolute Bay, and if it does not, I will make a motion to this effect.

MR. SPEAKER: Further written questions?

Turning to the orders of the day, Item 3, oral questions. Is there something of an emergency nature?

MR. PEARSON: Mr. Speaker, in light of the great push this government has made to develop tourism and in light of the Commissioner's excellent tastes in imported wines, why does this liquor commission in the Northwest Territories, after repeated requests by the previous Council, continue to push absolute garbage wines, the lowest possible quality imported wines, even from Brazil, and continue to push these and not make available to the people of the Northwest Territories decent quality wines? If the man who runs the liquor commission, Mr. Speaker ...

MR. SPEAKER: Mr. Pearson, when the Speaker rises, the Members ...

MR. PEARSON: But I have not finished.

MR. SPEAKER: I know you have not. You may regard and I may regard the choice of wines as a problem, but I do not think it would qualify as an oral question of an emergency nature. (laughter) I would be pleased, however, to entertain a suggestion that we return to the previous item and to ask a written question.

MR. PEARSON: Thank you, Mr. Speaker. If I may seek unanimous consent to return to the written questions, I would like ...

MR. SPEAKER: Any objection? Any objection to returning to Item 2, questions and returns? Nay? You object, Mr. Lyall?

MR. LYALL: I object, sir.

MR. SPEAKER: Are there any oral questions?

Item 4, presenting petitions. Are there any petitions to present?

Item 5, reports of standing and special committees.

ITEM NO. 5: REPORTS OF STANDING AND SPECIAL COMMITTEES

Report of the Standing Committee on Legislation

MR. NICKERSON: Mr. Speaker, the report of the meeting of the standing committee on legislation held at 5:30 p.m., the 16th of June, 1975. The standing committee on legislation has met to consider a proposed amendment to the Council Ordinance which would permit Members of this Council to accept certain appointments to various boards and committees while retaining their seat on Council. The committee has agreed with the wording prepared for it by the Legal Advisor and I will introduce it as a Private Member's Bill at a suitable opportunity. Thank you.

MR. SPEAKER: Mr. Nickerson, do you also have a report from your special committee with respect to nominations?

MR. NICKERSON: As I understand it, the house was to resolve itself into committee of the whole and gather the further advice which the Deputy Commissioner has for us before deciding on that.

MR. SPEAKER: That report will then be given in committee of the whole as we have not completed committee of the whole discussion on that item. Are there any further reports of standing or special committees?

MR. BUTTERS: On a point of order, Mr. Speaker. In view of the fact there has been no report from the finance committee deputy chairman, does that omission suggest that the Supplementary Appropriation Ordinance item will not be discussed today?

MR. SPEAKER: Is Mr. Lafferty not the chairman of the finance committee? Mr. Butters, I suppose the report could be given in committee of the whole as well as in formal Council if there is a report. Mr. Stewart, are you the deputy chairman of the committee on finance?

Report of the Standing Committee on Finance

MR. STEWART: Yes, Mr. Speaker. I tried to check this out yesterday with you and I understood the supplementary estimates were on the orders of the day anyway and that no report was required. However, to make certain that we are in the clear on this matter, your committee has met for the review of the supplementary estimates and the committee now is prepared to go into committee of the whole to consider them.

MR. SPEAKER: I might say that in the past, having been chairman of the standing committee on finance, it was not our practice to give a very extensive report on supplementary estimates, simply to indicate whether we approved or did not approve them, which I think is what you are saying, but when it comes to the main budget, of course, we gave an item by item or department by department report.

Item 6, notices of motions. Mr. Butters.

ITEM NO. 6: NOTICES OF MOTIONS

Notice of Motion 16-56: Appointment to Northwest Territories Water Board

MR. BUTTERS: Mr. Speaker, I wish to give notice that on Wednesday, June the 18th, I will move the following motion:

WHEREAS section 7 of the Northern Inland Waters Act of Canada provides that three persons named by the Commissioner in Council of the Northwest Territories shall be appointed to the Northwest Territories Water Board;

AND WHEREAS two of the said three appointments are now vacant;

NOW THEREFORE, I move that this Council advise the Commissioner to name Mr. W.H.R. Gibney of Pine Point, Northwest Territories, and Mr. William Lafferty, territorial Councillor for Fort Simpson, Northwest Territories, for appointment to the said board and that this Council does hereby give its consent to said nominations.

MR. SPEAKER: Further notices of motions? Mr. Stewart.

Notice of Motion 17-56: Airport, Hay River

MR. STEWART: Mr. Speaker, I would like to give notice of a motion I will present tomorrow, June the 18th:

WHEREAS the condition of the Hay River airport has deteriorated to the extent that the present jet schedule may have to be withdrawn;

AND WHEREAS this sort of service is essential to the town of Hay River and the Northwest Territories as a whole;

NOW THEREFORE, be it resolved that this Council direct the territorial government to proceed with the Ministry of Transport for immediate major repairs.

MR. SPEAKER: Further notices of motions? Mr. Butters.

Notice of Motion 18-56: Appointment to N.C.P.C.

MR. BUTTERS: Mr. Speaker, I wish to give notice that on Wednesday, June the 18th, I will move the following motion:

WHEREAS Bill C-13 of the first session of the 30th parliament of Canada provides that section 3 of the Northern Canada Power Commission Act be amended to provide for the appointment of one member to the Northern Canada Power Commission on a recommendation of the Commissioner in Council of the Northwest Territories;

NOW THEREFORE, I move that this Council apprise the Commissioner to recommend the appointment of Mr. Donald M. Stewart of Hay River, Northwest Territories, as a member of the Northern Canada Power Commission and that this Council does hereby give its consent to said recommendation.

MR. SPEAKER: Further notices of motions? Mr. Nickerson.

Notice of Motion to Introduce Bill 11-56: Council Ordinance (Private Member's)

MR. NICKERSON: Mr. Speaker, on Wednesday, June the 18th, I give notice that I will move first reading of a Private Member's Bill to amend the Council Ordinance.

MR. SPEAKER: Other notices of motions?

Going on to Item 7 then, motions. I believe we only have three outstanding, Motions 13-56, 14-56 and 15-56.

ITEM NO. 7: MOTIONS

Taking them in order, Motion 13-56, a motion to be moved by Mr. Nickerson. Mr. Nickerson?

Motion 13-56: Establishment of a Special Committee on Revenue

MR. NICKERSON: Mr. Speaker:

WHEREAS the special committee as required by section 75(1) of the Rules of Council recommends the formation of a special committee on revenue;

NOW THEREFORE, I move that:

- (1) A special committee to be known as the "special committee to inquire into matters relating to the public revenue of the Northwest Territories" be established;
- (2) That Council names to this committee the following Members:
T. Butters,
D. Nickerson,
J. Steen;
- (3) That the chairman and such other officers as might be required be elected by Members of the committee at its first meeting;
- (4) That the terms of reference appended to this motion be approved and adopted.

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

MR. LYALL: Mr. Speaker, I would just like to ask on the third thing, it says, "be elected by Members", or "the Members"?

MR. SPEAKER: That just refers to the chairman of the committee, the Members of the committee elect their own chairman. I think that is all that says.

MR. LYALL: Okay.

MR. SPEAKER: And such further officers as the committee may wish, like a deputy chairman. Is there a seconder? Mr. Stewart. Discussion, Mr. Nickerson.

MR. NICKERSON: No, I do not think that I want to discuss it.

MR. SPEAKER: Discussion by anyone else? Mr. Butters?

MR. BUTTERS: Mr. Speaker, I think that the opportunity should be taken to emphasize the point that the people of the territories, through their elected representatives have only a negative say at the present time on the spending of money and that is, we can only delete expenditures from the budget. While we may attempt to encourage the administration as to how the money should be spent in the best interests of our constituents, but really we have no say. One of the main thrusts, I would hope as a potential member of this committee is to attempt to identify funds which can be spent by the representatives of the people of the territories, which is this Council, and upon which priorities of spending can be set. There has been a lot of concern lately I know, as a result of some news items relative to increased taxation. I do not recollect that increased taxation on the people of the territories has been mentioned by any Member of this Council. Certainly we suffer enough indirect taxation as a result of our isolation and as a member of this committee I want to make it clear that this committee is examining ways in which we can get more money out of the poor and I emphasize the word "poor" -- Northwest Territories taxpayer.

MR. SPEAKER: Further discussion?

MR. STEEN: Question.

Motion Carried

MR. SPEAKER: All in favour of the motion? Contrary? I think it is carried unanimously.

--- Carried

Motion number 14-56, Mr. Nickerson.

Motion 14-56: Power of Commissioner to Make Interim Orders, Regulations and Appointments

MR. NICKERSON: Mr. Speaker, we have here a housekeeping motion, so to speak, concerning the power of the Commissioner to make interim orders, regulations and appointments:

WHEREAS this Council has displayed its intention of withdrawing from the "Commissioner" the power to make many orders, regulations and appointments and vesting this authority in the "Commissioner in Council";

AND WHEREAS under certain circumstances it might be necessary and in the public interest to make such orders, regulations or appointments at a time at which Council is not sitting;

NOW THEREFORE, I move that the administration be requested to study this matter and prepare, if deemed necessary, recommended amendments to the Interpretation or other ordinances which would allow, in the public interests, the Commissioner to make interim orders, regulations or appointments which would remain valid until such time as they are able to be presented to Council.

MR. SPEAKER: Any discussion?

MR. NICKERSON: No discussion.

Motion Carried

MR. SPEAKER: No discussion by Mr. Nickerson. Is there a discussion by any other Member? Question? All in favour? Contrary?

--- Carried

Motion 15-56, Mr. Nickerson.

Motion 15-56: Control of Small Craft Within a Municipality

MR. NICKERSON: Mr. Speaker, Motion 15-56 relates to the control of small craft within a municipality:

WHEREAS the increased usage of small craft, especially power-driven pleasure boats, has made it desirable that a municipality should have the power to make bylaws respecting such usage;

AND WHEREAS it appears to be unclear in the Municipal Ordinance as to whether or not a municipality has such power;

NOW THEREFORE, I move that the administration be requested by Council to study into the matter of small craft regulation within municipalities and, if necessary, prepare recommendations to Council regarding possible amendments which might be required to the Municipal Ordinance to specifically grant to municipalities the power to make bylaws respecting small craft regulation within their boundaries.

MR. SPEAKER: Is there a seconder? Mr. Butters. Discussion?

Need for Municipalities to have Bylaws Concerning Small Craft

MR. NICKERSON: Yes, I would like to discuss this one very, very briefly. I think the motion is more or less self-evident. What has happened especially in the city of Yellowknife is that a lot of the small lakes right close to the town have been used for several purposes at one time and some people might want to go swimming and other people want to drive around with their 100 horsepower kicker on the boat. There is an obvious need for a municipality to be able to make bylaws in respect to this. I have been led to believe that they are unsure at present whether they have the power to do this or not and reading through the Municipal Ordinance it is very, very difficult to determine whether municipalities do have this power. I also understand there might be difficulties with some federal legislation, maybe the Inland Waterways Act and I understand from that that their definition of a navigable water is any body of water big enough to float a rubber duck. This motion just gives some direction to the administration to look into this matter and possibly make recommendations to Council at the next session.

MR. SPEAKER: Thank you. It sounds to me as though my boat will be prevented from going into Frame Lake. Is there further discussion? Mr. Stewart?

MR. STEWART: Mr. Speaker, I support the motion in that we are having the same type of difficulty in the Hay River area.

MR. SPEAKER: Further discussion?

MR. PUDLUK: Mr. Speaker, I would like to support the motion also. There are circumstances that are happening like that in the North also with the little small boats and when the kids start playing with them and sometimes they have punts and they have an accident.

MR. LYALL: I fully agree with Mr. Nickerson because of the fact of what Mr. Pudluk has said. The same thing is happening all over the north country.

MR. SPEAKER: Further discussion? Question? Mr. Kilabuk, do you want to speak?

MR. KILABUK: I fully agree with what these gentlemen have said about, maybe with some parts like some people who use the small boats. In the summertime they use the big boats but if you are going to make it large, we use the small boats because they are not too heavy.

MR. SPEAKER: Mr. Lyall, you can only rise on a point of order, you have already spoken once.

MR. LYALL: Can I rise on a point of order, Mr. Speaker?

MR. SPEAKER: Yes, on a point of order.

MR. LYALL: Could someone clarify that motion to Mr. Kilabuk, I do not think he understands from the answer that he gave.

MR. SPEAKER: I did not get the impression from what he said that he did not understand it.

Administration will Report to Council

MR. BUTTERS: Mr. Speaker, as seconder of the motion, I think that there is some value in clarifying just what we are requesting of the administration and the only thing we are asking is a study that the administration study the possibility of municipalities being able to set rules for small boats that move within their municipality's boundaries. The study I anticipate will look into all the problems, some being the matters that have been raised by Mr. Kilabuk and other Members and bring it back to this Council and when it comes back to this Council it will be discussed again. The report the administration has made in response to this motion if it is passed will come back to this Council again and Council will examine it, talk about it, see the recommendations and then from there legislation may be developed along the lines Mr. Nickerson has mentioned which seem to be necessary.

MR. SPEAKER: Mr. Kilabuk, do you understand after Mr. Butters' explanation?

MR. KILABUK: Yes.

MR. BARNABY: It seems like a lot of trouble to go through. From what I gather on this motion, the Commissioner or somebody in the administration would give the right to communicate with a municipality to make bylaws and that is the part that I agree with because it provides for flexibility because of the difference between the settlements.

MR. SPEAKER: Mr. Barnaby, it may not be just that simple. That is what Mr. Nickerson is hoping can be done but when you are dealing with bodies of water there may be a problem with respect to federal jurisdiction; in other words, it may not be ours to give to the municipalities.

The waters may be in federal jurisdiction. This is what Mr. Nickerson wants to know first before we start changing the Municipal Ordinance -- understand? In other words, we have to find out first that we can do it before we do it. Further discussion? Question?

MR. EVALUARJUK: About those boats, where you have to have rules I believe in what you are saying because people need those boats to go hunting and they use the boats around here, the very narrow ones. We do not have those, they are too dangerous. I do not think it would be difficult to do something about this.

Motion Carried

MR. SPEAKER: Are we ready for the question? The question being called. All in favour? Contrary?

--- Carried

Those are all of the motions.

Item 8, tabling of documents. Mr. Butters.

ITEM NO. 8: TABLING OF DOCUMENTS

MR. BUTTERS: Mr. Speaker, I would like to table a letter dated February 20th, from the Honourable Mr. Justice Thomas Berger which acknowledges receipt of the final report of the standing committee on development and ecology as an exhibit.

MR. SPEAKER: Further documents to be tabled?

Moving on to Item 9, continuing consideration in committee of the whole of bills and other matters.

ITEM NO. 9: CONTINUING CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

Council will resolve into committee of the whole for continued consideration of Bill 8-56, An Ordinance Respecting Savings and Credit Unions with Mr. Stewart in the chair.

--- Council resolved into Committee of the Whole for consideration of Bill 8-56, Credit Union Ordinance with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 8-56, CREDIT UNION ORDINANCE

THE CHAIRMAN (Mr. Stewart): Committee will come to order. I direct your attention to page 27, to clause 61. If my records are correct, we have approved everything up to this point.

MR. McCALLUM: Mr. Chairman, will there be a need for us to have our expert witnesses that we had yesterday?

THE CHAIRMAN (Mr. Stewart): I am sorry, I did not quite understand what you said.

MR. McCALLUM: Will there be a need for our expert witnesses that we had yesterday, Mr. Buchanan and Mr. Bergh?

THE CHAIRMAN (Mr. Stewart): At the direction of this committee if you feel that we should recall them, this can be done. What is your wish in this regard? Do you wish the experts brought back in?

--- Agreed

Is Mr. Buchanan here? Would you like to join us then, please, Mr. Buchanan? Mr. Buchanan and Mr. Bergh.

Now, if I had my place correct, we were on clause 61. We had an amendment, of the word "Commissioner" and on the recommendation of Council but this had been withdrawn as my records indicate, so clause 61, are we agreed as it stands?

--- Agreed

Clause 62, apportionment of surplus.

MR. NICKERSON: Perhaps the expert witnesses would be able to tell us why the figure of five per cent is used in clause 62(3)?

MR. BUCHANAN: Mr. Chairman, that is a standard figure that has been used for years by credit unions in the South. It was just adopted here. There is nothing specific about it. It could have been six, it could have been four, but we have just made it five.

THE CHAIRMAN (Mr. Stewart): Clause 62. Agreed?

--- Agreed

Clause 63, limitations of payments under section 62. Agreed?

--- Agreed

Clause 64, fiscal year. Agreed?

--- Agreed

Clause 65, retention of records. Agreed?

--- Agreed

Clause 66, annual return. Agreed?

--- Agreed

Clause 67, form of return. Agreed?

--- Agreed

Clause 68, exemption from registration of other credit unions.

MR. McCALLUM: Mr. Chairman, I wonder if I may have some clarification as to why a credit union incorporated in the province would be exempted from registration in the territories?

Border Towns Given Leeway in Registration

MR. BUCHANAN: Mr. Chairman, I doubt very much if this clause in the territories would ever be used. It is a clause intended where towns are close to the border in that there is some amount of leeway given to them in terms of registration. For example, Lloydminster which is right along the border of Saskatchewan and Alberta could pose a problem unless this type of legislation was there and one did not wish to register.

MR. McCALLUM: That is exactly the point I would be referring to. In the case of the community of Fort Chipewyan which has very close ties with one of the towns in my constituency, Fort Smith, I wonder why they would be exempted. That would be exactly the point. We have a number of people in and out of the town of Fort Smith from Fort Chipewyan and they are there. In fact, some people from Fort Chipewyan reside in Fort Smith for up to ten months of the year and that would be exactly the point I would be making.

THE CHAIRMAN (Mr. Stewart): Mr. McCallum, I would suggest to you this allows for that function. Possibly I do not have it clear. Mr. Buchanan?

MR. BERGH: Mr. Chairman, you will note in subclause 68(1) it says "for limited purposes" and there is always the possibility that the credit union movement in the territories may want to invest money or borrow money from credit unions in the South. Technically then they would be doing business in the territories. I think that the key wording there is "for limited purposes".

MR. McCALLUM: That is all I was trying to get to, Mr. Chairman, an explanation of the limited purposes. However, I am satisfied now.

THE CHAIRMAN (Mr. Stewart): Clause 68?

--- Agreed

Clause 69, inspection of credit unions. Agreed?

--- Agreed

Clause 70, amalgamations. Agreed?

--- Agreed

Clause 71, dissolution.

MR. NICKERSON: There is a typographical error in 71(6), second line, "expnse".

THE CHAIRMAN (Mr. Stewart): We will add the "e".

Clause 71 with the correction, agreed?

--- Agreed

Clause 72, dissolution by Commissioner. Agreed?

--- Agreed

Clause 73, winding up. Agreed?

--- Agreed

I understand on clause 74 we have a new section. I am afraid I have lost mine. As I understand it, clause 74 is being removed as it stands in our book and is being replaced by the sheet that has been printed. It contains, instead of two subclauses, it has three, (1), (2), and (3). Is this correct, Mr. Nickerson?

MR. NICKERSON: Yes, Mr. Chairman. This was done to cover the case where the Central might be unable to act as liquidator.

THE CHAIRMAN (Mr. Stewart): Thank you. Are we agreed on the new clause 74?

--- Agreed

Clause 75, settlements in event of dissolution. Are we agreed?

--- Agreed

Clause 76, duties and powers of liquidator.

Paragraph (f) of Subclause 76(4) Amended

MR. NICKERSON: Mr. Chairman, the committee recommended a minor amendment to 76 (4)(f). The first word of the fourth line "themselves" should be deleted. This wording is apparently redundant and on the advice of the Legal Advisor it was decided to take it out.

THE CHAIRMAN (Mr. Stewart): Would you read it as amended?

MR. NICKERSON: As amended it reads: "(f) make any compromise or arrangement with a creditor or class of creditors or a person claiming to be a creditor, or with persons having or alleging to have a claim, present or future, ..." etc.

THE CHAIRMAN (Mr. Stewart): With the removal of the word "themselves" in clause 76 as amended, are we agreed?

--- Agreed

MR. NICKERSON: Also, Mr. Chairman, I think in 76 (4)(k), the last word "contributory" should really be "contributor".

THE CHAIRMAN (Mr. Stewart): That is right, Mr. Legal Advisor?

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, I remember we discussed this in committee and I notice that the word "contributory" was also used in subparagraph 76 (4)(g)(iii). I do not know, Mr. Buchanan, in the draft if you were able to consult -- is there a special meaning in this type of legislation to the word "contributory"?

MR. BUCHANAN: Mr. Chairman, in consultation with Mr. Bergh here, Mr. Chairman, we would defer to the legal counsel. It has no special meaning with a "y" on it to us.

MR. NICKERSON: Mr. Chairman, would it not be a valid observation that in subparagraph 76 (4)(g)(iii) the word "contributory" there is used as an adjective to describe the word "debtor", whereas in paragraph 76 (4)(k) the word there is used as a noun?

LEGAL ADVISOR (Mr. Slaven): Referring to the concise Oxford dictionary, "contributor" is a noun, one who contributes. "Contributory" can be either an adjective or a noun and in the noun refers to the person liable when a company fails to share in paying off its debts. It would appear to me in this context that "contributory" is the correct word in the two places it is used in the section.

THE CHAIRMAN (Mr. Stewart): Thank you. Are you satisfied, Mr. Nickerson?

MR. NICKERSON: Certainly, very satisfied.

THE CHAIRMAN (Mr. Stewart): We have already approved clause 76 as it stood. We will now go to clause 77, certificate of dissolution. Agreed?

--- Agreed

Clause 78, federations. Agreed?

--- Agreed

Clause 79, membership of federation in other federations, etc. Agreed?

--- Agreed

Clause 80, offence and penalty. Agreed?

--- Agreed

Clause 81, liability of officers and directors. Agreed?

--- Agreed

Clause 82, use of words "credit union", etc. Agreed?

--- Agreed

Clause 83, penalty. Agreed?

--- Agreed

Clause 84, notice by supervisor. Agreed?

--- Agreed

Clause 85, general. Agreed?

--- Agreed

Clause 86, suspension of officers, etc. Agreed?

--- Agreed

Clause 87, Central as administrator. Agreed?

MR. NICKERSON: Mr. Chairman, the committee agreed that, because of the possibility that the "Central" might not be competent, to amend the subclause by deleting "Central as" and inserting "an" and deleting "... the Central may act through any of its officers, committees or employees".

THE CHAIRMAN (Mr. Stewart): Would you mind reading the section as amended, please?

MR. NICKERSON: I will try. "87(1) In case of the suspension, dismissal, or failure or refusal to act of the board of directors, the Supervisor ..." ..may -- was that word to be "may" or "shall", Mr. Legal Advisor?

LEGAL ADVISOR (Mr. Slaven): I have "shall appoint an administrator".

MR. NICKERSON: I wonder if you could read that as amended?

LEGAL ADVISOR (Mr. Slaven): "87(1) In case of the suspension, dismissal, or failure or refusal to act of the board of directors, the Supervisor shall appoint an administrator of the credit union who shall have the power, and with necessary changes, the duties of the board of directors,..."

THE CHAIRMAN (Mr. Stewart): And the amendment as I have it "the Supervisor shall appoint an administrator of the credit union," deleting the words "the Central as administrator". Is this correct?

LEGAL ADVISOR (Mr. Slaven): Yes.

THE CHAIRMAN (Mr. Stewart): Clause 87 as amended?

--- Agreed

Clause 88, regulations. Agreed?

--- Agreed

Clause 89, repeal. Agreed?

--- Agreed

Clause 90, coming into force. Agreed?

--- Agreed

Schedule, form A, agreed on form A?

--- Agreed

Form B? Agreed?

--- Agreed

Form C? Agreed?

--- Agreed

Clause 1, short title. Agreed?

--- Agreed

The bill as a whole?

--- Agreed

Do I have your permission to report the bill ready for third reading?

--- Agreed

MR. SPEAKER: Mr. Stewart?

Report of the Committee of the Whole of Bill 8-56, Credit Union Ordinance.

MR. STEWART: Mr. Speaker, your committee has been studying Bill 8-56 and report it now ready for third reading.

MR. SPEAKER: Thank you, Mr. Stewart. Coffee will be ready in a few minutes. I think we could probably very quickly clear up the appointment by Commissioner in Council to the Northwest Territories Water Board, could we not?

MR. NICKERSON: Very easily.

MR. SPEAKER: Let us do that and then we will have coffee and after coffee we can start the supplementary appropriations.

Council will resolve into committee of the whole for continued consideration of the appointment by the Commissioner in Council to the Northwest Territories Water Board. Who was in the chair on that? Mr. Stewart, were you? Mr. Butters? With Mr. Butters in the chair.

--- Council resolved into Committee of the Whole for consideration of Appointment by Commissioner in Council to the Northwest Territories Water Board, with Mr. Butters in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER APPOINTMENT BY COMMISSIONER IN COUNCIL TO THE NORTHWEST TERRITORIES WATER BOARD

THE CHAIRMAN (Mr. Butters): The committee will come to order. I wonder, Mr. Parker, did you have a report for us at this time?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, in light of the notice of motion that was given this morning concerning this appointment, I believe the only thing that I have to add is that the administration recommends that the term for the people selected by Council be the life of Council or four years and further one thing that I should have brought up yesterday and did not, I would like to recommend that Mr. Bergasse's position be reconfirmed by this Council. There might be a time during the next four years when the administration would come to Council and make a recommendation on a change, but for the present time, as the administration's representative we would like to see Mr. Bergasse continue. It is very important as far as we are concerned that there be some continuity on the board with respect to territorial representation and by the continued appointment of Mr. Bergasse this purpose would be served.

THE CHAIRMAN (Mr. Butters): Further discussion?

Motion to Reconfirm Mr. Bergasse's Position on Water Board.

MR. SEARLE: Mr. Chairman, I would like to recommend that the motion that you gave notice of this morning be expanded to include a reconfirmation of Mr. Bergasse, and secondly, that it indicate that the term of the appointment is for the life of this Council. In that way presumably we will avoid the problem of having members continue on after they have served the term and presumably not re-elected. I think we have that problem in the Housing Corporation, do we not? With a member who shall not be named.

THE CHAIRMAN (Mr. Butters): That is a motion, Mr. Searle?

MR. SEARLE: Yes.

THE CHAIRMAN (Mr. Butters): You have heard the motion which puts into a few words the recommendation that has been made to us by the Deputy Commissioner. Any further discussion on Mr. Searle's motion?

MR. BARNABY: I am not clear on a lot of things here. Who is the board responsible to and what authority do they have? I do not want to decide on anything unless I am clear on it.

THE CHAIRMAN (Mr. Butters): Mr. Barnaby, I do not know whether answers to those specific questions were given yesterday, I just do not recall at the moment. Mr. Deputy Commissioner, could you answer the questions posed?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the members of the Water Board are appointed by the Minister of Indian and Northern Affairs on the recommendation of various persons. The three territorial members are of course on the recommendation of the Commissioner in Council. The other members are on the recommendation of other ministers, but the Minister of Indian and Northern Affairs is the person who confirms those appointments, in fact, actually makes them and therefore, the Water Board is ultimately responsible to that Minister. The Water Board has quite broad powers to examine the uses of water and to make recommendations to the Minister with regard to corrective action or prosecutions that might take place and there have in fact been some prosecutions under that legislation. It is all part of the Northern Inland Waters Act, an act which was first brought forward into parliament by the Minister of Indian and Northern Affairs.

THE CHAIRMAN (Mr. Butters): Mr. Barnaby, is the answer helpful?

MR. BARNABY: I do not know.

THE CHAIRMAN (Mr. Butters): There is no rush, because once we leave this point you will not have a chance to raise it again.

Representation of Native People

MR. BARNABY: I do not know, something does not seem right to me here. I think it is important to have good representation in something like this. Maybe we are just jumping into it and appointing anybody who is recommended to us. Native people are in the majority in the North and I do not see anybody in there who will provide representation for them on this board.

THE CHAIRMAN (Mr. Butters): At this time my understanding is that this Council is having an input in the naming of two members which we discussed yesterday. The motion of Mr. Searle has ensured that the appointment of Mr. Bergasse who is a member of this administration be extended as required so that hopefully there are three people who have very much the interests of northern people at heart, the people whom we are appointing to the board now. Hopefully the day will arise when all members are northern people, but to this time it is three to six.

The motion as I am trying to get it together is that I move that the notice of motion given this morning by Councillor Butters be expanded to include provisions for (a) extending and reconfirming the present appointment to the board of Mr. Bergasse, and (b) stating the term and the life of the Water Board member who has been recommended by this Council. That is the motion before us now.

MR. STEWART: Mr. Chairman, I was wondering inasmuch as Mr. Barnaby might have a few questions that we might be able to get answers to during coffee break whether it would be advisable at this time to break for coffee.

THE CHAIRMAN (Mr. Butters): Do Members agree in view of Mr. Barnaby's indecision that we break for coffee now and come back to this matter afterwards?

--- SHORT RECESS

THE CHAIRMAN (Mr. Butters): Your committee will continue in the examination of the matter of the appointment to the Northwest Territories Water Board. Prior to the recess Mr. Barnaby was going to inquire regarding matters of interest to himself for purposes of this discussion. Mr. Barnaby, do you wish the floor at this time?

MR. BARNABY: I do not know what to say here. What I would like is to have this decision called off until later maybe because I think that there are a lot of other people maybe could be appointed to this. A choice made out of all those others appointed. We were not warned that this was going to come up until we looked around for people to appoint.

THE CHAIRMAN (Mr. Butters): Mr. Steen.

Duties and Responsibilities of Water Board.

MR. STEEN: Mr. Chairman, I am wondering if someone can shed a little more light on the duties or the responsibilities of the Water Board. What responsibilities they have, and what is involved, how many meetings a year or are their duties strictly for just large projects, or is the community water draw involved. Do they control water from the lakes for the communities? Somebody should shed more light on it.

THE CHAIRMAN (Mr. Butters): I was hoping the Deputy Commissioner was listening to that question because he will probably be called upon to provide an answer, but before I ask the Deputy -- with regard to Mr. Barnaby's contribution, I recall that this matter of an appointment to the board received quite an extensive discussion yesterday morning. I remember the wishes of the committee were to refer the matter to Mr. Nickerson who is the chairman of Council's committee to appoint committees, and as a result of Mr. Nickerson's work, the name of a member of this body was put up and this is the name that we are considering this morning.

Mr. Parker, do you wish Mr. Steen to repeat his question or did you hear it?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I apologize, I did not hear it. Would he please repeat it?

MR. STEEN: Mr. Chairman, I was wondering what are the duties of the Water Board? What I would like to ask is, is the Water Board responsible for great projects in the country and is it also responsible for communities to draw water? Do they okay the communities to draw water from the lake, do they go as small as that, or what are their duties?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the responsibilities of the Water Board include the use of any substantial amount of water and I think it would include any changes in the system of drawing water or supplying water for communities. If a community proposed to take its drinking water from a different lake, then the Water Board would probably request that they put an application in and the Water Board would then consider this matter themselves and they may call for a public hearing or they may not. Any use of water for municipal or settlement purposes or industrial purposes requires that the Water Board examine the application and issue a licence. Any company, say, that was going to operate a mine, would have to make an application to the Water Board for the use of water which it would require in its operations.

THE CHAIRMAN (Mr. Butters): Before returning to Mr. Steen again, I remind committee Members that there is a motion before us and that motion reads: "I move that the notice of motion given this morning by Councillor Butters be expanded to include provision for extending and reconfirming the present appointment to the board of Mr. Bergasse and by indicating the term of service of the Council Member recommended by this Council to serve on the board".

Individual Time Spent on Water Board

MR. STEEN: Thank you, Mr. Chairman. I would also like to ask another question since we are putting two people on there. How much time would the Water Board consume of the individual?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I wish that I had Mr. Bergasse to answer that, but we thought the matter was sufficiently concluded that he had to leave to attend a fisheries meeting. I can tell you that the Water Board has established a technical subcommittee to take an initial look at the applications before it. The problem that has existed in the past was that the meetings were taking, I believe, a couple of days a month and the members simply could not stand this much time. So they appointed this subcommittee to do a lot of the leg work, to do a lot of the initial studies of the applications and then after these initial studies, the Water Board members met and they did not have to sit for as long periods. It seems to me, though, that a member would have to be prepared to be available for a day or two every couple of months. That is a very rough estimate, but I think it could run to that.

MR. STEEN: Thank you.

THE CHAIRMAN (Mr. Butters): Comments on the motion? If there is no further discussion, may I call the question?

MR. SEARLE: Question.

THE CHAIRMAN (Mr. Butters): Question. The motion you are voting on is that the notice of motion given this morning by Councillor Butters be expanded to include provision for extending and reconfirming the present appointment to the board of Mr. Bergasse and by indicating the term of service of the Council Member recommended by this Council to serve on the board.

Motion to Reconfirm Mr. Bergasse's Position on Water Board Carried

All those Members in favour of the motion, raise their hand, please. All in favour? Thank you. Contrary? The motion is carried.

--- Carried

That being the last item of business of this agenda item, may I have your permission to report the motion out to the Speaker?

--- Agreed

MR. SPEAKER: Mr. Butters.

Report of the Committee of the Whole of Appointment by Commissioner in Council to the Northwest Territories Water Board

MR. BUTTERS: Mr. Speaker, your committee has completed consideration of the agenda item, appointment by the Commissioner in Council to the

Northwest Territories Water Board and begs to report this motion passed.

"I move that the notice of motion given this morning by Councillor Butters be expanded to include provision for extending and reconfirming the present appointment to the board of Mr. Bergasse and by indicating the term of service of the Council Member recommended by this Council to serve on the board."

MR. SPEAKER: Thank you, Mr. Butters. I understand that we are to adjourn this morning at 12:00 noon, that there is a 1:30 p.m. swearing-in ceremony at the court house for the Members of the Executive, and that then Council would reconvene at the normal hour of 2:30 p.m. That being the case, we only have 55 minutes left. Do you want to start on Bill 3-56, the Supplementary Appropriations?

--- Agreed

This bill has not been in committee before, so we need a motion to resolve into committee of the whole to consider Bill 3-56. So moved by Mr. Nickerson and seconded by Mr. Ernerk. Any discussion? Question. Question being called, all in favour? Contrary?

--- Carried

Council will resolve into committee of the whole to reconsider Bill 3-56, Supplementary Appropriation Ordinance No. 1, 1975-76, with Mr. Stewart in the chair.

--- Council resolved into Committee of the Whole for consideration of Bill 3-56, Supplementary Appropriation Ordinance No. 1, 1975-76, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 3-56, SUPPLEMENTARY APPROPRIATION ORDINANCE NO. 1, 1975-76

THE CHAIRMAN (Mr. Stewart): I call this committee to order to study Bill 3-56, An Ordinance Respecting Additional Expenditures for the Public Service of the Northwest Territories for the Fiscal Year Ending 31st day of March, 1976. Inasmuch as the chairman of the finance committee is not present, I will endeavour to act in this capacity as deputy chairman of this committee. The committee studied the supplementary estimates and we are agreed, with the exception of two major points. One of these points is for the establishment of a new department which you will find on page 6. This new department is Natural and Cultural Affairs and it includes recreation, library services and wildlife services. The finance committee was unable to come to a conclusion on this matter and I would like at this time to draw special attention to this committee. The feeling appeared to be that possibly the wildlife services should stand on their own or be placed with departments other than recreation and library services.

The second point that the committee is unable to agree upon was the capital program for the building of a new warehouse facility in Yellowknife. The committee would direct the attention of the committee of the whole to this. This is specifically on page 20, the capital expenditure in the amount of \$670,000 for a liquor and other warehouse facility in Yellowknife. Other than these two points the committee approved the supplementary estimates. I would like direction from this committee at this time as to how you would like to proceed. Would you like to deal with these two items or start going through the supplementaries point by point?

Procedure Discussion

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I should have sought an opportunity while the Speaker was in the chair to remind the Members that the Speaker had stated several days ago his intention of putting the matter of Motion 4-56, Current Budget Formulation and Bill 3-56, Supplementary Appropriation Ordinance No. 1, 1975-76, into committee at the same time. For your consideration, I put this before you. We have these two matters which are very closely related, the matter of the supplementary appropriations and the matter of our present budget financial situation. This could be handled either way. We could go through the supplementary appropriations and then have a general discussion and briefing or perhaps it might be more helpful to committee Members if we were to have a discussion about the current budget situation as a preamble to going through the supplementaries.

I believe that you will recall that in the standing committee I suggested that I might go through the process very quickly perhaps of how we obtain our money, the whole budgetary process, and the decision was made in the standing committee that it would be saying it twice, that it would be better for this to be done at this time. My suggestion to you is that we do that first, we have a discussion on the process of budgeting, at which time I would make a little presentation and then the administration could be questioned and then perhaps go into the supplementaries.

THE CHAIRMAN (Mr. Stewart): Mr. Searle, do you have any comments?

MR. SEARLE: Mr. Chairman, I think that what Mr. Parker has said makes good sense, to discuss the budgetary matters first because obviously the supplementary estimates are built on the basis of the budgetary requirements of the day. Hence, it seems to me the best way to get at it would be to suggest that you report progress. I will go back in the chair briefly and put the other matter in committee at the same time and we can come right back into committee.

THE CHAIRMAN (Mr. Stewart): Thank you. Have I permission to report progress?

MR. BUTTERS: Mr. Chairman, I did not rise on a point of order when the Speaker's motion was moved because I understood on the passage of Motion 4-56 that it was agreed by Council that it would be put into committee at this time and that by moving one into committee we have automatically moved the other into committee and they are both in committee right now.

THE CHAIRMAN (Mr. Stewart): As long as it is understood that nobody objects. I feel actually if you are into this type of a committee that you are pretty well allowed to discuss anything you like anyway. Are we agreed that we will continue on the format as suggested by the Deputy Commissioner?

--- Agreed

Could we call witnesses at this time that the administration may wish to call? Has the administration any witnesses they wish to call?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I believe for the first section I can not recommend any witnesses at this time, but once we conclude this initial discussion and get into details of the supplementaries, then Council Members may well wish some further details and I would then call on different directors for assistance.

THE CHAIRMAN (Mr. Stewart): Thank you. We will turn the floor over to you, Mr. Deputy Commissioner.

Expenditure Planning in the Territorial Government

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I have just sent to the Clerk some material for distribution which deals with two areas. The first sheet, when you receive it, you will see it is a list of some of the "Fiscal Controls" that we have imposed for this current year and then the next section of it is called "Expenditure Planning in the Territorial Government". I would ask Members if they will turn to the second page first, if they would be so kind. That is the second page of the material being distributed. You will note it is called "Expenditure Planning in the Territorial Government". These are brief explanatory notes which are meant to indicate to you the process that the territorial government must follow in order to obtain its financing. You will note that the process requires 17 to 18 months to complete. Perhaps I will go through it step by step. Please bear in mind that this is just an example. It is not necessarily held to month by month; it may vary a little from one year to another, but in general this is the process that we follow.

First of all, the financial steps include a projection by government departments on the required levels of funding to carry on approved programs. The directors of each department examine their programs and make an estimate of the money necessary to carry on operations into another fiscal year.

There is then a review of that forecast material by the Executive and by the standing committee. There is then a negotiation with senior officers in the federal government and, finally, after these negotiations are concluded and they spread over some period of time, the estimates are brought forward in draft form for the standing committee on finance and then presented to Council for voting approval.

Interdepartmental Advisory Committee on Federal-Territorial Financial Relations

Our negotiations with Ottawa are carried out under an interdepartmental committee which is called the interdepartmental advisory committee on federal-territorial financial relations. From now on I will call it the IDC and you will know what I mean.

This committee has an Assistant Deputy Minister of Indian Affairs as the chairman, it has one of the Indian Affairs directors as a member, it has a senior person from the Treasury Board Secretariat as a member, it has a member from the federal Department of Finance and then when it considers the Northwest Territories it has a person from here which in our case is me and similarly when it discusses the Yukon matters it has a person from the Yukon.

This committee, after it has its meetings, makes its recommendations to the three ministers involved, that is, Indian Affairs, Finance and Treasury Board in Ottawa and these three ministers then make the final decision. Now, sometimes they will seek guidance from the full cabinet and sometimes they will seek further guidance from the Treasury Board itself. Once the matter is concluded then the Minister of Finance and the Commissioner sign the financial agreement and the number of dollars that we are dealing with for that particular fiscal year are covered in that financial agreement.

Forecast Levels

Under "Forecast Levels", I want you to understand the difference between the budget forecast and the budget itself. The forecast is prepared very early on and it is just that: It is an estimate of what money we will need to carry on operations and then this is gradually worked on until it is finalized as the budget itself. Many of you are familiar with

the fact that there are two different levels of funding. The federal government follows this procedure and we must also follow the procedure. Under what is called the "A" level, those expenditures which are necessary to carry on existing programs are permitted so the "A" level forecast and the "A" level budget is that level which simply carries on operations as they are without any new programs. It does take into account the cost increases, that is, the increased cost of freight, the salary negotiations that may have taken place and so on. The "B" level budget is the budget which includes new programs or major extensions to existing programs. If Council wished to institute as it did a few years ago, a program of additional support to hunters and trappers this became a "B" level program and it receives a different kind of consideration by the federal Treasury Board. In recent years we have received very, very little "B" level money. Our money has come almost entirely as "A" level. In other words, we have not been given the money to institute any new major programs but have had to content ourselves with money to operate existing programs. This has been the pattern pretty well throughout the federal government.

Dealing next with the financial cycle itself, the example that is shown on page 2 here is for this current fiscal year. So as you know this current fiscal year starts on April the 1st of 1975 and it runs until the end of March, 1976. In order to carry out our necessary planning and following the rules laid down by the federal government, we had to start this work back in September of 1973. At that time we received guidelines, that is, suggestions for the preparation of our forecast material and so we prepared our forecast material in the fall of 1973 and this material was reviewed by the territorial Executive Committee in the middle of December, 1973. It was then submitted to the Minister in January of 1974, that is, the first draft or the first copy of the forecast.

Concerning the Treasury Board Secretariat

It was then reviewed in February, 1974, by the Council's standing committee on finance. We then submitted the "B" level somewhat later. We have the opportunity of putting in our "B" level financial requests a little later but we ordinarily hold our major interdepartmental committee meeting, the IDC meeting in either late March or April of 1974. The Minister of Indian Affairs then reviews this forecast at the end of April in 1974 and it is then submitted through the Department of Indian and Northern Affairs to the Treasury Board Secretariat. Now the Treasury Board Secretariat consists of those officers who work for and give support to the Treasury Board. The Treasury Board is a committee of cabinet ministers, a committee of federal cabinet ministers who meet weekly and consider requests for money. They are engaged in the planning and distribution of the money which the federal government has raised through taxation and various other means.

This then is reviewed by Treasury Board ministers in June of 1974 and then, usually in July the federal cabinet reviews all of the submissions that it receives. It receives submissions from every federal department as well as the Yukon and the Northwest Territories and what the cabinet must do is look at the money which the Minister of Finance and the Minister of Revenue feel that they can raise and the money that they have to spend. Now, they have to match that up with all of these requests for moneys to be spent which they receive from their various departments and usually they find that they can raise about this much money and they have substantially more requests for money than there is money available. And so the federal cabinet in Ottawa must make a decision and it must set priorities according to government policy as to which departments will have to be cut down and which ones can be funded. This is the process that we are part of. We are then advised, usually by some time in August -- in this case August, 1974 -- of the levels of money that we can expect to be funded to or the moneys that we will receive.

Then, in the territories we start to put together our actual estimates. We take the forecast material and we put it in the form of the estimates which eventually reach Council in the form of this book. We have one more meeting of this interdepartmental committee in September of each year and at that time we are permitted to bring forward cost increases that have occurred during the summer. In other words, if there is an increase in the cost of transportation or if there is an increase in the cost of heating oil that has been announced at that time, we can adjust our budget to reflect that amount of money. Please remember that that is still six months before we actually spend the money and if there is further inflation between September and April when we spend the money, we simply have to absorb that somehow into our budget. In ordinary years when the rate of inflation is not great then it is possible for us to absorb this amount into our budget but in years when the inflation is very high, as it is now, this presents us with very, very grave difficulties.

Time Spent in Considering Budget

We then hold a meeting of the Executive to consider the estimates, followed by a review of the draft budget by the standing committee on finance in November of the year. We then print and distribute the estimates to Council. This takes a little while and we do our level best to get the estimates to Council at least two weeks ahead of the session. We were not able to do that in this past year because the final decisions were not received from Ottawa until after the middle of December. However, that is an unusual circumstance because the federal government was having to make some very difficult financial decisions.

Then, of course, the Council receives the budget at the January session and it is considered and voted and then we are able to start spending that money after April the 1st. So, you will see the sort of minimum time that we have been spending to consider budget matters is 17 months, that is, 17 months before we actually start spending it.

On page 3 of this material that I passed out to you under item 5, we have given example of the sources of our funds. We have listed the major items and then we have taken the smaller ones and they show as "other revenues" or "other recoveries". In other words, this is not a complete list, but it is a list that is meant to show you what the major items are. The first source of funds are territorial revenues and you will see that in the Northwest Territories we will raise in this fiscal year just over \$13 million. We have listed the major ones there. You will see there are two of them that are far more important than any other. The first one is the taxes on fuel oil and petroleum products, the taxes on heating oil and gasoline, account for \$5.5 million. The other major one is the profit from the operation of the liquor system which we estimate this year will return something just over \$5 million.

Territorial Recoveries

The next source of territorial funds is from what we call territorial "recoveries". These recoveries are moneys that come to the territorial government because we have made an expenditure, that is, we have put some money out and we get some money back in exchange. You will see that such things as the sale or payments for water and sewer services are part of our recoveries, the sale of land and lots. A fairly major one you will be interested in is investment income, \$1 million. The reason that we have \$1 million as a recovery under investment income is because the federal government transfers the funds that they give to us once a month and our heaviest spending is toward the end of the year, so in the meantime any extra cash that we have on hand, we place in the bank on deposit and earn interest on that money. The money is all spent or pretty well all spent by the end of the year, but we are able to make some income from the deposits we make.

You will also note the item "employee housing rentals", \$3.5 million. This is the money that employees pay to the government as rent for living in government accommodation. Also, you will see "sale of industrial products", almost \$2 million. This is money that the Department of Economic Development generates. They spend money to purchase materials like duffel and hides and so forth and then they sell the goods that are produced and this is the total amount of sales that are forecast. This has nothing to do with the income that comes to co-operatives. This is only the money that comes through government projects. On the next page, on page 4...

MR. PEARSON: Mr. Chairman, just on a point of clarification, these are the revenues received by Economic Development and not profits?

DEPUTY COMMISSIONER PARKER: That is right, Mr. Chairman. These are the total recoveries or revenues from Economic Development, not profits.

MR. PEARSON: In the case of the liquor, that is profit shown there?

DEPUTY COMMISSIONER PARKER: In the case of liquor, that is the net profit shown there. Mr. Chairman, on page 4 under item 5 you will see that we have listed "transfer payments" as another source of money for

the territorial government. These are moneys which we receive from the federal government for standard programs and many of them in the same fashion that a province would receive. For instance under "CAP -- social welfare", that is the Canada Assistance Plan, we receive \$4.5 million or approximately 50 per cent of our expenditures by being members of the federal Canada Assistance Plan. This is the same plan that the provinces belong to.

Under "Canada Manpower recoveries" we receive \$1,000,000 and that is payments that Canada Manpower makes to us for putting on various vocational courses.

The first item there, "Mackenzie highway maintenance", this is federal money that is transferred to us to carry out the road maintenance work each year. I will only note one or two others: We receive special money under THIS which is the Territorial Hospital Insurance Services, which is also similar to money that would be paid to a province, so you will see the total transfer payments run to over \$17 million and therefore, our total operating income from these three sources amounts to \$38,700,000.

Federal Government Grants.

Our budget is considerably more than that and, therefore, the remainder of the money which we require comes from the federal government as a grant. You will see that under "grants". We receive a grant for capital, that is, for items that are constructed or purchased of just over \$30 million and we receive what we call an operating deficit grant, that is, the difference between our approved expenditures, expenditures that Ottawa agrees with and the money that we raise ourselves. We are given \$79,000,00 to meet that shortage on that deficit. We also receive a grant in lieu of income tax of just over \$10.5 million. As you know, the provinces in Canada either collect their own income tax or have the federal government collect their income tax for them, but they have the right to set the level of income tax. Most provinces have used income tax as a means of raising substantial money. The standard federal rate, which is what is collected for us, is 30 per cent of the total income tax and that is what is identified here. The federal government simply makes an identification for us of the income taxes that are collected in the Northwest Territories which would belong to the Northwest Territories if we were a province and that is at the 30 per cent rate. Some of the provinces in Canada have raised their income tax rates to as high as 40 or 41 per cent, so the Northwest Territories does enjoy a taxation benefit over many of the provinces. In other words, our personal income tax is less in the Northwest Territories than it is in most provinces. This so far is just an identification of the income tax.

There are two other areas here, one is "loans to third parties", that is, loans to municipalities which amounts to \$4 million. This is money that the federal government makes available to the territorial government for relending to the municipalities and the municipalities must pay this money back over a number of years. In addition, we receive a grant of \$1.6 million for debenture repayments, that is, to repay debentures which we have incurred in the past.

That is the system of financing within the Northwest Territories in very brief form. Members who have been acquainted with this before I am sure will understand it, but Members should not be discouraged because it is a very complicated method of financing and it is not something that you should expect to understand the first time around. You might well want to come back and to have me do this again, either individually with you or as a committee and I would be very pleased to do that.

Perhaps, Mr. Chairman, before I go ahead now and say a little bit about our current financial situation, there might be questions that Members have on what I have just said, on the manner of financing.

THE CHAIRMAN (Mr. Stewart): Thank you, Deputy Commissioner Parker. Are there any questions on what has been said thus far?

MR. NICKERSON: Mr. Chairman, would I be correct in thinking that under the laws of Canada the Northwest Territories is unable to engage in deficit financing?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman, that is true, unless we have some plan for recovering the deficit, some means in mind of collecting the necessary money inside of another year or something like that.

THE CHAIRMAN (Mr. Stewart): Thank you.

Operating Deficit Grant

MR. NICKERSON: Mr. Chairman, I wonder if the Deputy Commissioner could further distinguish between the operating deficit grant and the capital grant? What does it really mean, operating deficit grant?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the manner of financing our operations and maintenance is different to the manner of financing our capital expenditures. For a capital expenditure we prepare our forecasts, we identify all of those items which we say we must spend in order to exist at the "A" level, that is, the construction of schools, for instance, to meet a growing population, to look after new children coming into the system is considered to be an "A" level expenditure and things like that. So we put together a budget for capital spending and it is considered by this IDC. The interdepartmental committee members may say, "Well, we do not agree that that is an 'A' level item", and we will argue about it and come to some conclusion. It might even go to the point of having to be referred to the ministers for their decision as to whether it is really an "A" level or not.

In any event, we arrive at a total number of dollars for capital and once that is arrived at, then the federal government gives us a grant, the capital grant and for this current year it is \$30 million. As far as operations are concerned, for our operating and maintenance money, we do the same thing, we prepare our requirements and then we also make an estimate of our revenues and our transfer payments and our recoveries as listed on pages 3 and 4. We make an estimate of money we are going to receive from other means and then that total amount of money from revenues, recoveries and transfer payments is subtracted from the grand total of operations and maintenance money that we require. And the difference between those two figures then is this, the \$79 million operating deficit, so in fact the federal government does pick up our deficit in money, that is, the shortage of money for operations and maintenance.

MR. NICKERSON: Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Pardon me, Mr. Nickerson.

MR. NICKERSON: Is that okay now? I wonder what the sum total is both in respect to capital grants and operating deficit grants that has been run up over the years since the Northwest Territories has been in operation, so to speak.

DEPUTY COMMISSIONER PARKER: It certainly could be added up, at least for the years that we have records, but it is a very, very substantial amount of money.

THE CHAIRMAN (Mr. Stewart): Mr. Pearson.

MR. PEARSON: Mr. Chairman, I wonder in light of the fact that the previous Council's finance committee proposed an alternative method of financing this government through a scheme devised by the Honourable Mr. Speaker, I wonder if the past president of the finance committee could give us a synopsis of the views that that committee held at that time and whether we should continue to press for that method of financing.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Searle, do you wish to speak?

Synopsis of Views of Past Finance Committee President

MR. SEARLE: Well, Mr. Chairman, as you can see from the "financial cycle" set out on page 2, item 4, there is just a tremendous amount of work, a tremendous amount of people involved on a continual on-going basis both here in the territories as well as, of course, in Ottawa because for everything we are doing here there are people doing the same there in meetings of the interdepartmental committee.

The budget therefore, starts out and goes through this process, chopping and cutting and ends up, it seems at least, as something that just has sort of evolved and is as a result of a number of compromises arrived at over the course of a year. It seems to therefore, be something that you would, at least, wonder whether anybody supports. I suppose on the one side the people in Ottawa probably think it is a little too much and, of course, we always on the other side seem to think it is not enough. The thing that is so bothersome is the extent of this financial cycle and the number of vettings and the detail that is gone into on an item by item basis.

What the finance committee of the last Council proposed was to somehow simplify it down and not look at it on an item by item basis through these committees except for our own finance committee, but that we should start out with saying, "Okay, we have got what we got last year, for example" plus six, seven, ten or 12, whatever the inflationary percentage would be so that you would in fact receive the same amount and say "All right, that is what we start with and we do not have to look at it in detail and we do not have to go through this item by item basis". But, you then discuss only at these various committee levels what additional capital items and what would be "B" level budget items that you would like to have for the next year and those are only the items you discuss.

In addition, of course, this formula would have to include a share of the resources, the revenue from resources which would come on the basis of not being earmarked for any of these additional capital or additional operating items. In other words, you would start with the same amount of money as you had last year, you would negotiate about additional items and ultimately the formula would have to as well include a percentage of revenue from resources that you could spend as you saw fit. It is this sort of formula that we had in mind. The Minister, of course, has indicated agreement with it, with the formula approach and recognizes this financial cycle as being a cumbersome way to do it, involving a lot of people, expensive people and just the evolution of the budget in itself must cost in hours a veritable fortune to the federal and territorial governments.

Financial Formula Must be Developed Quickly

The position we are therefore at right now is that we do have agreement in principle from the Minister to come up with a financial formula. He has agreed to refer it I think back to this interdepartmental committee for discussion and presumably when we get to the formula -- and I think we should have a direct input into that formula -- that should be one of the first priorities of the standing committee on finance, to make sure that whatever formula is evolved it is not just done at the official level, but that there is the input of the committee. Presumably when that financial formula does come to pass -- and I do not think that it will be something that will happen quickly, I think it will be several years before that happens -- but, you know, we are partly there, we have agreement in principle and I think the thrust of the finance committee should be to have that financial formula developed as quickly as possible so that this whole business of the cycle can as quickly as possible become a matter of history. That is as specific as our thinking was on that. I am sorry it is not clearer than that.

THE CHAIRMAN (Mr. Stewart): Mr. Commissioner?

Government Growth

THE COMMISSIONER: Mr. Chairman and Members of Council, just following up what Mr. Searle has just said and what Mr. Parker reported I recall one of the Council Members the other day saying that our budget has gone from a few million to \$150 million or \$160 million today. That is true. The only thing that has happened, though, that was not brought out was that when I first came on Council in 1964 the budget of the territorial Council was \$2 million but the Northwest Territories Council did not have the responsibilities that it has now. They had really no staff. There were only, I think, three or four on contract and another three or four were seconded from the department. And so, all of the work, all of the administration, all of the staff that were functioning in the Northwest Territories which probably came to \$100 million or even more at that time were paid out of the budget of the Department of Northern Affairs and Natural Resources.

The drive towards our own public service and more responsibilities for a truly territorial administration and the creation of the public service of the Northwest Territories happened here in Yellowknife in July of 1965. With that as more and more things were turned over, for example, the administration came North and in 1968 took over headquarters' responsibilities in 1969 the Mackenzie and in 1970 the Arctic, so throughout the budget at the same time there was increased cost because of inflation, salaries, increased costs of goods and services which rose with it.

The next thing that happened was that in the early days there were always surplus funds that could be found and what happened was when you ran out of money, you used these surpluses. Now, where did these surpluses come from? In the main, I think it is pretty safe to say that when communications were not good, when transportation was very poor, it was quite possible to see only 60 per cent of your programs carried out in the course of a year. You never had to give the money back, it just went into the coffers.

In the case of the federal service, if you do not spend it, they take it away from you, and that is why sometimes you see a big rush in April and May within some departments in the federal government and agencies and services to spend that surplus so that it is not deducted from what you call the base.

Program Budgeting and Forecasting System

When I, as Deputy Commissioner went through the budget review there was no such thing as program forecasting. Whatever was decided in that review that was it, but when Dr. Johnson, who is now with the Canadian Broadcasting Corporation became secretary of the Treasury Board, he introduced the program budgeting and forecasting system in all federal departments and all departments of the federal government -- the military, the Royal Canadian Mounted Police. The others that are dependent upon the federal government for funds were brought under that system including the Yukon territorial public service or Government of the Yukon and the Government of the Northwest Territories.

We did not necessarily accept this system willingly, but that is the way the system is and we have been working under this system for a number of years now, I would say about four or five years. What it means in effect is that each vote, each expenditure has to be tied to a program or a policy, either of the federal government or the territorial government or the territorial Council. The federal government looks for justification in the North under the 1970-80 Strategy Paper which is considered a very important document and when submitting requests for support if reference can be found to be in line with that particular document, your chances, if money is available, are very good. If it is not covered by that, your chances are not so good.

With reference to the Government of the Northwest Territories, the goals and objectives, programs and policies are of vital importance because it is not the Department of Indian Affairs that governs our spending. It is not the Prime Minister, nor for that matter is it necessarily the cabinet; it is Treasury Board. Treasury Board is the most powerful section of government today in Canada. It was accorded this responsibility, as I have mentioned, a number of years ago. This is why we placed so much emphasis this year on working out what we felt were the goals and objectives and are in the process now of reorganizing our programs and policies to fit the structure and the new system in Council, as well as the views as we interpret them from the previous Council and the aspirations of the organizations in the territories.

All Policies Must be Approved by Treasury Board

If we can refer to these, then we have a basis on which to push for something, but all policies must be approved by Treasury Board. In other words, if they accept it, then we can be funded. I have heard many times here, with I am sure the best of intentions, people say, "Why are you wasting your money on that? Forget it. Do not do that and spend the money somewhere else." That is not possible under this system. The system does not allow for it. Each vote, as you will see, the new Council will see next January, when going through the estimates, each vote must stand or fall on its own and it is not possible for you to suddenly say, "Let us fire off a rocket to the moon. Surely that is a good project." Where would you get the money? Could we take it out of housing? Vice versa, "Why are you spending all the money on this particular thing when you should be spending it on something else?" As I mentioned, that is the amount

of money that has been able to be worked out and assigned to that specific program or that specific activity. In many instances neither Treasury Board nor the IDC are that fine or keen on little individual items, but each thing has to be justified and then at the final end of the year everything has to be accounted for. We do not sometimes have as much flexibility or manoeuvrability as a lot of people think we do. I think that the Government of Canada has been quite generous with the territories and I hope they continue to be because we have only part of the job finished. It would be a tragedy for them to pull the string or cut down on the funding or pull back on what they started out to do a number of years ago. The job is not finished.

Goals of Council Must be Stated

It seems to me that it is of the greatest importance, and I said this a number of times and I say it again, that this Council can not be all things to all men. It should sit down -- if it took five days or two weeks to do it -- to lay out what they think is important and what they think their priorities are. Once they had done this, then it would aid the administration immensely to begin the system of turning the ship in that direction because it is not possible to gauge the precise course when everything is important. There must be almost a thousand individual items that are approved each year by the territorial Council as submitted by the administration but the administration would love to be able to present the kind of a budget here that the Council wants, but it can not do it unless the Council is in the position, after thinking about it, talking about it, to state unequivocally what their goals and objectives are, the programs they would like to see and then which ones are the priority ones. Which ones are the important ones? I think you will find that Treasury Board and the Department of Indian Affairs and Northern Development, whose only role in it is that the Minister and his staff are the ones who have to prepare in the final analysis, the Treasury Board submission that goes before Treasury Board. I assure you the department do not interfere as much as sometimes we may think they do.

Having said all of that, Mr. Searle's suggestion is worthy of consideration. What has happened is that this January or February the Minister directed that a review board be established and that the review board of which I am chairman and there are three other members, we are going over the whole financial system of the territorial government and we have found many things that we feel will help us. Although I am not at liberty to comment any more than to alert you that it is underway, we are making a report to the Minister who set us up in the first place. Once that is finished, hopefully we would then as a second part of it take a look at this whole question of formula financing, but it seems to me that these are of such importance that Council need to do more than just talk about it and comment on it, but to give some direction as to what they feel -- some input. I can assure you that as far as we are concerned we will not stand in the way. If we make mistakes, we will take our lumps for it. I assure you that Treasury Board and the Minister would be only too willing to try and respond to see that the funds that they are making available are used. Not only for the best interests of the people of the North, but along the lines that they would like to see it spent, based on the advice, the representations of the elected representatives to the Council of the Northwest Territories.

--- Applause

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Commissioner. The hour is 12:00 o'clock and we will adjourn. There will be a meeting in the supreme court room, on the second floor, I believe, at 1:30 p.m. for the ceremony of swearing in the Executive Committee.

---LUNCHEON ADJOURNMENT

THE CHAIRMAN (Mr. Stewart): Order please. The Chair recognizes a quorum. The committee will continue to study the supplementary estimates. Prior to the lunch break we had a rundown on the method of financing by the territorial government and their problems in setting their budget with the numerous committees that they have to go through with the federal government. Are we through with this section or is there further information to be added?

Excellent Presentation of Budgetary Process.

MR. BUTTERS: Mr. Chairman, before going to items that I wish to discuss, I would like to commend the administration on the excellent presentation of the whole budgetary process that this government is involved in. I have not seen it put together simpler nor in a manner which is more readily understood. I feel that it should be made available to the schools in the territories as well, to give the students in their courses on government some understanding of how their government works. It is an excellent paper.

Likewise too, I would like to commend the Commissioner on the very excellent presentation he made just prior to rising for lunch, which most clearly indicated to me -- and I assume to my fellow colleagues -- the very difficult position that this administration is in, in dealing for money, in seeking to get the funds which are required to administer the existing programs in the territories and to develop new programs which this Council requests.

"Decade of Development"

As a result of the Commissioner's remarks earlier when I recollect that he said that one of the most critical documents to this Council in existence today is the Honourable Jean Chrétien's "Decade of Development" paper which was presented to the federal committee on Indian Affairs and Northern Development in about 1970. As I understood the Commissioner to say, the priorities, accepted by the Treasury Board are determined by what was contained and what was expressed in that paper of Mr. Chrétien's. I, for one, knowing of that paper and having some knowledge of that paper feel that those priorities are now out of date; the priorities that were developed six years ago are now outdated. I am not saying that some of those things are no longer important to us, but maybe some of those things are not as important as Mr. Chrétien once thought and his staff once thought they were.

Motion to Examine "Decade of Development"

So, before we leave this aspect, sir, I would like to enter a motion, and I will give you a rough idea of the motion, and that is that along with our budget discussion in 1976 that we examine that paper of Mr. Chrétien's and determine whether the priorities outlined by the Minister at that time are still valid. As I say, I for one do not believe they have the validity today that they did some six years ago.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Butters. I was wondering, I think you have pointed out the importance of this document and while we are sitting in this committee is it not probably the duty of this committee to have a look at this paper now, prior to looking at the 1976 budget, for example? The way this committee is set up, I think we should have a look at this and set our priorities so that the finance committee could possibly take further instruction. If this is the case, and if we have agreement on this, I would like to ask the Clerk of the Council to make available to all Councillors this paper set out by Mr. Chrétien. I do not have a copy of it and I have never seen it. I assume that all the other Councillors are in the same position.

MR. BUTTERS: Mr. Chairman, that is an excellent suggestion and in commenting I would say that from my knowledge of the paper I doubt that we will have the time required to give it the examination it needs, but certainly it should be made available to Members of this Council with all possible haste.

THE CHAIRMAN (Mr. Stewart): Thank you. We are now still in general discussion of the matter of the financing and budgetary requirements of the Northwest Territories. Have we any further comment?

MR. PEARSON: Mr. Chairman, I will just reserve my remarks for the specific items as they come along.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Butters.

Fiscal Controls

MR. BUTTERS: I wish a general comment before we get into the specifics. I refer to the paper provided us by the administration entitled "Fiscal Controls" on page 1, item 10. It says: "Capital projects are restricted to presently approved funding levels (mains plus supps). Future cost escalations on projects are to be financed through deferment or cancellation of low priority projects".

Now, I wish to get some indication of how much money is being described here. It would appear to me that the inflationary costs we are experiencing in the territories and other increases in costs that are plaguing the territories now have to be taken out of projects or programs already approved, that instead of getting more money this item suggests that we are going to get less money and that it is going to be disguised because you are going to cut programs. I wonder if the Deputy Commissioner could assure me that my interpretation of this item is incorrect.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, of course there is no intention to disguise. I do not think that we have ever operated in that fashion. I would wish to have the opportunity to say a few words about our over-all financial situation. As I said at the start of this committee's business, I would like to give an outline of how we are financed and I have done that and the Commissioner has added to it and has laid the groundwork for a discussion on our current financial situation. If I could be permitted, I would like to go into our current financial situation for just a few minutes now in order to set the stage for the consideration of the supplementary appropriations and during that I will make reference to this first page of the material that was distributed.

THE CHAIRMAN (Mr. Stewart): Mr. Deputy Commissioner, you have the floor.

DEPUTY COMMISSIONER PARKER: Thank you very much. With regard to the remarks that the Member has made on the Indian Affairs program for the 1970's, he noted that they were formulated six years ago. In fact, they were formulated four years ago. That is not a big point, but in fact they dealt with the period 1971 to 1981 although they called it the 1970's. I have asked that copies of this be brought forward for this committee and I hope that they will be available fairly shortly.

Current Financial Situation

Mr. Chairman, with regard to the current financial situation in which we find ourselves, the inflation rate has such a tremendous effect upon our budget since our budget is set finally some six months ahead of the

actual spending period, it has a tremendous effect and I think that all Members can understand that in the six month period from the time at which our final total dollars are determined up to the time when we spend the money, the inflation rate can have the effect of reducing our ability to carry out programs very substantially.

Salary Increases

By the middle of the last fiscal year, that is, in the latter part of the summer, 1974, we reviewed our situation and it became apparent to us that the inflation rate was eating away at the funds that we had available at an alarming rate and we identified the major items to the extent of \$7 million which were beyond our control. Now, I will tell you what I mean there. Such items as salary increases which were the result of negotiations with the unions resulted in an increase of over \$2 million in our costs which were not in the budget, which we had not been able to put into the budget because they could not be forecast at the time when the budget was being drawn up.

The price increases for heating oil in the period between when we voted the money and were spending it amounted to the amazing sum of \$1.5 million. In addition there were a number of other major items and in the area of construction our contractual costs had come in very much over estimates. We were not unique in this government. This happened all across the country. We made an approach in September 1974 to the federal government and said that this was an unusual circumstance, we usually did not go back to the federal government, but in this instance, for such things as the price of heating oil which clearly is beyond any control by the territorial government, we sought some assistance and related to them our requirement for \$7.5 million and begged that this money could be passed to us through federal supplementary estimates.

Restrictions on Capital and O and M Spending

This matter was reviewed and our request for capital money was refused and the request for operations and maintenance money was recognized to the extent of \$2 million, but we did not receive this information until November of 1974. So, you can see that we had to put real restrictions on our capital spending last year and on our operations and maintenance spending. We put these restrictions on and were successful in completing the year in the black; that is, we did not incur a deficit, but it was at the expense of taking severe measures, reducing some programs and so on. I must say that our employees in headquarters and in the field responded very, very well and we were able to reduce our consumption of heating oil and to reduce our consumption of electricity rather substantially.

Now, I have dealt with the past fiscal year, 1974-75. At the IDC meeting of last September where we considered cost increases for the forthcoming fiscal year, that is 1975-76, the one in which we are right now, we identified the amazing sum of \$18 million which was a reflection of the cost increases that had occurred or had been announced since January. So in the eight or nine month period, \$18 million in cost increases were identified. The interdepartmental committee agreed with this figure. They could not find any fault with it. They recognized that the work that we had done was accurate and the interdepartmental committee brought forward that figure and recommended it to ministers. However, the ministers, recognizing their own financing problems, the federal ministers, allowed us only a \$14 million increase for these identifiable cost increases, so we had at the very last minute, in fact December 19th, 1974, to remove \$4 million from our budget and we did this and presented that budget, reduced by \$4 million, to Council in January.

Careful Review of Effects of Inflation

Since that time we have conducted a very careful review of the effects of inflation in the intervening time and found that we are running somewhere in the neighborhood of \$7 million behind for this current fiscal year in order to carry out the programs that we had outlined in January. In order to conserve funds, we have imposed the controls that are listed on the sheet of paper that I distributed. Those are not the only controls, I am sure, but these are the sort of approaches that we are taking.

In addition to this, we are in the process of preparing a major proposal to the federal government outlining to them that the cost of negotiated salaries, the cost of heating oil and the cost of electricity in particular, and the cost of certain elements of social development with which Council agreed at the last session, have increased in a fashion that we simply can not handle. We can not control, we have no say over the price of fuel oil. We are in the process, as I said, of preparing a major proposal to Treasury Board through Indian Affairs for some supplementary money. The current climate, that is the financial climate in Ottawa, would lead us to believe that if we receive any assistance, it will only be a relatively small portion of our requirements and, therefore, we will have to continue to operate this year with programs at reduced levels.

New Items Will Not be Added

There has been a question raised on item 10 and I would like to explain that one where we say: "Capital projects are restricted to presently approved funding levels (mains plus supps)." When we say "mains", this should have been written out, we mean main estimates or estimates passed in January, plus supplementary appropriations which we are laying before you now. The sense of this is that we are not proposing to add any items, even if they be of almost

an emergency nature, to our spending for this year and that if projects come in, that is, bids on projects come in at prices that are beyond the budgeted amounts, then we do not have any new money for those projects or any additional money and it must be found from within the program. We must, therefore, identify some projects which we feel are of a lower priority in order to fund the ones with a higher priority.

Tenders Called for Trade Shops.

I could give you an example. We called for tenders on the construction of three trade shops. These are shops that are necessary for the carrying out of carpentry, plumbing and electrical work in the settlements and we have a program of building a number of these trade shops each year. The bids that were received on these trade shops were double our estimate and we felt that our estimate was a very carefully prepared one and, if anything, generous. We have therefore made the decision that we simply can not build trade shops on that basis. We simply must go back to the drawing board and find some other means of solving that problem. We would not ask Council to agree with us to build trade shops at double their estimated value and, therefore, that money becomes low priority money and can be used to fund some of the items which must go ahead. I speak particularly of water and sewer projects which we think touch the very fibre of life in the Northwest Territories, the matter of health, sanitation and so forth.

So that, Mr. Chairman, completes the remarks that I would like to make on the current financial situation. I would be pleased to answer any questions and perhaps before we go into the clause by clause study of the supplementary appropriations I could also introduce them with a few words of explanation.

THE CHAIRMAN (Mr. Stewart): Thank you.

MR. NICKERSON: Mr. Chairman, I wonder if the Deputy Commissioner could tell us to what extent is the criticism, levelled by Mr. Stewart the other day, valid? I believe his criticism went something along lines like this; that cutbacks had been made -- it is pretty obvious they had to be made -- what has happened? The program money has been cut back but the headquarters staff, and in some cases the staff in the field, has not been cut back so we are still paying out a lot of money in salaries, a lot of money for housing for these people and because of the lack of funds they have not got anything really to do.

Lean Staff Complement

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I do not really believe that is the case, because with regard to the staff we have had to impose a vacancy rate. We have told each department that it may not hire 100 per cent of the people that had been previously authorized. Therefore, in effect, we have reduced the cost of salaries and reduced the money which was spent on staff. I do not think that we are staffed to the level -- in fact, I know we are not staffed to the level where we have people who are available but do not have work to do because there is not program money available for them. Both the Commissioner and myself and other members of the Executive have always operated on the basis of trying to keep the territorial government as lean as possible. We have had many programs transferred to us and we have received, over the years, programs which we should receive which are territorial responsibilities, but we have always tried to keep our staff complement as lean as possible.

When we were in negotiations with the unions, at the negotiation time this April, we actually forced the matter to arbitration rather than go to a higher rate and the increase which the arbitrator awarded certainly was not excessive when it is looked at in the light of other labour agreements which have been reached across the country. I think we fared very well.

MR. NICKERSON: Mr. Chairman, I trust the Honourable Member from Hay River will be well satisfied with that reply. (laughter)

THE CHAIRMAN (Mr. Stewart): You can assume what you please, but I will reserve the right. Mr. Butters.

Operate on 1973-74 Budget.

MR. BUTTERS: Mr. Chairman, I wonder if the Deputy Commissioner would listen to what I have to say and advise me as to whether my judgment is valid here. The statement I make is that it would appear that the territorial administration, during the fiscal year 1975, is going to be required to operate on the same budget as that provided them during the fiscal year 1973-74. When I talk about budget, I talk about what that money will buy. I am not talking about dollars. I am talking about what you can trade those dollars for and I suggest that the information he has provided me suggests that my statement is correct. He said at the present time the administration is \$7 million behind in order to carry out the program. That is this year, \$7 million behind and three months gone. I project that by four, to the end of the fiscal year, four times seven is 28 and \$28 million behind at the end of the fiscal year, and he suggests that while the Ottawa government makes all kinds of encouraging and sympathetic noises, it does not look as though it is going to provide anything in real assistance. In effect, it would appear to me that what we have been asked to do is cut back to a level of services that the people of the North enjoyed, and I put that word in question marks, enjoyed in 1973-74 with a different economic situation.

DEPUTY COMMISSIONER PARKER: To a great extent what Mr. Butters said is true, but I must correct one thing and that is this: When we made our assessment of our financial position for this fiscal year and arrived at a figure of \$7 million plus, as the amount we are short, we had projected cost increases and estimated cost increases for the full fiscal year, so the effect would not be four times that, but it could easily be more than \$7 million. It could be perhaps in the order of \$10 million. However, I would be guessing, but certainly with the reduced spending power of the dollar, I think it is safe to say that we are in about the same position as last year. Certainly no better than last year. In other words, we are operating on about the same dollars, when you speak of real spending power.

Control of Cutbacks

MR. BUTTERS: A supplementary question, Mr. Chairman. In view of the partial acceptance of my statement by the Deputy Commissioner, I wonder if he would advise me if I am correct in believing that cutbacks have taken place, cutbacks are taking place and will take place, and now I am wondering who is it who determines what these cutbacks are, the amount of each cutback that is required, and who develops the priorities or the criteria by which such cutbacks are arrived at. Is it an arbitrary thing? Does the Executive Committee rule on this? Does the finance committee of the territorial Council rule on this? Do we rule on this in committee of the whole? Who makes the decisions regarding cutback criteria and other associated matters?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, thus far the cutbacks have been instituted at the direction of and after study by the Executive Committee and not any further down the level. Of course, until this session we did not have a standing committee on finance to refer to. We would be well-satisfied to discuss the kind of spending restraints that we are imposing with Members of that committee. Thus far it has been an Executive decision. We are not left with many areas in which to reduce spending. We have done a calculation which would indicate that better than 50 per cent of our money is tied up in what we would have to refer to as statutory expenditures, expenditures that are practically impossible to cut.

For instance, the kind of money that is tied up in contracts for water and sewer services throughout the settlements in the Northwest Territories. Those are contractual amounts and they are not the sort of thing that we can cut and, therefore, the areas within which we can manoeuvre are very, very few. We have not over the years gained any substantial amount of "B" level money and, therefore, our programs really have been a continuation of the support of life and limb. Therefore, our cutbacks are in the areas of staff; that is, holding the line on hiring staff, reduced travel and all of the sorts of things that are listed before you.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Butters?

Government as Contractor

MR. BUTTERS: One last question on a point of information. In view of the fact of the number of these cuts and the difficulty of adjusting estimates occurring in capital, either where bids are required from contractors and contractors who usually are outsiders, has the government given any consideration to going into the contracting business itself? This is possibly a form of socialism. I make this statement because Inuvik has in a very minor way suffered from the same problems in the area of capital projects and to bring costs within the line of the municipal budget the town is beginning to act as its own contractor and contracting jobs to the subtrades who live in the territories and leaving the general contracting responsibility, usually picked up by an outside firm, picking that up themselves and I believe that they have to date by using this method been able to construct a city hall, a town hall which they would not have been able to do had they gone to an outside firm's bid. I just wonder if the administration is considering moving in this direction and acting as a general contractor for some of its projects.

Contracting Procedure Best

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we have not moved in this direction in any major way. There have been and will continue to be, I am sure, two or three programs or projects which can be handled in this fashion but, by and large, we feel that our best route is still through the contracting procedure. The savings of a government-run operation may be quite apparent in the first year but in the second year the discipline of putting your work out for bid and having a number of different companies determine the prices is a very good discipline and as the years go by this tends to disappear if government is doing the work itself. We think that there is a real pitfall there. As I say, there are one or two instances where we are and will be doing this but we do not think that it would be a wise thing to move into in total.

MR. BUTTERS: Correction, I did not say to do the work themselves. I said to act as a general over-all contractor and contract services from residents and services in the territories.

Final Decision Made by Interdepartmental Committee

MR. SEARLE: Mr. Chairman, I take it we are still on general comments? I wonder if I could make a couple from having had some experience on the finance committee. Mr. Butters' question, I think, is an important one and I do not think Mr. Parker answered it incorrectly but I think that I would have answered it in a slightly different way. The question was, who decides in the final analysis how much money you have got and hence you know how much you have to cut back. I think to bore into the problem you have to realize that although the finance committee has had an input into what the priorities would be of spending and where they would like to see the money spent and what additional things they would like to do today over what, say, was being done yesterday or in last years budget, called the "B" level items, the final decisions are really made in the interdepartmental committee as to what they feel they can support, i.e., to the Minister who in turn puts it before Treasury Board. But Treasury Board finally come down with what has been called a target sum. Now, that is just a sum of money and it may be and often is millions of dollars short of what we or the finance committee would have had, had we had everything we wanted. So that is really where the crunchy decision is taken.

Then the answer which Mr. Parker gave you is absolutely correct. The Executive then takes that sum of money, they know that is all they are going to get and they have to fit the priorities as indicated by the finance committee, hopefully reflecting the feelings of this Council, they have to fit it into that total sum so that not more than that target figure is spent. But the decision as to what that sum will be, what that targeted sum will be is a decision of Treasury Board and it is because of that, and it is because of the fact that that is where the decision is made, that I have said time and time again that it is not just a simple matter of having a couple of elected Members on your Executive that gives you control. The control ultimately rests with Treasury Board.

Proper Financial Arrangement

You could have Mr. Parker and you could have the Commissioner here elected and you would not have any more control in effect than you have now, because in the final analysis whoever is sitting there is fixed with a certain sum of money that they have to live within and all that the Executive does, all that they do is then fit the budget to live within that total sum. So until the Government of Canada and this Council come up with a proper financial arrangement which gives to this government revenue, as much revenue as this government wants to raise or feels it has to raise, then you are going to have the situation that exists which is that Mr. Parker is continually going to have to say, "We do not have money for that because Treasury Board will not give it to us".

That in the final analysis is where it is all at, it is where the money is. Solve that problem, I say, and everything else will become pretty simple. So, I thought that I would just like to make those few comments because when we think that we are making great headway to have one or two or three or even four or indeed all the Executive Committee elected, that is just playing at the fringes. The final control is in the amount of money you can get.

Reduce Number on Payroll

Now, as Mr. Parker said, you have certain things that you must spend your money on -- people, benefits, and unfortunately when you have cuts, the cuts generally come out of the program money. You know, take the game department, the surveys and studies, the field work that would have been done just is not done and I fear that when this happens that taken to its logical conclusion you could end up with precious little program money, money to spend in the field, and a lot of people sitting around in effect having very little to do because they have not got any money to do it with. There is only one way in the final analysis to be completely honest in this government and that is when you get cuts of program money take the bull by the horns and cut people as well, because unless you cut people as well you slowly see your program money disappearing and yet you are keeping a lot of people on the payroll. That is the toughest thing in the world to do because there is no use having office space and people sitting around with no money to spend in the exercise of the responsibilities.

Government Lacks Incentive Program

The final comment I would like to make is this, that what government lacks is a yardstick or an incentive and it is too bad that you could not do the sort of thing that industry does, which is they define profit centres, they identify managers and they put them on incentive plans. If they meet, say, 90 per cent of the budget they get their salary plus a ten per cent bonus. If they meet the whole budget they get their salary plus 20 per cent. If they exceed profitability they get another percentage and it is built in such a way that if you perform extremely well -- and that is extremely difficult to do in a time of inflation -- you can end up getting as much again, by way of bonus, as your salary. An example of that is the presidents of the large car manufacturing companies have in the past received salaries in the range of, say, \$200,000 a year and have received as much as \$600,000 a year in bonuses for high sales and high profitability. This did not happen last year, by the way, in the car business because the sales were down and so the bonuses disappeared and when they are used to living on \$800,000 a year and they are back to \$200,000 it starts to hurt.

It is too bad that we could not -- and I do not think it is impossible with a little imagination you could have the same incentive program in government but instead of profit reward the guy who cuts down in his expenditures, not in the program money so much as if he can not do the program he should cut down on his people and it is too bad that there is not a way such a man can be rewarded by way of bonus for spending less. The converse, you see, is the case in the federal government, at least. The most highly respected deputy minister is the deputy minister who spends the most money. The deputy minister who gets paid the most in my view should be the deputy minister who spends the least amount of money. That is not the way that government works. Mr. McCallum would be a great Minister of Education if he can double the budget in the next four years, not if he can halve it -- he would be criticized all over the North. That is where the basic problem comes in; government today is spending, you can delete it, 50 per cent of the gross national product and when that starts happening you have nil growth in your country.

MR. PEARSON: Hear, hear!

Incentive Plans for Managers

MR. SEARLE: I think that is basically what is wrong. I do not think that there is any way you can get this country, talking about Canada as a whole, going as long as government spends so much money. If they left the money with the taxpayer to be reinvested so they could employ more people and get the economy going, then there is your answer. But you know, I would suggest to our finance committee that let us be imaginative, let us talk about incentive plans for managers in sensitive expenditure areas. Let us emphasize revenues, like Mr. Nickerson says. In other words, let us do the opposite to what we have heretofore done.

MR. PEARSON: Hear, hear!

MR. SEARLE: You might see some way out of this financial morass which the Commissioner so properly emphasized in his opening address. These are the areas in which you find the answers in my view, incentive plans to cut down expenditures and emphasize the collection of your revenues. You might even find independent sources of revenue which would give us that political impetus that we need. Those are all the general comments that I have.

MR. PEARSON: Well said.

THE CHAIRMAN (Mr. Stewart): Thank you. Have any of you other gentlemen any comments? Mr. Pearson.

Establish Policy and Philosophy

MR. PEARSON: Mr. Chairman, I wholeheartedly endorse the comments of my colleague Mr. Searle, a man who, as I said earlier, headed the finance committee so well for the four years I was on it and it was a pleasure to serve with him, because of the lucid thoughts and the worthwhile ideas and concepts. In my remarks the other day I made reference to the complaint of the Commissioner and his continuous harassment of Ottawa in trying to get more money to do the job, inflation and all the rest of it. As I said then, and I repeat now, I think if there were any more money, I do not think we would be any further out of the dilemma. What this government has to do, after it has got over its initial big explosion of coming into being, its great big bang as it arrived in the Northwest Territories seven or eight years ago, is now to reassess the direction that it has gone, to stop for a minute and think, to hold on to the reins, to establish a policy and philosophy. It needs to be examined. This administration, the direction in which the North is going, needs to be examined and it does now need examining. It should not be examined by itself. It is like asking Mr. Nixon to investigate Watergate. I mean, what is the point? It must have some fresh, outside, unprejudiced, impartial people to look at the direction in which it is going.

I can not for the life of me see myself coming back to this session each year and arguing, scrapping with the people who come to us presenting their budget and saying, "No, you can not have this, man. No, you can not have this, woman. No, you can not have this". It is a ridiculous situation and one which is certainly not benefiting, I do not think, at least has not benefited the people of the Northwest Territories, certainly in the four years I have had the task of trying to work out in my own mind where my responsibilities lie, whether I should argue and continuously harass the administration as I feel I should or as I am led by my own conscience to do.

Turnover of Staff

I asked the question the other day for a summary of the turnover in staff of this administration, of this government over the past year. It was tabled. It is in the Members' books, the pink pages, appropriately coloured; they should have been a deeper shade of red, I think. The turnover in staff of this administration is phenomenal. I think it is partly due, of course, to the disease of our time. In some cases, for the menial work that people can do, it is better to be unemployed, because you get better pay than if you actually work. But when you begin to get into the higher-paid groups of people, the \$12,000 a year bracket, and see the number of people who have turned over in that area of the professional and paraprofessional people -- realizing, of course, that they are not all in Yellowknife, although sometimes we think that every one of them is -- those people in the field who are in some cases spending very little time working for this government, who are shipped in at phenomenal expense, the transportation of one man and his family, an example of which I quoted the other day. I suppose in this particular case, employing people with 12 or 13 children paid off because he will be there for five or six years and at least he has spread himself out. What is the word that I am looking for -- it will come to me in a minute -- amortized. When we are employing these people and importing people from southern Canada with all their children, children taking desks in schools and beds and we having to find beds for them, when we at the same time are not training native people, when we are not training native people to take over those jobs.

In the entire Baffin region this government policy permits there to be 12 apprentices, 12 apprentice positions are all that are allocated to the entire Eastern Arctic. On one occasion when the Commissioner went into Cape Dorset, the people there at the meeting said, "Hey, Commissioner, we would like one of our people in this community to be an apprentice in anything, mechanic, electrician, we do not care what but we have some kids, a couple of hundred drop-outs from school who would like to take on one of these roles". The Commissioner said, "Okay, I will see what I can do for you. I will try to find a position for you". I mean, what kind of operation is this? Surely, the policy of this government, number one has got to be to put native people in those positions, to give them every opportunity, to set up training schools across the North. Look at the money you would save by doing it; it would be a phenomenal saving.

Personnel Policies

Personnel policies need very, very close examination. There was a task force again, an interdepartmental, intergovernmental task force held on personnel last year during the season when the Council is out of session, so we never really got a look at it. Whilst it was in-house I suspect from what I saw that it was rather good, rather far fetched and I think rather well done, far reaching -- far fetched -- and worthwhile. How much of that has been implemented, I do not know, but what I do know now is that the administration plans to develop another department called the Department of Personnel or something like that. Another government department which will have a direct -- or which will have people running around in offices and stenographers writing to each other, I do not know which floor they are going to go on unless there is another floor built on top of the sixth and everybody moves up one. That is what it means -- another department, another bunch of people, another sign on the door, another portfolio. It is another cost and I wonder about it.

I am very concerned about it, but because of my own inability, I suppose and because of the time factor, the speed at which everything seems to be going, continuously moving ahead, we do not get the opportunity to really examine it. We are incapable of doing it. I had asked for a staff to work with us, to work with the Council and that was denied by the Minister. I think a staff to this Council would be a tremendous edge. Research assistants or whatever you want to call them, people who can examine these things and report back to us. We would have our own spies.

Unnecessary Expenditures.

If these contribute to the costs of operating the present machine, transportation costs, waste -- you can go to Frobisher Bay any time you like and I imagine every other region is the same and there is a whole stream of cars lined up outside the W.G. Brown building. They are not all new. Some are a year old! They are just bumper to bumper and hardly ever used and they cost money. They cost a phenomenal amount of money. Just a few months ago whilst I was in Yellowknife, in fact, pleading with the Minister and the administration for a real assessment of the shocking housing conditions in Frobisher Bay and in other centres, large centres of the Northwest Territories, the territorial administration was putting very expensive porches on the fronts of the territorial staff housing -- not territorial -- staff housing in Frobisher Bay -- brand new porches. I admit it was very nice and if I lived in one of those houses I would love to have a porch, but at a time when we are getting down to the bottom of the barrel and the pickings are getting pretty slim, we see blatant examples of dreadful waste -- not waste, but unnecessary expenditures.

The government buildings in Frobisher suddenly receive stainless steel signs, beautiful signs, the W.G. Brown building, we all know it is the W.G. Brown building. It does not have to go up in stainless steel at cost -- I do not know what it was but it was quite phenomenal and those are costs that are real costs. Frobisher is only one community and there are 70-odd communities across the Northwest Territories. We can amplify that 70 times and we will see where some of the money is going, some of the \$159,000,000.

Now, I am completely at a loss, Mr. Chairman, with all due respect to the men who are responsible, the men who have worked in the North for so long, the men who have devoted their time and energy to establishing this government and getting it moving here, but I am at a loss in my own mind as to what direction we are going. As far as I am concerned, from listening to my colleagues, we are not going in the right direction because the people who live here, the original inhabitants and those people who have been here a hell of a long time are not getting a fair shake.

Benefits Not Staying in the North.

We are not getting the benefits of the vast governmental expenditure that is going on. I am sure the majority of the money that is spent in salaries by this government is being spent not in the North, where it could contribute to the economic development of the North, but it is being spent in southern Canada, for example, in education. There are no incentives, as Mr. Searle said, for teachers to stay in the North, none. A teacher can come into the North with his five, six, seven, eight, nine, ten kids, gets his first pay, he stays there for ten months, decides he does not like it and gets his fare paid out. Other teachers who want to stay there and do stay there, stay there for ten years, but they get the same deal. This next coming week we have the mass exodus from Frobisher Bay. They are all escaping. At last they have served their time, they are out, they are on parole, they are escaping, they are going. Sixty-eight families this year are leaving. So, apart from the economic ramifications that this kind of thing has in the outlying settlements when people will not go into a community and stay and make a contribution -- Yellowknife is fortunate as I am sure Fort Smith and Hay River are -- but other than the main central area here it is the same story all across the North. "We are going, our ten months are up." They are marking time and they are gone. They have escaped and left the North a worse place than what they found it. I would hope that this

administration would do something, as Councillor Searle has said, to offer incentives to people heading departments, to people working for the government, people who can save money, to people who head up programs. We have got money. In my opinion there is enough money. Let us check the things we have got. Check the priorities, as Councillor Butters said this morning. The Commissioner requested that we do so. I would like to be involved in it. I think I have said it all before, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Pearson. The Chair recognizes Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, there are just one or two points I would like to make with regard to the comments of the last two speakers. I did say earlier on that one of the major actions that the territorial government was taking was to cut positions and I must underline that. This was to some extent the theme that Mr. Searle carried forward so well and in fact that is what we are doing. We are not hiring the people that we are authorized to. We are holding back in order to conserve funds for true program activities.

Demand for More Government Services

With regard to the over-all spending of government -- and I realize that this is territorial spending and federal spending throughout the country -- I think the territorial residents and Canadians must bear in mind that it is a two-way street. It is hard to know who came first, the chicken or the egg. Is the government offering programs or are the people demanding them? But, whether we like it or not, all Canadians and northerners included are demanding more programs and more government services than ever before. You know, we come and ask for welfare, we always sign up for unemployment insurance. We insist that there be medicare, we insist that there be more benefits and more benefits available under Territorial Hospital Insurance Services. I am not saying that we are any different here than anywhere else in Canada but it is a moot point as to how this works. Is government leading it or are the people demanding it? I think that you must reflect on that a bit. Government is not always going ahead and introducing things. Very often government is simply responding to the needs that people are expressing and the mood of the country is what has to change in order to effect any real help on the total growth of government.

Goals and Objectives Examined

Now, with regard to an examination of the directions in which the territorial government, the territorial administration is going, I agree that it is time for this examination. I also say that it is appropriate that we have within our administration examined our programs, examined our goals and objectives and just recently enunciated new ones. We have identified the programs as we see them and our goals and objectives as we see them and they are there for Council's examination and we would hope that Council will examine them, but I think it is quite proper that we should carry this out ourselves first of all and then subject it to Council.

I think Mr. Pearson mentioned that government should not just itself examine its programs and examine its administration. I agree, but I would caution Members very much about the kind of outside experts that you might bring in to examine it. Frankly, I think that conditions in the North are sufficiently different that the examination must be by people well versed in the North, preferably northern residents. As a matter of fact, this

Council is the proper body to carry out this review and perhaps through committees or whatever, I do not know, I do not presume to give you advice in that area, but I would presume to say be very careful about how investigations or reviews of administration are carried out. I suspect that if a review of the administration was carried out by outside people used to government in the provinces, they would find that the spending levels were not anywhere near up to provincial levels in comparable circumstances.

Training More Northern People

It is true that we have a high staff turnover. As Mr. Pearson has said, this is something that is happening all over the country too and I appreciate him saying that. We agree absolutely 100 per cent with the contention that we should be training more northern people and our problem in a nutshell is this, that life must go on in the meantime. We must continue to maintain equipment, we must continue to ensure that water is delivered and sewage is picked up, we must continue to teach the children and attempt to offer adult education courses because this is what we are charged with and many other things. These things must continue to go on and in the meantime we want to train people, northern residents, to work for the territorial government and to work for the people. But, we have to have additional funds with which to do this. You can not do it by simply saying "Well, we will not hire anyone else, we will just train someone," but that person has to work along with someone else and that is where the problem lies. There is no question but what we agree with a doubling up in some cases to serve an apprenticeship period, so that the person from the South who may not want to spend more than five or so years in the North can train someone to take his or her place. But, I must assure you that this is not a process wherein money can be saved.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Deputy Commissioner. Mr. Butters.

Less Purchasing Power

MR. BUTTERS: I have found the last debate most interesting and some of the suggestions for getting around the problems are very worthwhile to look into. One concern I do have is that our fiscal projection into the future seems to be down; \$5.5 million in the last fiscal year had to be found and although the territorial government ended up in the black in one sense there were \$5.5 million that was not spent. This year it could reach \$10 million that is going to be eaten up or lost and then what happens next year? Are we looking at possibly \$20 million or \$30 million? As I say, we have an increasing population with increasing population needs and these are not demands being made by people on the government, these are real needs of people. Apparently there will be a lot less dollars or a lot less purchasing power with which to buy the goods and services needed to serve the people of the North. I think we are in trouble.

THE CHAIRMAN (Mr. Stewart): Are there other comments of a general nature?

Responsibility of Leading

MR. SEARLE: Mr. Chairman, I would like to just respond to one comment Mr. Parker made. I think he is absolutely right when he says that the public keeps demanding more and more from the government. That is basically why government grows and expenditures grow, but I think that

as political leaders we have the responsibility of leading. I think that we might direct the leadership of this territory towards the people by saying to them honestly that they should not continue to demand services, more and more services from government, that they should not because they pay for it and they can not afford to pay any more and that the direction that the public should be looking at is what are services provided by government that they could best do without, thereby saving tax money and leaving that money with them to spend to build and to reinvest.

Well, I have a few suggestions. Unfortunately, they are not things that this house alone can do. Number 1, why do we all receive \$20 per child family allowance to just have it tacked on our income that we pay income tax on and just circulate money? Number 2, unemployment insurance benefits, why should not an able-bodied person be required to work at whatever is going rather than being able to collect just because his particular job does not have an opening? These are two important areas. You may have been listening recently to the loss to the country of hundreds and hundreds of millions of dollars through labour problems and strikes, the lost productivity that this nation has suffered. Here we are, either the first or the second country in the world with the most labour problems.

Losses Due to Labour Unrest

There are not many who have the problems that we have. It seems to me we have lost or are doing a good job of losing the confidence of the countries who would otherwise and have traditionally bought wheat from us. We get so far behind meeting our commitments internationally because of the strikes all down the road. Surely the Government of Canada, if it is going to put its economy on the road, must come to grips with the strikes in the private sector and the strikes in government and in government particularly. For instance, airport firefighters can walk out on an airport, say, Vancouver, thereby effectively closing down all airlines, all travel, movement of mail and goods, which is ridiculous. If I had my way, I would remove the right to strike from the civil service. I remember when they did not have the right to strike and most people that I talked to accepted those terms of employment and were proud of it. If they did not like it, they could go work outside the government. Now, unless the nation as a whole is prepared to come to grips with the tremendous loss caused by labour unrest, prepared to cut back the social welfare schemes, prepared to stop spending, stop handing out, stop giving away the millions and millions that are just wasted, this country is going to keep going down and down and down, and because we are part of it we are right in there, lads. I see nothing wrong with this Council, for instance, suggesting to the people of Canada, to the Government of Canada to cut back on these programs, cut back on family allowances and put an end to it. Cut back on unemployment insurance, come to grips with the labour problems and labour unrest, remove the right to strike from the civil servants who are particularly in essential service areas...

MR. PEARSON: Hear, hear!

MR. SEARLE: ... where the public has no choice. You can not go and use another airport, you can not use another mailman, you have no choice, you can not use a different mail service. If you have got only one radio channel, the CBC, and they have a strike, you can not use another channel, there is not any, etc. Let us come to grips with these things. It is easy enough. The political leaders of this country have to start leading and have to start saying to the public, "No, you can not afford it and we would prefer to leave the money with you. We are not going to tax you any more and we are not going to provide you with additional services. Get off your butts and start earning again".

--- Applause

MR. PEARSON: Hear, hear! That is very inspiring.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Searle. Mr. Barnaby?

Community Responsibility

MR. BARNABY: I think the government and the people out in the settlements have two different ideas of the way that money should be spent. There are a lot of areas that people do not want a program going and still it is put in and carried on. I think it is good for a community to work as a community and do things for each other. That is why I always mention the responsibility should fall on everybody to look after a problem and if it is social, it should not be just a welfare worker, it should be everybody in the community.

I am going back to the control again. I think if you put the control with the local people you will end up spending less and doing good all around. A lot of programs have had destructive effects on the people, have broken them apart. Things seem to be in a mess, anyway. That is what I keep hearing at this meeting. What I want to know is, are we going to do something about it and get maybe a committee together or something to look at the whole thing and see where some changes could be made?

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Barnaby. Any other comments of a general nature? Mr. Steen?

Staff Working for Council

MR. STEEN: Mr. Chairman, thank you. First of all, I want to make it very short, what I have to say. What I have to say is that I wholeheartedly agree with Mr. Searle, especially his first speech on resources pertaining to the administration. I think he hit the nail on the head when he said we have to have resources if we are to run the country and have a share. The other speaker, Mr. Pearson, the Honourable Member from Frobisher Bay, I would like to say that the idea of staff working for this Council is a very good one and I hope that we can come up with a staff. It will not only help this Council as a whole, but also help the committees that we set up today to look into revenue sharing and it will work in many ways for the betterment of the people we represent. That is all I had to say.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Steen. Mr. Lyall?

MR. LYALL: Mr. Chairman, I agree wholeheartedly with what Mr. Searle has said in his first speech but his last comment on taking away the welfare, family allowances and such from the people, I think if you take that away from most of the people in the High Arctic, you will have to shoot half of them.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Nickerson?

Control of Local Programs

MR. NICKERSON: I would like to raise my voice to agree very much with Mr. Barnaby. I think a good deal of money could be saved by giving control of local programs to people in the settlements. Let us take, for instance, policing. At present if we want police in a settlement it is necessary to send in one or probably two RCMP officers, build them a house, build them an office, pay them very well indeed. Probably their education in police matters is not really required in that one settlement. It would probably be easier to let people look after their own police matters, hire a local constable and you would not have to buy him a house. Maybe you could pay him on a part time basis.

Similarly, with respect to welfare payments and that type of thing, in the case of smaller settlements in particular the people there know who is on welfare, they know which people are capable of working, what they are capable of doing. If the administration of welfare funds and social assistance funds was given to the local people instead of being administered by people in Yellowknife or the regions and agents sent out there just to do this one particular thing -- generally very highly paid people, and again we have to provide houses for them -- if administration of these things were given to the local people, I am sure we could cut down costs drastically.

MR. PEARSON: Hear, hear!

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Nickerson. Are there any other general comments? Mr. Commissioner?

THE COMMISSIONER: Mr. Chairman, it again gets back to the point of instead of talking philosophy, talk realities. Tell us what you want. Tell us so we can reach some conformity of agreement and then we will make every effort to accommodate the position. If we can not, we will tell you why.

Policing the N.W.T.

In the case of the police, that was one that was mentioned and that is a federal matter. Policing in the Northwest Territories is under the direction of the federal government and the Attorney General of the Northwest Territories, Mr. Lang. We pay now, I think, about 47 per cent of the cost of it, but we do not direct the officers. This Council -- not this one, but the previous Council -- suggested that we should set up a territorial police force and the RCMP suggested that perhaps the best answer was an auxiliary police force which is the same type of system used in a lot of municipalities in the South where the RCMP have the responsibility and what that is, is evenings, rush hour, weekend support. In other words, anybody here could volunteer, take training and spend a couple of hours a night, he gets a uniform -- not the red one, but the other kind, and this is his job.

Council Must Reach Consensus

You know, it is all very well to nail people's hides to the wall, but the greatest thing in the world for the administration would be if this Council sat 12 months of the year, 365 days and the Executive could sit back here with a bunch of cards and every question that comes up we could say, "What do you think? Do you agree or do you not agree?" And if you agree you flash a green card and if you do not agree, you flash a red card and then we add them up and say, "This is what we are going to do". When criticism comes, we would say, "Ask those fellows there". I think we are not -- we do not want to march in opposition to the Council, but you have got to do more than talk. You have got to reach consensus and as I said to you the other day with regard to alcohol, if you want the price of alcohol to be the same as what it would be if they charged the landed rate rather than the rate that is charged at the cheapest place, which is Hay River, then move a motion and we will do it. If you want to put a freeze on hiring or if you want to move a motion that says, "As of 1976, April 1st, there will be no increase in positions," move a motion and we will do it, but then you will stand alone taking the criticism, taking the pressure from the general public and from the communities when they say, "Why in the hell have we not got more teachers? Why in the hell have we not got people doing this?"

I do not disagree with you, but it takes more than just words to make it a reality. If this Council does nothing else the first year, as I said this morning, but set up what its priorities are, then we will do nothing else but see that we live up to those priorities, providing it is within our terms of reference and within our jurisdiction to do it, but if it is something that is completely a federal responsibility, we can not respond to it.

THE CHAIRMAN (Mr. Stewart): Thank you. Any other comments of a general nature? I note the time is 4:00 o'clock. Shall we recess for coffee?

--- Agreed

--- SHORT RECESS

THE CHAIRMAN (Mr. Stewart): Will the committee come back to order, please? The Chair recognizes a quorum.

Students from Southern Universities

MR. PEARSON: Mr. Chairman, just as a supplementary sort of comment to what I made earlier about the availability of jobs to northerners, there was something that I think I should bring to the attention of my colleagues, although I imagine that they are already familiar with the dilemma and with the phenomenon that takes place every year at this time when the southern universities let out their students who descend on the North like black locusts, at least in the Eastern Arctic, taking jobs away particularly from northern students. The biggest offender I suppose at this would be the federal Department of Transport who seem to delight in employing young Canadian students, which I suppose is good, but at the expense of the northern students and at the expense of northern people, particularly in Frobisher. I do not know if it occurs anywhere else. I expect with the Ministry of Transport it does and this is a damn shame. I have voiced this view before and I wonder if the administration has ever brought this to the attention of the Ministry of Transport or whether in fact we as a body should in fact do that officially and inform whoever is responsible that if they do have jobs in the summer that they should be first given to northern students and not to the sons of, and cousins and nephews of, senior government officials in that particular department or other fancy federal government agencies.

THE CHAIRMAN (Mr. Stewart): Would you care to respond to that, Mr. Deputy Commissioner?

DEPUTY COMMISSIONER PARKER: I think this is something that we could well draw to the attention of the newly formed unit for the hiring of northerners into government jobs, which is now headed by a former senior employee of the territorial government, Mr. Terry Forth. I would be glad to draw this to his attention.

I suppose that part of the answer will lie in the relative training levels and perhaps -- I am just anticipating that perhaps some of the answers that will come from different federal departments are that they are seeking people with a certain amount of training. I do not know, but I would like to refer this to that group.

MR. PEARSON: Mr. Chairman, without prolonging it, that is not the case. The people I am talking about are employed at incredible salaries to simply pick up loose paper that happens to blow on or off their runways or wash windows in buildings that have not been used for 20 years, I mean that kind of work. They drive around on the back of a garbage truck all day.

I wonder, Mr. Chairman, if we could not now go sort of blow by blow, page by page through these supplementary appropriations?

THE CHAIRMAN (Mr. Stewart): I am here at the pleasure of this committee. If this is what you would like to do at this time I am quite prepared to do so. Mr. Butters.

MR. BUTTERS: Mr. Chairman, before we leave what has been a very valuable discussion, I would like to make a motion, or if it is not in keeping at this time, I could withhold it until the completion of the supplementary estimate discussion, but I would like to make a motion relative to some of the discussion that has gone before us, especially regarding the determination of priorities of this Council in the future.

THE CHAIRMAN (Mr. Stewart): I have no objection to taking it now.

Motion to Examine Directions, Priorities and Objectives.

MR. BUTTERS: Mr. Chairman, the motion is: "I move that should Council decide to hold a session in November 1975, that the main agenda item under consideration during the 57th session be an examination of the directions, priorities and objectives of this, the 8th Council of the Northwest Territories in relation to the directions, priorities and objectives contained in the "Decade of Development" statement by the former Minister of Indian Affairs and Northern Development, the Honourable Jean Chrétien, as presented to the federal standing committee on Indian Affairs and Northern Development in 1972".

THE CHAIRMAN (Mr. Stewart): We have a motion on the floor. It has occurred to me, Mr. Butters, that possibly this matter should be discussed in caucus. There may be a desire on behalf of this Council to ask for an extra meeting to deal specifically with this subject because it is so broad and so extensive that maybe this would be better dealt with after we have had a chance to caucus, but I will take it and put it to a vote now if this is your desire.

Motion Withdrawn.

MR. BUTTERS: Mr. Chairman, your advice is most valuable and I acknowledge it. However, I do not ask that this be voted upon now, but if I do withdraw it I would like to have some assurance that I would have an opportunity to move it at another date. Possibly it should be moved by formal motion if the Members so wish. So on that basis I will withdraw the motion at this time.

THE CHAIRMAN (Mr. Stewart): Thank you. Are we ready to go clause by clause? I am not sure how Mr. Pearson spells "clause" in this particular case. We have two points that we can start from. We can start from the recaps on pages 1 and 2 or we can go directly into the clauses on page 3. What is this committee's direction?

Transfers Between Departments.

DEPUTY COMMISSIONER PARKER: If I could just explain at the outset here, and I will be very brief, the supplementary appropriations that are before this committee today and have been studied by the standing committee Members are mostly transfers between departments to recognize the reorganized structure of the territorial administration. I believe that I explained this in standing committee and will not repeat it here unless this is necessary. Therefore it may be noted on page 1 that the net effect of voting operation and maintenance money is to increase the vote by \$165,400. Even though there are some very major sums shown under supplementary appropriations, these are merely transfers to recognize the new structure. Under capital we are asking that certain funds which were held back last year, because of either slow deliveries or prices that were beyond our control or beyond our acceptance, we are asking that certain funds be revoted so that projects delayed last year may be completed this year. These supplementary appropriations do not represent any new money that has been infused into the budget.

With that, Mr. Chairman, I would recommend to you that we commence on page number 3 with executive offices, activity 1010.

MR. BUTTERS: A question on a general matter. In view of the information provided by the Deputy Commissioner in the earlier discussion on finances, that \$7 million has been kept from or lost to the various government departments during this fiscal year, I wonder if he could give us the rundown of each of the departments and the reductions that have occurred in, say, Local Government, in both operations and maintenance and capital so that we can get some idea of the areas that have been cut, the capital items that have been cut.

Reductions in Programs.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, with regard to operation and maintenance, the only direct cut that has been made is that we are insisting that our directors hold to a certain vacancy level. That is, that they do not hire as many people as has been authorized. That is the only direct thing. Otherwise, we are simply attempting to operate with the constraints that I have outlined to you previously.

In the capital program we have held back on the construction of -- I stand to be corrected, it is either three or four garage trade shops to the extent of approximately \$270,000. We are not in a position to proceed with the same level of spending on school construction at Gjoa Haven and we are holding back \$1 million in that area.

We are still examining with the Housing Corporation the possibility of holding back \$500,000 there. That will depend very much upon the availability of the matching money from Central Mortgage and Housing. I can not give a final figure on that at the present time.

We have also been faced with a number of items which have been raised to us as matters of very grave necessity but which were not in our budget. I refer particularly to the municipalities of Yellowknife, Hay River and Inuvik for water, sewer and land fill projects and in each case we have had to refuse those projects for this year, but with different levels of commitment for next year. In other words, we are doing our level best to get the money for them for next year.

Executive, O and M - Activity 1010, Executive Offices

THE CHAIRMAN (Mr. Stewart): Thank you. I direct the committee's attention to page 3, program Executive, operation and maintenance. Executive offices, activity 1010. Agreed?

--- Agreed

O and M - Activity 1015, Clerk of the Council

THE CHAIRMAN (Mr. Stewart): Activity 1015?

--- Agreed

O and M - Activity 1026, Emergency Measures

Emergency measures, 1026.

--- Agreed

Executive Secretariat, O and M - Activity 1221, Financial Co-ordination and Program Analysis

Page four, financial co-ordination and program analysis, 1221.

MR. PEARSON: Could we get a brief explanation, please?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the financial co-ordination and program analysis unit has been transferred from what was formerly the Executive Secretariat into the Department of Finance. It represents no change in members or any new money.

--- Agreed

O and M - Activity 1223, Science Division

THE CHAIRMAN (Mr. Stewart): Science division, 1223.

MR. BUTTERS: Relative to the science division item and the passage at the January session of a Northwest Territories Science Advisory Board Ordinance, I was just wondering in view of the fact that I believe the Science Council of Canada has agreed to provide seed funding for that board, whether the territorial administration has been able to make any progress and take any steps toward developing the names of individuals who might serve on the board, for consideration by Council Members.

Progress on Science Council

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Mr. Elkin has placed before me a substantial amount of information on the work that his unit has done in this regard in proposing people for a Science Council and the fault that it has not moved farther is mine, because with the Council session and so forth I simply have not had a chance to deal with it. There is a substantial amount of work done in this area and I would think that by the fall at least we will be able to give a full and interesting report to Council.

MR. BUTTERS: Thank you. I am glad that progress has been made on this matter.

THE CHAIRMAN (Mr. Stewart): Activity 1223, agreed?

--- Agreed

O and M - Activity 1225, Personnel Policy and Planning

Personnel policy and planning, 1225. This is again a transfer.

--- Agreed

MR. BUTTERS: Mr. Chairman, just to get an indication of the Personnel Task Force recommendations that are being implemented. Are those recommendations being carried out along the lines suggested by task force members?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman, in so far as we are able to finance them.

MR. BUTTERS: Especially the recommendation with regard to the development of training positions, I hope the training positions have not been the victim of the recent cuts suffered by the administration.

DEPUTY COMMISSIONER PARKER: That is about the only thing that was relatively new that was left in. We lost a substantial number of training positions but whatever ones we developed are there.

Personnel, O and M - Activity 1401, Directorate

THE CHAIRMAN (Mr. Stewart): Page 5, directorate, 1401, an initial sum of money in the sum of \$42,000. Agreed?

--- Agreed

O and M - Activity 1425, Policy and Planning

Policy and planning, 1425, additional money, \$231,000.

MR. PEARSON: Mr. Chairman, the other day we discussed this in committee but in keeping with the views that I expressed earlier today and the comments we have heard the last few days, I wonder about the virtue and the practicality of establishing another government department. At that time, I agreed with it, but I am not completely convinced in my mind that this is a wise move. This government has floundered around without such a policy, without such a department for the last couple of years. I understand that there was a department at one time, but I somehow think perhaps it might be to our advantage if the various departments responsible for seeking an employee would not be better off because in most cases they are specialized, if the people who do the recruiting are in fact specialists in the field themselves. For example, the department of whatever they call themselves -- engineers -- Public Works, planned to maintain their own personnel officer, it seems to me perhaps maybe it would be more advantageous if the Department of Public Works were looking for a carpenter, it would be much easier for them to employ a carpenter without having to go through the whole rigamarole of civil servants who suddenly become members of this new department, each vying for a bigger chunk of the budget, each looking for a bigger desk for his office, looking for a stenographer, building again another government department. I am not absolutely sure in my mind that this is the most sensible approach and therefore, I am somewhat reluctant to approve of this particular item.

Centralized Personnel Function Needed

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we had a department of personnel when we first moved up here for the first couple of years. We took it apart because we thought there was a possibility of a better operation having a policy arm reporting to the Executive and an operational section reporting through the treasurer. However, we have found that this is not satisfactory, that in fact we require more control, that we are engaged now in negotiations with employee bargaining units which have to be very, very serious and conducted by experts. When we first moved up here, you will recall that these bargaining units simply did not exist. We think that these are sufficient reasons for having a good strong personnel unit which will, of course, include a training unit to bring along new employees and to hire northern people. We would simply achieve what Mr. Pearson has spoken against if we were to have a personnel unit carrying out all of the personnel functions in each department. That is absolutely unnecessary and a centralized function is the sort of thing that we need. There is a very strong requirement to have very top-level control over personnel functions under one head.

MR. PEARSON: But, Mr. Chairman, how have you survived then the last few years if such is the case? You have not had a personnel department.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, it is obviously not completely black or white. Just because you drive on a country road does not mean you get stuck all the time, but it might not be quite as good as a highway and that is what we have found out in this circumstance. We were getting along all right. The function was being served but not as well as we think it can be served by having a centralized personnel function. We do not have to add any people except a director and secretary to make this unit work. All the other parts of it exist; it was just that they were unnecessarily spread around.

MR. PEARSON: I go back to my original statement that I am not absolutely clear in my own mind as to what direction this should take and I do not know if the analogy of a country road and a highway is valid inasmuch as you can still get there and without the further development of another bureaucracy, another staff, another sign on the door.

DEPUTY COMMISSIONER PARKER: We will delete the sign.

THE CHAIRMAN (Mr. Stewart): I wonder if I could ask one question. If indeed personnel are available or will become available from other departments, why then is almost a quarter of a million dollars required to set up this department?

DEPUTY COMMISSIONER PARKER: This is not new money. This is simply a transfer. The only new money is \$42,000.

MR. PEARSON: That is this year.

THE CHAIRMAN (Mr. Stewart): I am sorry.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I see a problem here in wording. We have put the word "new" after "personnel" and that can be misleading. It means it is a new department, but not new money. Elsewhere in the supplementaries we have also used the word "new" to refer to new money and I see the confusion. I am sorry.

THE CHAIRMAN (Mr. Stewart): Thank you.

MR. PEARSON: What I fear may happen, is you know it looks pretty innocent sitting there, \$42,000 and only three zeros after all and we will approve this. Next year we will sit down and go through the same thing and it will be a whopping great sum of money to which we will all scream and pull our hair out and rant and rave and be accused of trying to block things that we approved of the previous year, as this department grows and its tentacles reach out into every last corner of the North with little offices springing up here and there. That is my concern.

Explanation of Structure

THE COMMISSIONER: Mr. Chairman, I think that that is a good concern and it will be up to us to see that we do not do that, and it will be up to you to check us and make sure we do not do it. I think we should take the two of them on while we are at it, this and the one following, the Natural and Cultural Affairs. Obviously this one is one you will want to examine too, but what happened as a result in both these cases under the structure that we were operating during the last Council, we had a system where the Deputy Commissioner in a sense had the role of Chief Executive Officer and, as I have said, this was my decision and not his, I would spend most of my time out on the road. We had two Assistant Commissioners, Mr. Hancock and Mr. Cotterill, under the Programs and Services. Programs were Local Government, Education, Economic Development, your old friend, and Social Development. On the service side we had the Administration, Public Services, public safety and the regional offices and then we had this sort of misnomer called Executive Secretariat. This has been the structure that we had built and we found that there was a split function in the case of personnel. Half of it was in this Secretariat that we had. That sort of covered everything and half of it was in Administration and it kept conflicting, getting in each other's way because one half of the personnel was supposed to look after recruiting and the other half of personnel was supposed to look after policing, enforcing the contract, negotiating the contract, looking after category revisions, pay rates and things like this.

Suggestions by Dr. Mace Coffey

When the Minister said "I accept the recommendations of Council", and took it to cabinet and they approved the two Members of Council, then he said "You are to put two of them, those two in charge of a department". That changed the whole thing and that is why Dr. Mace Coffey was asked to help us. Dr. Mace Coffey said we would have to have an Executive along these lines if we are going to be able, in his opinion, to respond to the new structure, the new input, the new Executive and two of them were immediately, two of the biggest were immediately culled out, certainly the biggest money-spenders, Education, Social Development, and assigned to these two people. He said, "Now what is wrong with your structure is that you do not have any person responsible for controlling the funds of the territorial government". He said "Neither do you have anybody responsible for the legislation". He pointed out to us that all provincial governments, every one of them, are organized on this basis, that their new policies and programs are always introduced through legislation. He pointed out that the budget is in the provincial houses and in the federal house a much tighter, less-to-attack type of budget than what ours is. In other words, it is tightened right up and you try to find any expenditures in there, you try to find out what Joe Blow's salary is and you can not. He said, "I think you should use their format -- use their system but keep your format of showing your budget. I think yours is a much better thing". He said, "What you need is a comptroller and if you are going to have a comptroller, assuming you agree with me on it, these are the departments he needs to have to make that office of comptroller function. (1) He needs to have a strong finance department". That is Mr. Holden's job. We call him the territorial treasurer, but he takes all responsibilities for finance.

"Then," he said, "you have to have a man responsible for personnel because that is a big amount of finance, a big amount of your staff, a big turnover, all of these things". And he said, "You should join them together". So on the basis of that we did join it together and he said, "The next thing you should have is this Executive Secretariat business, what is happening is a lot of your finance responsibilities are in there". If you remember that was the group that used to put together the program forecast and the estimate review. That has now been transferred to the Department of Finance. He said, "What they should do is work on new programs and research and audit", but over and above that they should also take on the responsibility of finding out what is happening to the investment, to the money that Council is voting, what you would call, for want of another word I suppose, an operational analysis. This is one of the things we have to have. Although we had wanted to have it we were not able to do it. "So", he said, "that is where planning comes in". Then he also said he should take on the Economic Development because that is where your revenues will be as well as in the Department of Finance. There should be revenues in this. So all of this is placed under Mr. Parker in line with recommendations that Dr. Coffey laid out.

As to the other one, he pointed out that Local Government and the Department of Public Works have a joint role in the communities. They were in two different commands under the old system, one under program and one under services. He said, "You should bring these together". There were a number of activities such as museums, libraries, recreation. He said, "Those would fit nicely together in a department", and then there was the game department. Game did not want to be in Economic Development and I think it was generally conceded that they should go somewhere else, but game made a study themselves and really could not justify setting up a special department just for game. So as a result, it was decided that

as game really affects people, and mostly native people, if we are going to go more on the resource side for the people rather than the tourist side, then he said they would fit there together. I concede "Natural and Cultural Affairs" is kind of a funny name. If you can think of a better one I am sure everybody would welcome it but this was the reason and this was Dr. Coffey's concept.

Then you would have these four members of the Executive responsible for this new structure functioning and reporting to me as Commissioner and chairman of the Executive Committee. And he saw in this structure that the same people would have a finance committee and the same people would have a legislation committee. So, if there is any manner of legislation now and we wish any information, we do not go to Mr. Remnant or Mr. Slaven, we go directly to Mr. Cotterill who is responsible for the Executive Committee for looking after and ensuring the various steps of the legislation. If we want anything on finance, we do not go to Mr. Holden or Mr. Elkin, we go directly to Mr. Parker. I concede that we only got on the system on May 1st so we have only had less than six weeks operation but I think it is going to work.

THE CHAIRMAN (Mr. Stewart): Mr. Commissioner, I trust you realize that the Chair has been very lenient with you inasmuch as we were dealing with activity 1454, but your contribution is welcome.

THE COMMISSIONER: Thank you very much, you are much more lenient than the chap who used to be up there.

THE CHAIRMAN (Mr. Stewart): I would agree with that, sir.

Personnel services, activity 1454, committee's direction, please?

MR. PEARSON: Mr. Chairman, it is always very difficult to follow the Commissioner. He is a hard act to follow. I sometimes get the feeling sitting here year after year that it is somewhat like Paris where the fashions change every year, that in the whims of the people who run the business this year it is not fashionable anymore. I have heard similar expressions of dissatisfaction with the structure that the government has set up and so they have changed and they keep changing and I suppose this is part of the thing, the continuous evolution of government, it just gets bigger and bigger. It does not seem to change, it just gets bigger. I do not know, at least we have the Commissioner's assurance as a gentleman and a scholar that next year when this time comes around that this department will not grow, we will never see any new money in it other than ongoing expenses. I understand him to have said that.

THE COMMISSIONER: I did not say that.

MR. PEARSON: Maybe my hearing aid is not working.

MR. COMMISSIONER: You have it off. I did not say that. I said we had no intention once this is passed to increase it this year, but I would be misleading you if I said that it would have exactly the same next year because we have to go through negotiations next year and we have to put it under something so this is where it comes in as it may increase between five to ten per cent.

Activity 1454, Personnel Services, Agreed

THE CHAIRMAN (Mr. Stewart): Activity 1454, are we agreed?

--- Agreed

Natural and Cultural Affairs, O and M - Activity 1501, Directorate

Page 6, directorate, 1501. Supplementary estimate in the amount of \$36,000. Agreed?

MR. BUTTERS: Mr. Chairman, is this a good place to discuss the concept underlying the amalgamation of these two responsibilities? Is this the best place to do that?

THE COMMISSIONER: I would think so, yes.

Nucleus of Two Important Departments

MR. BUTTERS: On the understanding that it is, I appreciate the administrative difficulties that the administration has in grouping its programs to gain the most efficiency, but this department has become in my eyes a catchall department, a hodge-podge department and while I think it contains the nucleus of two important departments, one being in this area of cultural and recreation activities and the other in fish and wildlife services, and most particularly in the fish and wildlife services or the former game management responsibility. Game is the only resource this Council at present administers and hopefully as has been frequently suggested we will increasingly see more and more provincial-type responsibilities in this area of renewable resources turned over to us. I would hope that these departments could be separated, even now, even though they might be smaller departments to differentiate between the different responsibilities each have and to permit them to build as units rather than an amalgam. I just wonder is there any way that we can insure that if we accept this at some later date these two directions can be separated and grow into some kind of adulthood?

Expense Not Justified

DEPUTY COMMISSIONER PARKER: Mr. Chairman, it is for the very reasons that some Members have outlined that we have one unit here instead of two. We very well could have come up with two that would have made sense but we can not justify that kind of expense, that kind of administrative expense and executive expense at this time, but the possibility exists with the direction of Council that these two units, which are to some extent dissimilar but are still both very much people-oriented programs, the possibility exists in the future of them going their separate ways but that will come with Council's direction and with development in these particular areas. We do not think that that time is right now.

THE CHAIRMAN (Mr. Stewart): Thank you. Further discussion? I would point out to this committee that this was the section that the finance committee could not agree on and brought back a report which was set aside for discussion by the committee of the whole.

MR. PEARSON: Mr. Chairman, again I am concerned with this one. I just can not get it clear in my mind exactly what the intent is or how this administration plans to establish this department. It is all very strange and complicated. I just do not know what we should do, whether we should set this one aside so we can personally give it some thought and have some further discussions with the Deputy Commissioner on it. I think it does have a lot of significance but I just can not fathom in my own mind what they are up to.

THE CHAIRMAN (Mr. Stewart): Mr. Commissioner?

Three Programs

THE COMMISSIONER: Mr. Chairman, we are really not up to anything. The Council has voted at various times on three programs. The recreation one was started in 1964, the library was started in 1966 and the museum in 1973 but they were in different places. The museum was in this Executive Secretariat which was the catchall then, the recreation was in Local Government and so was the library and they had been chucked into Local Government years back because we did not have anywhere else to put them. They were in a department at that time which was called "Territorial Secretary". That was set up in 1967 but it did not make sense any more by the time we had reached 1971 so we did away with it and we had those two responsibilities and so we put them into Local Government because we did not know where else to put them.

But now we had something that was people oriented, people programs, things that touched the people, all of them and so what Dr. Coffey said was, "I make the following observation based on this overview. I do not believe it is clear either to the personnel of game or to the administration exactly what the role or function of this division is. I recommend that this first be established, especially with respect to economic exploitation versus preservation of wildlife, a likely direction the game committee will impose". This is the advisory committee on game he is talking about. "Once it is established, a better structure can be set up ..." And he goes on to say: "I suggest that there might be merit in splitting off this unit from Economic Development so that the image of the group is associated less with economic exploitation and more with conservation".

This, I think is more in line with your thinking, Mr. Pearson: "... linked to the northern way of life, especially with preserving the environment for the northerner, especially for the native. In some respects this might be considered as a restraint on the activities of the Economic Development department. In this report it is recommended that the head of game be one of the Commissioner's advisers as such, who would be involved in the Commissioner's review involving this area, so that there would be guaranteed input to the decision-making process on the part of the department. If a decision is made to develop a native affairs and northern cultural department, this might be a logical place for a game unit where it could function linked with the game committee. The final organizational structure which is presented should be reviewed for minor changes if the decision is made against setting up immediately a new department, since it appears to me that certain portions of the plan are predicated on that assumption. There might be merit in including the Northwest Territories historic program if a decision is made to create a new department for native affairs and to create a new department for native affairs and game. It would seem at the present time to merit very serious consideration."

Cultural Affairs

So, the late Dr. Coffey foresaw the setting up of this and putting these together and adding one additional responsibility. That was the one called cultural affairs. As we interpret cultural affairs at the moment, that is where the money would be voted that goes for the northern games. At the moment it comes out of a miscellaneous fund, but that is where that would be, plus the southern games which are being established this

year for the people of the South, for traditional games. This is the idea of Dr. Coffey of putting it all together. At the moment all we are recommending here new is the \$36,000 to get it set up and the rest of it is the same as the others. They have already been voted. I can assure Mr. Butters that we would be prepared to build on it, to adjust it, to change it to reflect whatever the direction of this Council wishes.

MR. BUTTERS: Mr. Chairman, in listening to the Commissioner read from the remarks of the late Dr. Coffey, I hear coming into the recommendation a number of references to a game committee and the relation of this game committee to the administration of the department. I am wondering two things; whether this Council has established a game committee or whether this is a subcommittee of this Council he is referring to, or whether this is some committee outside of this Council and that in effect we have given away, or delegated the responsibility for game to another body which is not a body elected by the people of the territories. If this is the case, I would be interested in knowing the membership of this game committee or game advisory council or whatever it is that the Commissioner is referring to in the remarks that he just quoted.

Game Advisory Committee

THE COMMISSIONER: Mr. Chairman, the thinking is that it would be advisory. There are a number of advisory boards certainly in the communities. Education is an advisory board. The thinking here is that it would be an advisory board made up of six people from the native people and two, one from, I believe the Northwest Territories Tourist Association, and the other from the Big Game Hunters' Association. If this Council, when they consider the Game Ordinance, revisions to the Game Ordinance, wish to make it a council that has responsibilities by law, we would have no objection. That is up to Council to decide. Then, if Council wishes to appoint it as Commissioner in Council or by recommendation to the Commissioner, it is certainly acceptable to the administration, but it was a start. It came about as a result of requests that we received and we decided the native people in particular felt they had no input and they had been pressing for it through their regional game associations or regional hunters' and trappers' associations. It is strictly advisory as we see it at the moment and it is up to Council whichever way they want it to go.

THE CHAIRMAN (Mr. Stewart): We have a suggestion from Mr. Pearson that he would like to set this matter aside for further study. I have heard no other voice supporting this. Mr. Butters?

MR. BUTTERS: Just to say that I did not -- the Commissioner did not advise the names of the present members of the advisory committee.

THE COMMISSIONER: It is not set up yet.

MR. BUTTERS: The other thing was that I am surprised the native people do not feel they have input on this Council. Looking around me, I see more native people than persons you might call outsiders.

Natural and Cultural Affairs Department

MR. STEEN: Mr. Chairman, I feel that I should support this Natural and Cultural Affairs, but I think the people in the North have been trying to get on a board of this kind for some time, but I am not too clear on

what other -- from what department is this coming out of. I am wondering if the department is breaking up the departments that they had before it and creating new ones. For instance, I kind of think that the Department of Personnel is the department to keep the people, to keep the employees from fighting over money for each department, so perhaps the Department of Personnel must be set up for determining -- keeping the people on the right track. Nevertheless, I sort of think I support Natural and Cultural Affairs.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Ernerk.

MR. ERNERK: Mr. Chairman, I have been thinking about this very carefully this afternoon. I think if the territorial administration is to operate properly and successfully, we need to get closer to the people. Departments of this type alone I think would be good, at least in my opinion. In other words, you will not have to go through a department which is involved with so many other little branches including, let us say, tourism, including development and so on. I think when you get right down to it, this department alone could deal with the communities and with the new game council that is being set up to look into the needs of the native people in the Northwest Territories. So, what I am getting at, Mr. Chairman, is that I would tend to support this idea since the game, fish and wildlife here is so important in the communities. If I could go back to Baker Lake for a moment, I think I know what I would get, or where I could get the information from concerning my wishes, my needs in the communities, so I think this department, once it is set up, would help, would get the support of the communities in the Northwest Territories.

MR. LYALL: Mr. Chairman ...

THE CHAIRMAN (Mr. Stewart): Just one moment, Mr. Lyall, and I will recognize you. I want to make sure this committee fully understands what we are talking about in this new suggested Department of Natural and Cultural Affairs. Basically, on activity 1501, that section we are dealing with right now, if that is approved, we are in effect approving the combination of recreation, library services and wildlife services as a unit. Just as long as everybody understands that. I want to make sure as this is an important point to the people.

MR. ERNERK: I thought we were talking about the main principle of the department itself. I am sorry if I led you to something else.

THE CHAIRMAN (Mr. Stewart): You are quite in order, but it is just basically when we are discussing this particular vote, 1501, we are agreeing in principle that this new department be formed that includes recreation, library services and wildlife. Now, Mr. Lyall.

Recreation, Library Services and Wildlife

MR. LYALL: Mr. Chairman, I would just like to say that when you put these three things together, recreation, library services and wildlife, I am in agreement with putting them together, but I do not like to have to go to wildlife services and be directed from that to library services. It would be kind of funny having other departments in there together doing that all the time. If you have been on a settlement council, you know you want to go from one department and they direct you to another one and you find yourself going to about ten. The thing is, this wildlife services is new. I think by forming this, unless we go directly to hunters' and trappers' associations before you form this, and get full

direction from them, if you do not, then you are going to be going against their wishes when you come here to discuss matters that they might take a loss on or whatever. So, in principle, I would be agreeable to putting this under the Natural and Cultural Affairs because of the fact that I am -- because of the nature of the title more likely, that is why I would like to see it come together.

Establishment of Department.

THE COMMISSIONER: My apologies, Mr. Chairman, and Members of Council. I should have described how it would look as an establishment. It would be the director and on this side would be the game or wildlife, fish and wildlife, with a very senior man in charge of it reporting to the director and then on the other side would be the cultural things, cultural affairs, libraries and recreation, museums. So that the game people would report directly to the director and would not have to go through the library or museums, but they would all be under the one director.

THE CHAIRMAN (Mr. Stewart): There is one observation I would like to make and I am sure that the administration will probably be looking at it too. I would assume because the wildlife services in the budget has a great deal more money and is the more important division, the director would be oriented in wildlife rather than recreation or library services.

THE COMMISSIONER: I do not think so. I do not think he would be more towards wildlife. He would be certainly very much concerned about what happened with wildlife but he would also have these other four responsibilities, the native affairs which at the moment the only thing we have is native games, the library, which is now a very good program and will continue, and the other one is recreation. They are all territorial-wide.

THE CHAIRMAN (Mr. Stewart): This is correct, Mr. Commissioner, but you have used the word "native" several times and I do not see anywhere on this page 6 that the word "native" is used, sir.

THE COMMISSIONER: We point out, Mr. Chairman, that this was Dr. Coffey's words. We are not wedded to it but all of us have put our minds to try to think of a better name and if someone has a better name, we are not quite into that name. It is the principle that is important. That should not hold up the passing of it and if anybody has any better name I am sure that we would be more than willing to go along with it.

THE CHAIRMAN (Mr. Stewart): I think, sir, that you are proceeding on the assumption that the name of this department is Native and Cultural Affairs. It is Natural and Cultural Affairs. There has been some confusion in my mind because you repeated the word "native" at the time when I think you were referring to "natural". Is this the case?

THE COMMISSIONER: Yes. I apologize.

THE CHAIRMAN (Mr. Stewart): Mr. McCallum, please?

Can be Expanded

MR. MCCALLUM: Mr. Chairman, I recognize and would understand that to put these three groups together we may impose a problem as to the reason. I for one would not think that the game or fish and wildlife services would be large enough to create a particular department. I would think that, again because recreation and library services would be involved with things that are people-oriented as well as the fish and wildlife services, I would expect that they do not work totally together but I do not know if there would be any other better place for them. I would again believe that these three are of sufficient nature that they can be expanded upon to give more to this particular Council in the future and as such I would be prepared, as the last two or three people indicated, to go with the establishment of this particular department.

MR. BARNABY: Mr. Chairman, I want to say that I go along with this setting up of this department. I do not know how libraries fit in there, but up to this time almost all programs that I have been mentioning have been imported from the South. The majority of the people in the North are native and very little of what is going on is native so the southern system is being imposed, and maybe having a department that deals in cultural affairs will be a balancing-out of things that go on.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Barnaby.

MR. BUTTERS: Mr. Chairman, I likewise support this item and this amalgamation of the two responsibilities, recognizing as I believe the Commissioner has assured us, that should the need arise at a future date the responsibilities can be separated. I would foresee that the Department of Natural and Cultural Affairs at some later date would include besides game as it does now, but also fish, waters, forests and various other resources that are traditionally the responsibility of a provincial-type administration.

THE CHAIRMAN (Mr. Stewart): Mr. Lyall, did you wish to speak?

MR. LYALL: No, I would just agree with the other speakers.

THE CHAIRMAN (Mr. Stewart): I would be careful how you knock your head around here. I direct this committee's attention then to vote 1501. Are we agreed?

Cultural Development

MR. PEARSON: You did not watch my nodding then. I am still not convinced. I have listened to the arguments. I have listened to the comments and I have listened to the views of the people and I seem to recall making a motion myself some couple of years ago calling for the establishment of a department of cultural affairs. I looked upon it then not necessarily as a department but the establishment of a branch, at least, somebody to be involved in it, and I foresaw at that time that it would be not only involved in the Inuvik winter games or the Inuvik summer games, but in a very broad vigorous new approach to cultural development, to the benefit of everybody, a very strong effort on the part of this government to bring to its people, bring to the people it is responsible for, a very worthwhile and meaningful music program. The Education Department has done this to some degree in the schools but the southern Canadian, northern, the whole aspect, every facet of Canadian culture. However, I gather from the Commissioner's comments that they are still thinking in terms of Inuvik summer games and the group that go to southern Canada for a few weeks every year, but I do not get from this that anything new is going to happen.

I heard a few months ago, or a year ago, that the Inuit Tapirisat was establishing for itself a cultural department to be established at Baker Lake or Eskimo Point and I wonder if this in any way competes with that, if this department intends to work with them, closely with them, and I imagine if the Indian Brotherhood does not have one they will be having one soon and how many people are going to be involved in this process of cultural improvement or cultural identification?

In the space of a few short hours we, the Council of the Northwest Territories, will have established two new government departments with two new directorates and two new bureaucracies up there in that building.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Pearson. It appears that there might be considerably more discussion on this matter. The Chair does not recognize activity 1501 as passed but I recognize the clock as 5:30 p.m. and would request permission to report progress.

--- Agreed

Report of the Committee of the Whole of Bill 3-56, Supplementary Appropriation Ordinance No. 1, 1975-76

MR. SPEAKER: Council will come to order. Mr. Stewart?

MR. STEWART: Mr. Speaker, your committee has been sitting this afternoon studying the financial picture of the Northwest Territories and the budget as set out by the territorial government and the various clauses and agreements, federal and territorial, as well as Supplementary Appropriation Bill 3-56 and I would like to report progress at this time.

MR. SPEAKER: Members of Council, I have one announcement, that there will be a brief meeting of the special committee on revenue after adjournment. Would the Members please remain in the chamber after the others have left?

Are there any other announcements?

MR. McCALLUM: Mr. Speaker, I wonder just before we dismiss for the afternoon, if I may have the consent of Council to very briefly go back to Item 8 of the orders of the day, the tabling of documents.

REVERT TO ITEM NO. 8: TABLING OF DOCUMENTS

MR. SPEAKER: Agreed?

--- Agreed

MR. McCALLUM: Mr. Speaker, I would like to table the document the Task Force on Great Slave Lake Fisheries by the Department of Economic Development. It has just come to us and I would like to get it out so that it can be made public.

Thank you.

MR. SPEAKER: Further announcements?

MR. BUTTERS: Mr. Speaker, may I have unanimous consent to return to Item 6, notices of motions?

--- Agreed

MR. SPEAKER: Does anyone object? Proceed, Mr. Butters.

REVERT TO ITEM NO. 6: NOTICES OF MOTIONS

Notice of Motion 16-56: Appointment to N.W.T. Water Board (Amendment)

MR. BUTTERS: Mr. Speaker, I wish to add to the notice of motion I gave this morning, Motion 16-56, the additional amendment. I move that Motion 16-56 be amended by adding the following "I further move that this Council reconfirms the appointment of Mr. J.A. Bergasse to the said board and recommends that his appointment continue" and "I further move that this Council recommend that the appointment of any Member of Council to the board shall terminate upon that person's ceasing to be a Member of Council or upon dissolution of Council".

MR. SPEAKER: We will just add that to the motion, right. Further? Anything else?

Mr. Clerk, orders of the day for June 18th.

Orders of the Day

THE CLERK OF THE COUNCIL (Mr. Remnant): Orders of the day for Wednesday, June 18, 9:00 a.m., Explorer Hotel:

1. Prayer
2. Questions and Returns
3. Oral Questions
4. Presenting Petitions
5. Reports of Standing and Special Committees
6. Notices of Motions
7. Motions
8. Tabling of Documents
9. First Reading of Bills: Private Member's Bill to Amend the Council Ordinance
10. Continuing Consideration in Committee of the Whole of Bills and Other Matters: Bill 3-56, Bill 5-56

Information Items

Philosophy Paper on Local Government

Motion 4-56 Current Budget Formulation

Motion 7-56 Maintenance and Operation of Airstrips

MR. SPEAKER: Council stands adjourned until 9:00 a.m., June 18th, at the Explorer Hotel.

--- ADJOURNMENT

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