



COUNCIL OF THE NORTHWEST TERRITORIES DEBATES

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Official Report

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YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, JUNE 18, 1975

ITEM NO. 1: PRAYER

--- Prayer

THE SPEAKER (Mr. Searle): Members of Council, I was just checking to see if we have a quorum. Apparently we just do. We have eight which is a bare majority. I congratulate those of you who saw fit to make it.

Item 2 of the orders of the day, questions and returns. Are there any returns, Mr. Parker?

ITEM NO. 2: QUESTIONS AND RETURNS

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker, I have two returns.

Return to Question W7-56: Highways, Department of Public Works

On June 10, 1975, Councillor McCallum asked Question W7-56 concerning:

1. Plans for the development and continued upgrading of the highway between Hay River and Pine Point this summer, and
2. The Department of Public Works plans for the highway maintenance garage in Fort Smith.

I have the following reply:

1. This year it is intended to complete the section from mile 0 to 11 by surfacing the traffic lanes with a crushed gravel material. Work is planned to be undertaken in the latter part of September. Traffic will not be hindered during the summer, since application of screened gravel was carried out last fall following completion of grading work in order to preserve the grade and ensure there would be no disruption due to rainy weather. Upgrading work beyond mile 11 toward Pine Point has been deferred by the Department of Indian and Northern Affairs, who are responsible for funding this project.
2. The workload at the Fort Smith regional equipment repair garage was taken into account in the planning of the proposed highway division garage complex at Hay River. If there is an unforeseen significant reduction in the volume of regional equipment to be repaired at this facility, then consideration will be given to converting space in the Fort Smith complex for storage of highway maintenance equipment.

Return to Question W40-56: Central Arctic Communities, Radio Stations.

On Friday, June 13, Councillor Lyall asked Question W40-56 concerning what action was being taken regarding communities in the Central Arctic with no local radio station. I have the following reply:

The Northwest Territories Council, at its 48th session, approved a proposal put forward by the Department of Information to establish community owned and operated radio broadcasting stations throughout the North.

A "B" level budget submission was subsequently drawn up and was one of a number of new program proposals discussed during financial negotiations between the federal and territorial governments. However, the request for new funds to carry out this program was turned down, as officials of the federal government felt that the establishment of radio stations fit far more properly into the mandate of the Canadian Broadcasting Corporation. As a result, the administration, through the Department of Information, is in a position where it is only able to offer non-financial types of assistance in this area, such as procedures to be followed in establishment of a station, and the type of information required to meet the licencing requirements of the Ministry of Transport and the Canadian Radio and Television Commission.

In addition to this, the Department of Information has developed a limited capacity to provide some radio programming to established community stations in the territories. Under its extended coverage plan, the Canadian Broadcasting Corporation hopes to be able to establish radio service in all communities in the Northwest Territories with populations of 200 or more, within the next few years. This service, it is understood, will be made available both through installation of low power relay transmitters, LPRT's, and by making use of the Anik satellite system where available.

MR. SPEAKER: Written questions?

Question W57-56: Operation of Liquor Store.

MR. PEARSON: Mr. Speaker, I tried yesterday but in vain. However, my friend is not here and as I am within my legal rights as representative from the Eastern Arctic and it is question time, I would like to ask the administration the following question:

In light of the comments that one hears around this community and in many other communities throughout the Northwest Territories about the quality and the availability of wines in the liquor store, when does this administration plan to operate the liquor store to the satisfaction of some of the customers who drink other things than bingo and whiskeys, gins and spirits? There are people in the Northwest Territories who have developed over the years a fine taste in wines. The Commissioner is one of these people. Unfortunately for most of the residents in Yellowknife that may have a taste in wines and I do not mean exotic wines, I mean general good imported French-type preferably -- these unfortunate people have to smuggle their wines into the Northwest Territories and there is a tremendous amount of smuggling going on depriving this poor government of all kinds of revenue.

Now I would think it would be a very simple matter that if Mr. Robinson or whoever is responsible for running the liquor store does not know anything about wines he could be taught very simply by a course given in France, perhaps, a course offered by the Quebec Liquor Commission or the finest liquor commission in this country, the Newfoundland Liquor Commission.

MR. SPEAKER: Mr. Pearson, excuse me, it is because I have the greatest of sympathy with what you are trying to do that I have permitted you to debate. The item simply permits you to ask the question. If you want to debate it then you should properly do it under motions.

Return to Question W57-56: Operation of Liquor Store.

THE COMMISSIONER: Mr. Speaker, if I could be permitted half the same privilege as Mr. Pearson I would like to answer by saying that if the Speaker could be prevailed upon to appoint a committee from this Council to draw up a wine list and a spirit list acceptable to the Council I would be the third one to volunteer my services to sit on that committee and then to see that the superintendent of liquor or general manager carry out the wishes of this Council and buy the wines and spirits that are recommended by this committee and stop this terrible smuggling of liquor into the Northwest Territories.

MR. SPEAKER: Would it meet the approval of this Council if the Speaker were to suggest the Members of that committee to be the Commissioner as he has already volunteered, Mr. Pearson and the Honourable Speaker himself?

--- Agreed

That committee will meet very promptly. Further written questions?

Question W58-56: Land Use Permits.

MR. STEWART: Mr. Speaker, Mr. Morison stated yesterday that 800 to 900 land use permits had been issued. I would like a category breakdown on these permits.

MR. SPEAKER: I assume that, that is the sort of question that one has to take notice of, Mr. Parker?

DEPUTY COMMISSIONER PARKER: Yes.

MR. SPEAKER: Further written questions?

Question W59-56: Chesterfield Inlet Airstrip.

MR. ERNERK: Mr. Speaker, I wonder if I could be advised of the plans of the Ministry of Transport concerning Chesterfield Inlet airstrip? Chesterfield Inlet only gets Twin Otters and by the time it gets to Chesterfield Inlet from Churchill there is usually hardly any mail left.

MR. SPEAKER: Any further questions?

MR. ERNERK: Yes, I have a few.

MR. SPEAKER: I did not hear the last part.

MR. ERNERK: Mr. Speaker, the question is Chesterfield Inlet only gets Twin Otters or DC-3's throughout the year, but by the time it gets to Chesterfield Inlet from Churchill there is usually hardly any mail in the plane.

MR. SPEAKER: Do you want to take that as notice, Mr. Commissioner, or do you?

DEPUTY COMMISSIONER PARKER: Yes.

MR. SPEAKER: Further written questions?

Item 3, oral questions. These are questions of an emergency nature.

Item 4, presenting petitions.

Item 5, reports of standing and special committees.

Item 6, notices of motions.

ITEM NO. 6: NOTICES OF MOTIONS

Notice of Motion 19-56: Metis Hunting Rights

MR. LYALL: Mr. Speaker, I would like to give notice that tomorrow, June 19th, I will be making a motion regarding the native hunting rights.

MR. SPEAKER: Mr. Butters?

Notice of Motion 20-56: Transportation Subsidies

MR. BUTTERS: Mr. Speaker, I wish to give notice that tomorrow, June the 19th, I will move the following motion:

WHEREAS residents of many Northwest Territories communities must depend on scheduled airline service as their only available and reasonable means of transportation within the Northwest Territories and to points outside the Northwest Territories;

AND WHEREAS the seat cost mile being charged Northwest Territories residents using such scheduled air carriers is approximately double that charged passengers travelling equivalent distances on such Canadian east-west mainline routes;

AND WHEREAS the Air Transport Committee by decision number 4182, dated June 10th, 1975, ruled when denying the application of International Jetair Limited to establish a competitive route to that offered by Pacific Western Airlines between Calgary and Inuvik and noted that while, "In many instances competition is desirable, however, competition which can lead to a withdrawal of existing services without offsetting compensation would not be in the interest of the community of Inuvik";

AND WHEREAS the transportation policy of the Government of Canada revealed in the House of Commons Monday last by the Honourable Jean Marchand, the federal Minister of Transport, embodies a new principle to the effect that areas in Canada lacking "real competition" among the various modes of transport will likely benefit from the application of government subsidies;

AND WHEREAS the Minister of Transport on that occasion did likewise reinforce the "historical role" of transportation in Canada as an instrument of national purpose and social policy;

NOW THEREFORE, I move that the Commissioner immediately approach the Minister of Transport armed with the encouragement contained in the Minister's Monday statement and make application for the Northwest Territories to be designated as a frontier region and as such subject to consideration for the application of subsidies on all modes of transport where such transport is a major transport mode of goods or persons and, second, to reduce the costs presently borne by Northwest Territories residents for both personal travel within the Northwest Territories and between points in southern Canada and for the resupply of foodstuffs and domestic requirements required by northerners to maintain their lifestyle North of 60.

MR. SPEAKER: Further notices of motion?

Notice of Motion 21-56: Holiday Travel Assistance

MR. BUTTERS: Mr. Speaker, I give notice that tomorrow on June 19th I will move the following motion for which I only have the resolve:

NOW THEREFORE, I move that the administration at the earliest possible opportunity reopen discussions with the Public Service Association executive regarding the matter of employee holiday travel assistance

in the knowledge that this Council has indicated its strong dissatisfaction with the existing arrangement and recommended that the administration give serious attention to resolving this widespread employee grievance in the near future.

MR. SPEAKER: Further notices of motions?

Turning to the orders of the day and moving on to Item 7, motions.

ITEM NO. 7: MOTIONS

Motions 16-56, 17-56 and 18-56 would appear to be the motions outstanding. Motion 16-56, Mr. Butters?

Motion 16-56: Appointment to the Northwest Territories Water Board

MR. BUTTERS: Mr. Speaker:

WHEREAS section 7 of the Northern Inland Waters Act of Canada provides that three persons named by the Commissioner in Council for 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 of Fort Simpson, Northwest Territories, for appointment to the said board and that this Council does hereby give its consent to said nominations. And 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 ceasing to be a Member of Council or upon the dissolution of Council.

MR. SPEAKER: Moved by Mr. Butters, seconded by Mr. Stewart.

Motion Carried

Discussion? Question? All in favour? Contrary?

--- Carried

As this has to be an appointment by Commissioner in Council what, Mr. Legal Advisor, do we need now if anything by way of an acknowledgement or indication from the Commissioner that this is accepted?

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, I suggest that the Commissioner simply verbally accept the advice of Council and undertake to pass it along with his recommendation to the appropriate authority in Ottawa for the actual appointment.

MR. SPEAKER: Thank you, Mr. Legal Advisor. I would like to suggest we leave Motion 17-56 for a moment and deal with Motion 18-56 as it is of a similar nature to Motion 16-56. Motion 18-56, Mr. Butters.

Motion 18-56: Appointment to NCPC.

MR. BUTTERS: Mr. Speaker,

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 the recommendation of the Commissioner in Council of the Northwest Territories;

NOW THEREFORE, I move that this Council advise 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.

Motion Carried

MR. SPEAKER: Moved by Mr. Butters, is there a seconder? Mr. Lyall. Discussion? Question. All in favour? Contrary?

--- Carried

Mr. Commissioner, Motion 16-56 with respect to the Water Board and Motion 18-56 make recommendations to you. The Legal Advisor tells me that some form of indication of your acceptance or otherwise would be indicated. You could either do that, I assume now, or at the time of prorogation, whichever you wish.

Commissioner Accepts Council's Recommendations

THE COMMISSIONER: Mr. Speaker, I would think that perhaps the best way would be to develop a system of giving you a formal reply in cases like this. In answer to the specific question, I would certainly accept the recommendations of the Council and recommend these two people. I would say from now on I will give you a formal -- I am not sure of the procedure but we will develop one between myself and you.

MR. SPEAKER: Turning to Motion 17-56, Mr. Stewart.

Motion 17-56: Airport, Hay River

MR. STEWART: Mr. Speaker:

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

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

I so move.

MR. SPEAKER: Moved by Mr. Stewart and seconded by Mr. Pearson. Discussion?

MR. STEWART: Mr. Speaker, probably Hay River is the only airport to my knowledge that finds it necessary on every landing for the captain of the aircraft to make the announcements with regard to fastening of seatbelts. I suppose it is a self-preservation type of thing in that he does not want the passengers to feel that it is his poor flying skill that makes the landing so rough. This has been going on now for the past year and to date there has been no definite information that repairs would be forthcoming. The indications are now from the people from Boeing and from Pacific Western Airlines that unless some major repairs are made, the jet service to Hay River may be withdrawn at any time.

MR. SPEAKER: Any further discussion?

MR. PEARSON: Mr. Speaker, I support Mr. Stewart's motion very strongly. On the past three occasions when I have travelled north and south out of Yellowknife, I have had the misfortune to have to land in Hay River, to say nothing of what the pilot must have felt, but on each of those occasions, it was a very unpleasant sensation and on the last occasion I had to speak to the captain of the aircraft as he crawled back to the passengers for help and aid. He said as far as he was personally concerned he could not see himself flying in there much more because of the great difficulty in keeping the aircraft on the ground, not when it immediately touched down but when it got to around eighty miles per hour when the power was withdrawn as he got into the really bad section of the airport and he said without any power he suddenly found himself bounced 50 feet back in the air. He made no bones about it. It is a very, very dangerous situation. So, I support that motion and hope on my next trip out I can bypass Hay River until it is fixed.

Motion Carried

MR. SPEAKER: Further discussion? Question? Question being called. All in favour? Contrary?

--- Carried

Moving on to Item 8, tabling of documents. I assume there are no documents to be tabled.

Item 9, first reading of bills. Mr. Nickerson.

ITEM NO. 9: FIRST READING OF BILLS

First Reading of Bill 11-56, Council Ordinance (Private Member's)

MR. NICKERSON: Mr. Speaker, I move first reading of Private Member's Bill 11-56, An Ordinance to Amend the Council Ordinance.

MR. SPEAKER: Is there a seconder? Mr. Butters. There is no debate on first reading. Question? Question being called. All in favour? Contrary?

--- Carried

Item 10, continued consideration in committee of the whole of bills and other matters. I assume it is the administration's wish to continue with the supplementary estimates or do you want to go on with the Insurance Ordinance?

DEPUTY COMMISSIONER PARKER: Supplementary appropriations.

MR. SPEAKER: Council will resolve into committee of the whole for continued consideration of Bill 3-56, Supplementary Appropriation Ordinance No. 1, 1975-76, with Mr. Butters 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. Butters in the chair.

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

MR. BUTTERS: What happened to Mr. Stewart?

MR. SPEAKER: When he reappears, I am sure you and he can switch.

THE CHAIRMAN: The committee will come to order to continue its study of Bill 3-56, An Ordinance Respecting Additional Expenditures for the Public Service of the Northwest Territories for the Fiscal Year Ending the 31st Day of March, 1976.

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

I direct your attention to page 6 and we were dealing with the directorate, Activity 1501 and the amount of \$36,000. We had actually approved this, but Mr. Pearson wished to speak, so I will take the vote again on this. Is there any further comment on 1501? Mr. Lyall?

MR. LYALL: Mr. Chairman, I would like to have said this yesterday. I just wanted to inform Mr. Pearson that the interdepartmental committee has formed what they call an Inuit Cultural Centre in Eskimo Point and it is not directly dealing with game, but it is dealing with collecting old songs and old stories and the Inuit way of life. I would like to have given you that yesterday but we were cut short. I hope that is enough time for you to give your reply, Mr. Pearson.

THE CHAIRMAN (Mr. Stewart): Further comment on 1501? Mr. Pearson.

Concerning the Establishment of New Departments

MR. PEARSON: Mr. Chairman, just one comment as far as I am concerned. The Commissioner yesterday said "If you guys can do it, do it. If you fellows want to give us direction, give us direction, but this is the way the government sees it and this is the government approach". Of course, the Commissioner and his agencies have vast armies of people to help them come to these decisions. When the Commissioner has referred to Dr. Coffey, we never had the advantage of having Dr. Coffey discuss this with us, the late Dr. Coffey. You know, that is one side of it and I can sympathize with the Commissioner and the administration in trying to set up these things which they feel are essential and necessary to maintain the quality of life in the territories. My concern has been, and I reiterate again for the last time, that the continuous establishment of new departments is a very, very costly affair and it seems to go on unchecked. You know, I am not prepared to say any more on the subject.

MR. ERNERK: Mr. Chairman, when I first heard about this particular department -- first of all may I speak in general? This Natural and Cultural Affairs, I was happy to hear the fact that we are finally getting a department which deals directly with, as the Commissioner said yesterday, native affairs type of thing. I have been trying to think of an idea for some time to have something like this set up and in fact for four or five years now. I think again this type of a department could be a very useful one when you come to, when you think in terms of old legends, old ruins, songs, areas where native people used to live years and years ago. I think, if you want to look at it that way, if you want to direct the department that way to a certain extent, then I think you would be serving the people of the Northwest Territories.

THE CHAIRMAN (Mr. Stewart): Thank you. Personally I understand what a cultural affair is but I am not quite sure what a natural affair is.

DEPUTY COMMISSIONER PARKER: It is more recent.

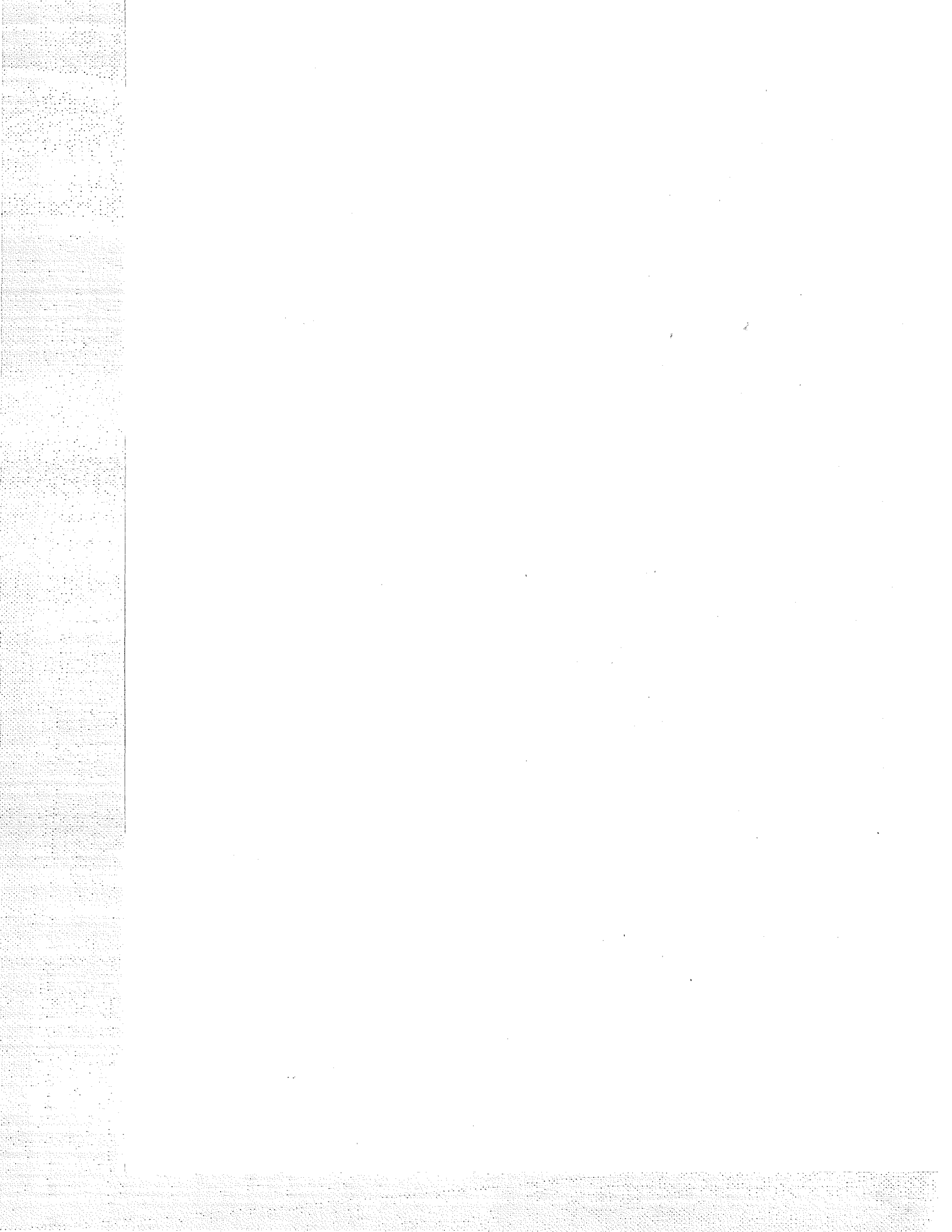
THE CHAIRMAN (Mr. Stewart): Activity 1501, are we agreed?

--- Agreed

O and M - Activity 1525, Recreation

Recreation, activity 1525, transfer of funds. Agreed?

--- Agreed



in Ottawa. We have come to the conclusion that under our present funding arrangements whereby we receive up to \$4 million in a year for additions to or new water or sewer systems for all of the Northwest Territories, we have come to the conclusion that this figure, of course, is completely inadequate. We must seek to gain funds which are designated separately for the major municipalities as against the rest of the area because if we took that \$4 million we could very easily spend all of it in the major municipalities and have nothing left for the other communities and that would be equally unfair. So we are commencing a very major push to draw again to the attention of the people in Ottawa the dire condition of the water and sewer services in the Northwest Territories.

Dire Condition of Water and Sewer Services

MR. BUTTERS: Mr. Chairman, as the Deputy Commissioner says, the matter has been brought to the attention of the federal government in the past. A major policy paper was produced and examined by the preceding Council and wholeheartedly approved by that Council. I believe, translated into dollars that policy to improve water and sewer services in northern communities, would be some \$40 million if my memory serves me correctly. I believe that was taken to the former minister by the Commissioner some year and a half or two years ago warning the minister that this was not frivolity, this was an urgent need. It was not a demand, it was a requirement of the northern communities which have seen such tremendous urbanizations over the past decade if we were to maintain the quality of life of the people of the North.

Now, the first warning has appeared in our medical report for 1974. The infant death rate is up for the first time in many years. The medical report as I recall it states that the increased death rate and the increasing medical problems being experienced by the federal department of health, are a direct result of inadequate water and sewage services being provided in northern communities. The administration has made this situation known to the government. How do you indicate to the government that what they said two years ago was true? How many deaths, how many people have to die before the federal government realizes that that paper, that recommendation for improved water and sewage services, that request was not a demand, but a need, an urgent need of the people?

THE COMMISSIONER: Mr. Chairman, following on what Mr. Butters has just said I think we should perhaps go a little further even than what he has and look at what the next two years could mean. As Mr. Butters very well knows, being the publisher of a paper and being close to the opinions of the people, one of the great concerns up and down the Mackenzie Valley with reference to the Mackenzie Valley pipeline is "Oh, my God, what is going to happen if the decision is yes?" This is the feeling of the people who have responsibilities in communities and municipalities, are they going to have to go through the experience of re-inventing the wheel as they have done in Alaska.

Sociological Impact of the Pipeline

I am one of those who has stood up at times almost alone and supported the Mackenzie Valley pipeline hearings. I have done that in Toronto, I have done it in Vancouver and I think they are a good thing, but I hear people like Mr. Pearson speak about the horrendous problems that we will face and he goes as far as to suggest that we may have to close the border. He may be more on the point than what we are prepared to concede; in other words, I think it is the view of a concerned person

worrying about the one aspect that is yet to be discussed and that is the sociological impact. I think that the matters of the environment or the ecology are important but they only affect that line, in all probability a mile or so either way and only at the moment. But the sociological impact, and the impact of that tremendous undertaking if the decision is to be made that we go ahead with it, from the sociological side, it is fantastic because it could affect people as far away as 500 miles and affect them for perhaps five or six generations.

Now--there are many aspects of that. Mr. Pearson again has asked for the Commissioner, for Mr. Berger to appear before the Council. I do not think that is possible because the good judge has a schedule of commitments and it is not probably possible for him to do it. Perhaps on the other hand the Council should commission or begin work or give direction before Friday night for the preparation of a submission of their views. Now, I say it that way because I think the impression, rightly or wrongly was given -- and certainly not by Mr. Berger, not by the judge, but the impression that seemed to come out was that Mr. Berger would be the saviour of the North. Take it from one saviour who is not self-styled or who never suggested he was a saviour in 1967, there is no saviour and when it becomes reality it is quite a shock.

Mr. Berger can not stop the building of the pipeline, nor can he start it. Those were not his terms; his terms of reference were that if the decision was made to go ahead he would recommend certain things on the environment and the sociological impact and the regional economics of it -- regional, not national. The national is to be handled by the Energy Board.

The Decision of Three Groups

When the decision is made it undoubtedly will be made by a combination of three groups. The first will be probably the United States government as to which way they decide, whether El Paso or the Mackenzie Valley. The second will be the companies themselves as to whether they are prepared to put up that kind of money and then the third one will be parliament, based on a recommendation undoubtedly from their cabinet, from the Government of Canada. This is where the decision will be made. I do not know whether it will be yes or no. It is much higher than any of us, but I think the key point here is that the municipalities are worrying that they suddenly will be inundated with people requesting services, facilities, and they can not provide them. It will be impossible for them to do it, if again the decision is yes.

So we are now getting these requests in and the faces of our communities and municipalities, and yes, the city of Yellowknife, could alter overnight. This leads me back to my original point, that in the preparation of the viewpoint of this Council if they so wish to make a presentation either in person or by submission of a brief, I am certain that Mr. Justice Berger would be only too pleased to receive it. They might like to put some figures down, they might like to put some costs down, they might like to draw some conclusions and make some recommendations. I would be more than willing to devote whatever time was needed to help Council, even by taking some of the Council Members around, because the answers are already there. It is not something you have to dream about and wake up in the morning, having gone through a nightmare, or having gone through a peaceful sleep -- the answers to both of these questions lie in Greenland and Alaska and to some degree, I suppose, along what happened in the northern parts of the provinces with the building of the Rocky Mountain or Trans-Mountain pipeline a few years ago,

the Trans-Canadian pipeline and the Canol pipeline. We have a book in the office with the whole history, the experience of the Canol pipeline was written up by Mr. Finnie and I could send for it and bring it here and let you look at it. It tells you what happened, what they found in regards to people as well as the environment. This is what is happening in the municipalities, being the mayor of Hay River, Mr. Stewart, you have these horrendous problems facing you. This is what is happening to Mr. Butters and Mr. Robinson up in Inuvik. They know they are going to be faced with the possibility of this. It is like the old proverbial sword hanging over your head, you know it is going to strike sooner or later and nothing seems to be happening. I suggest that we have the mechanism here to be able to respond but it is going to take some work.

THE CHAIRMAN (Mr. Stewart): Thank you. The Chair recognizes Mr. Lyall.

The Natives Have Much to Protect.

MR. LYALL: Mr. Chairman, in opening Mr. Commissioner stated that Mr. Butters, being editor of a paper, should know. I would just like to say that the rest of the people, also Mr. Pearson stated, speaking of his business, that they have a lot to protect when they speak of their business. I think he stated that most native people do not have anything to protect. I would just like to state that we have a lot to protect. I think we have the most to protect because I figure this is our country and this is why we figure that land settlements should be settled as soon as possible. I would also like to state that the native part of this Council try to observe the morning prayer, "Inspired by Thy divine wisdom, setting aside all prejudice, private interests and partial affections". I would like the rest of the Council to try and observe the morning prayer also.

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

MR. BUTTERS: Mr. Chairman, I think that the Commissioner in making reference to myself is doing so in the aspect of my other activities which would give me knowledge of what was going on in the territories and was making no reference to the manner in which I may earn my money outside of this house. Speaking on this matter of extraordinary funding, I agree with the Commissioner that it is something that has been dumped on this Council's lap, whether we like it or not. The problem is here. It did not just happen yesterday; it has been building for four years and has been a concern of the previous Council for four years. The concept of extraordinary funding was developed a number of years ago in debates such as this which saw high impact communities receiving desperately needed funds outside of the federal-territorial financial agreement to provide services for residents of their community. I just wish to point out that the problem is not a new one. It just has not received a solution and I think that, as the Commissioner has not stated but suggested, the federal government has neither appeared to recognize the need as yet formally or has indicated to us that they would be moving to recognize the need. So therefore I give strong support to the recommendation that we develop some body or committee of Council or whatever to make a recommendation to Judge Berger based on our knowledge of our constituencies and the residents of our constituencies' needs.

THE CHAIRMAN (Mr. Stewart): I wonder if this committee would allow me the indulgence of making a statement at this time. I know the Chair is not supposed to but as the Member from Hay River I would like to make a statement.

MR. BUTTERS: I will sit in the chair for you.

THE CHAIRMAN (Mr. Butters): I recognize Mr. Stewart, the Member from Hay River. Water System in Hay River

MR. STEWART: Mr. Chairman, I think there may be some confusion about the requirements of Hay River. The Deputy Commissioner indicated that he felt the most pressing was Yellowknife. I do not suggest that Hay River's is any more pressing than Yellowknife's but I believe it is as pressing. The water system Hay River is now using was designed for 1500 people. There are now 4200 people, according to our last census. We have built the capacity, the storage tanks are now almost completed. However, my engineers advise me that with our present water supply lines certainly we will never be able to fill these tanks. It is one of these types of things in our original design for the water system in Hay River, our engineers had made provisions to ensure us of an adequate supply of

water with the installation of a 10 inch line. However, the federal government at that time saw fit to take this section out of the estimates at the saving of some \$200,000 and now to rectify this error it is going to cost \$2.2 million. However, this is not the fault of the town of Hay River, but we are caught now in a position where we do not have water for today, not a projected increase in population with the pipeline. I suppose basically our increased population over the last year has been in part due to the possibility of a pipeline being built. However, this is not a future thing. We are now faced with it today and you can not run a municipality without water. Our water pressure at the the end of our subdivision is now a mere trickle in the taps and it is a critical situation.

THE CHAIRMAN (Mr. Butters): Mr. Deputy Commissioner?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I of course in no way meant that or indicated that Hay River's problems with water supply were anything but critical. In fact I think I used that word. I must say that it is practically impossible to set financial priorities as between the major municipalities because each of their needs that has been identified is of a critical nature. However, we have not been successful in obtaining this funding. You made reference yourself to the water and sewer policy which this Council supported and had a good part in the design of. This was placed before the federal Treasury Board and in fact it received approval. I think we have probably said this before, but it did receive approval some time last fall. However, it received approval along with the statement that present funding levels should continue and any additional funding should develop through the normal negotiation process, so that is sort of like getting approval to go to the show but not the price of the ticket.

Federal Government Cash Problem

We continue to place before the Minister and federal officers in the strongest possible terms the very best arguments that we can muster. The problem we are facing right now is that the federal government appears to have a cash problem. They are tightening up in every direction and this can not help but affect us. We are in the midst of further negotiations and, as I have said, we have laid this matter of special funding again before the Minister in a letter in which it is the main and only topic. We have not as yet concluded our discussions on it. I sincerely hope that we will be able to meet these requirements. I think the Commissioner's advice is very good. It consists of us making a special appeal on the basis of what could happen, should the pipeline be approved. I think that this might be a very receptive area in which we should make a move.

THE CHAIRMAN (Mr. Butters): Mr. Stewart? I will continue in the chair until coffee time. Further questions or further comments on activity 2022 or on the Commissioner's statement? Mr. Searle?

MR. SEARLE: No.

THE CHAIRMAN (Mr. Butters): Mr. Pearson?

MR. PEARSON: Mr. Chairman, if I may, I would like to come back to this in a few minutes as soon as I have something sorted out here.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I would just like to say, if I may, that the sizes of projects that we are dealing with here are obviously ones that we can not fund through cutting out some other projects or through being more efficient or anything like that. I must leave that thought with Members. One Member has said that in fact the territorial government is adequately funded. Well, I can not agree with that, especially when we are talking about areas in each of the major municipalities where we are looking for a minimum of \$1 million and probably \$2 million per municipality right now. There is no way that kind of money can be found through cutting of other people's programs or through efficiencies; it is absolutely impossible.

MR. STEWART: Mr. Chairman, this brings up I think the breakdown in the budgeting, particularly in local government. I feel that the variances between the developed municipalities and the settlements are such that really there should be a division, for budget purposes, and probably for direction purposes. I do not believe that the two are really compatible and there is such a wide variance between the need of a settlement as opposed to developed settlement or municipality that I would like to get the views of the administration on this point. I think it is something that we are going to have to face and give some serious consideration to.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Mr. Stewart is simply echoing what I said a few minutes ago, that we must seek the funds for the major municipalities in a separate category, a category separate from the other settlements and when we bring forward the estimates for the next fiscal year, I am confident that we will do this. We will identify it. We may not have any more money, but at least we will very clearly identify the needs of the major municipalities in one corner and the needs of the settlements in another because the danger is that the first could very much overshadow the second, but the benefit is that we can then draw to the attention of those persons who look at our funding in Ottawa what the level of the problem really is. So, I certainly agree with him.

THE CHAIRMAN (Mr. Butters): Mr. Pearson?

MR. PEARSON: Mr. Chairman, I have a motion I would like to make. In light of the comments that I expressed the other day in my address in reply to the Commissioner's address and in light of the seriousness of the affair and in light of the comments the Commissioner has made this morning. May I proceed?

THE CHAIRMAN (Mr. Butters): Proceed.

Motion to Have Council Meet with Judge Berger.

MR. PEARSON:

WHEREAS hearings are currently being held in Yellowknife on the examination of the proposed pipeline route;

AND WHEREAS this Council represents the electorate of the Northwest Territories;

AND WHEREAS it is imperative that the views of all people of the Northwest Territories be heard;

NOW THEREFORE, I move that this Council and Commissioner meet with Judge Berger as soon as it is possible to do so.

MR. SEARLE: Mr. Chairman ...

THE CHAIRMAN (Mr. Butters): May I have a copy of the motion, Mr. Pearson?

MR. SEARLE: If I could just speak to the motion, I think I know the purpose behind it. I would, however, agree with the purpose, but I had been personally going to suggest that this Council form a special committee of Council to put forward a position to the Berger Inquiry and rather had hoped this evening to develop that idea and talk informally about what Members might make up that special committee because I think that it is a very important thing to do.

Pending that sort of a discussion taking place, I would like to suggest to Mr. Pearson that he maybe just hold his motion. I think the thing we have to decide is the most effective way of getting our views across. I am not so sure that just meeting with Justice Berger will achieve that but to develop a proper presentation on which this Council can be agreed even if as to two or three points and then maybe indicate the split as to others that of course always allowing individual Members who disagree with any point to make a separate dissenting presentation.

That would be the kind of view I should take that I would rather see a more formal presentation made to him because I am almost certain he would suggest that Council do appear before him either by way of spokesman or individually so that what we say can be a matter officially of record. However, Mr. Pearson can do as he wishes.

THE CHAIRMAN (Mr. Butters): Mr. Pearson, on your motion you have heard the contribution of Mr. Searle. It would appear the options would be that the motion could be continued to be discussed and voted upon, or this section could be deferred possibly until tomorrow and progress reported on this item after we have gone through the remainder of the supplementary estimates. Your motion could be alive again tomorrow or you could withdraw it completely and a formal motion be placed tomorrow morning through proper notice of motion following the discussion that occurs tonight. I see those options, there may be more.

MR. PEARSON: It is very kind of you to point them all out to me. It is not often my motions have so many options. However, there are some people who might like to comment on the whole issue. I do not mind not presenting it, but I would like to hear from other people first before making a decision. Thank you.

THE CHAIRMAN (Mr. Butters): Further discussion on the motion that is before the committee?

On Being Effective as Possible

MR. STEWART: Mr. Chairman, I certainly agree with the intent of the motion. However, I think if it is going to be as effective as we would like it to be, we will have to develop a brief, collect the figures and put together a document and this is going to take some time. I think the way the motion is actually worded that the indications are as quickly as possible. I am not sure what "quickly as possible" may actually mean in this regard as far as the inquiry is concerned, but I think we have to have time to put our thoughts down as well as gather figures and statistics and make up our presentation. So, I would prefer, as Mr. Searle has indicated, to have a look at this and set a date that would be suitable to us where we could be prepared to speak to Judge Berger.

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

MR. SEARLE: Well, I would just like to add if I could that this matter of a presentation to the Berger Commission, of course, was topical when the last Council existed. With respect to that I personally felt that it was not appropriate for the last Council to make a submission because the last Council's life was ending really much in advance of the start of the hearings. The life of this Council, however, is such that we will be here firstly while all of the formal hearings are being held and, secondly of course, through the period of time when construction of the pipeline is under way if the pipeline is to be constructed. I am not suggesting for a moment that it necessarily will be, but if that is the decision we will be the guys who are here. So, it seems to me that this is the appropriate Council to make an intelligent, thoughtful submission if this Council can decide on any points that should be made where, at least, a majority view can be expressed. I would think that the first thing that would have to be decided is how you make such a presentation. You know, you could indicate, for instance, on this point Council was unanimous, on the next point there was only a majority view and on the next point there was a majority, but just barely -- in other words, you might decide to take that sort of approach. But, it seems to me that the other important aspect is timing. Would such a thing be done soon? I would think it would be done in the fourth phase of the hearings when you are talking about the social impact which, from what I can tell, is in about December or maybe in January. I think it goes through December and January. So, such a committee that presumably could work up a presentation between now and, say, the October or November meeting of Council, when it could be presented to Members for their individual comments and approval or not, as the case may be, with a view to a presentation in, say January, that is sort of how it could work if Members felt that that was important.

These are the thoughts I have had on it and I have even gone so far as to speak to commission counsel suggesting that they might even wish to meet with such a committee just to identify and highlight the important issues and areas that have appeared to date from the submissions made by everyone. Anyway, those are my thoughts and I think that they are designed to achieve the same end as Mr. Pearson's and I guess all that I am suggesting is that we might go about it in a little different way which I think is maybe a little more thorough in our approach.

THE CHAIRMAN (Mr. Butters): Thank you, Mr. Searle. Mr. Nickerson?

Submission to Berger Inquiry Only of Limited Value

MR. NICKERSON: I do not really like disagreeing too much with my colleague but I personally feel that a submission of this nature to the Berger Inquiry would be of only limited real value. The submission of the previous Council I thought was an excellent piece of work and I would rather see an endorsement of that submission made by this Council rather than trying to come up with a new one.

Mr. Pearson the other day suggested that it might be better to invite Judge Berger to a meeting of this Council where he could appear as a witness and we would be in a position then to inquire of him certain matters and I think that such an arrangement would be of value. I endorse Mr. Pearson's suggestion made in his speech the other day that this should be done. Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Butters): Mr. Pearson is the next speaker on the list, but I would prefer in keeping with his wish to hear from other Members to ask anyone else to speak. Mr. Steen, you have the floor.

MR. STEEN: Thank you, Mr. Chairman. I feel that Mr. Pearson's motion is an excellent one. The Berger hearings are only in the Mackenzie district. I do not think to my knowledge that he is going to go to the Eastern Arctic and there is already plans to build a pipeline in the Eastern Arctic. In speaking for his people in that area, I think his motion is a good one and as far as this Council is concerned I feel that we are going to end up with the problems of the pipeline, any pipeline and we are going to be responsible to the people or as to the social problems that develop from the pipeline. And even after the pipeline is built there is going to be a lot of problems that we are going to have to take care of for the rest of our lives. For instance, take a look at what the Americans did in Vietnam. They left a whole bunch of children and the country had to take care of these children. I think this is what is going to happen to the Northwest Territories. Thank you.

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

Control Over People's Lives

MR. BARNABY: Mr. Chairman, when I hear some Members saying they did not have enough water and sewage facilities and other things which cost money, what I would like to point out again is that a lot of other people are after control of something that does not cost anything. It is their lives. Right here the discussion of importance is the pipeline. Like Mr. Steen mentioned, the social impact that goes with it, I think that is really where we need control, not only in getting a community ready in terms of water and sewage but as well so that there is some control over their lives. Even if the pipeline does not go through, I think there has been a lot of mess created so far and this has to be fixed up some way.

Regarding the shortage of money, I wonder if the Council could set up a system of budgeting, maybe negotiations between regions or settlements, communities. Surely there must be another way where we could get the most for the money that is coming in.

THE CHAIRMAN (Mr. Butters): Mr. Deputy Commissioner, was there anything you wished to comment on in the last suggestion of Mr. Barnaby?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I do not think that the problem is really one of us identifying or learning what the requirements are of the various communities or regions. It is a problem of convincing the federal government, frankly, that our needs are greater than some other needs that they have to meet somewhere else in the country.

THE CHAIRMAN (Mr. Butters): Further discussion on Mr. Pearson's motion? Mr. Pearson. No, Mr. Wah-Shee.

Duplicate Presentations

MR. WAH-SHEE: Mr. Chairman, I would like to basically ask Mr. Pearson what will be included in that proposal which has not been covered by the other groups which have made presentations before the Berger Inquiry?

THE CHAIRMAN (Mr. Butters): Mr. Pearson, you heard the question...

MR. PEARSON: Not completely.

THE CHAIRMAN (Mr. Butters): Mr. Wah-Shee, would you repeat the question for Mr. Pearson?

MR. WAH-SHEE: You have a tape recorder here? I asked Mr. Pearson what would be included in this presentation by the territorial Council before the Berger Inquiry which has not been covered by other groups that have made presentations to the Berger Inquiry? I feel that perhaps some duplication will occur.

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

MR. PEARSON: Mr. Wah-Shee, with all due respect...

THE CHAIRMAN (Mr. Butters): Would you please address the Chair?

MR. PEARSON: Mr. Chairman, Mr. Butters, Tom, Harry, Buddy, -- Mr. Chairman, with all due respect to Mr. Wah-Shee, I think this Council can make a very important contribution, a very important comment. Perhaps it may have been said before -- who cares if it has been said before? The point is it has to be said by us. After all, we are the elected representatives and represent everybody in the Northwest Territories and I think from that point alone it is a very, very important aspect of northern development. After all, we do not see too many signs of democracy in this country and we, the Council, are the only truly democratic institution.

Personally, the reason I made the motion this morning is to sort of get a few things moving around here, get things hopping, because we have sat here now for almost two weeks and not made any comment other than the one comment I made in my address the other day. We should go to Mr. Berger, preferably Mr. Berger comes to us. After all, we are an important body.

MR. NICKERSON: Hear, hear!

MR. PEARSON: However, my friend the Speaker, Mr. Searle, and Mr. Stewart have pointed out to me the need perhaps for a little more time on this to present the views of Council in a formal way. There is nothing I am sure preventing us as individuals from appearing at the Berger Inquiry. I do not know -- stop me if I am wrong, but I would hope that there is nothing preventing us anyway. Perhaps one approach to this might be for Council to present all their views, document it, well researched, go over

and spend some time on it instead of going off in a big flutter, but to carefully consider this. So, on that basis, I will withdraw the motion for now and give it some thought and discuss it with Mr. Stewart and any other Members, so that we can go -- I guess we have to go to the -- the mountain in this case has to go to Mohammed, and so we get absolute maximum impact from that, we, the mountain, will get ourselves prepared.

THE CHAIRMAN (Mr. Butters): Thank you, Mr. Pearson. I note that your motion has been withdrawn. I wonder if it is time for coffee.

MR. PEARSON: Agreed.

--- SHORT RECESS

Activity 2022, Municipal Affairs, Agreed

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum. I call the committee back to order and direct your attention to page 7 of the Supplementary Appropriation Ordinance, No. 1, 1975-76, municipal affairs activity 2022. Agreed?

--- Agreed

I heard a very strange voice on the agreement. Do we have agreement? Agreed?

--- Agreed

O and M - Activity 2025, Recreation

Recreation, activity 2025. Agreed?

--- Agreed

O and M - Activity 2026, Emergency Measures

Emergency measures, activity 2026. Agreed?

--- Agreed

O and M - Activity 2028, Library Services

Library services, activity 2028. Agreed?

--- Agreed

O and M - Activity 2029, Employment Division

Employment division, activity 2029. Agreed?

These are really only housekeeping and we have already approved them in the back estimates. These are just transfers. Agreed?

--- Agreed

Public Works, O and M - Activity 3032, Repair and Upkeep of Buildings and Works

Page 8, activity 3032, repair and upkeep of buildings and works.

Cleaning of Schools, Frobisher Bay

MR. PEARSON: Mr. Chairman, the item \$190,000 re the contracts for cleaning the buildings in Frobisher Bay, we discussed this during committee the other day with the Deputy Commissioner and I wonder if he has any comments to make at this time on this matter.

DEPUTY COMMISSIONER PARKER: I am sorry, I missed the question.

MR. PEARSON: The cleaning contracts for the Frobisher Bay schools, \$190,000. Would you discuss this item? We discussed the possibility of the difficulties in the cleaning contract and the high cost of it and the very few number of native people being involved in these cleaning contracts now, and that the possibility of the Education department employing its own janitors as it does in most other settlements be considered.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, you will recall that I gave several commitments in the standing committee to review the situation and this was one of them. I have the Member's question and have promised to investigate the standing of the present contracts with a view to ensuring that more local people are more involved in it, bearing in mind the possibility that the territorial government might carry out the cleaning with its own locally hired forces. I have not anything further that I could add at this time.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 3032.

Private Contractors Resident in the N.W.T.

MR. BUTTERS: Mr. Chairman, on a very general matter relative to public works, with regard to the economic development, the matter of the development of the construction industry in the Northwest Territories, resident and based in the Northwest Territories. As I mentioned yesterday, the municipality of Inuvik is faced with very high bids by outside construction firms and has entered into a situation where it will act as its own general contractor, putting out tender calls and encouraging subtrades and resident contractors in the community to do its work. Another thing the municipality has done is it has examined very closely the need for performance bonding and wherever possible has reduced the amount of the hold-back or performance bonding to give the local contractor as much fluid capital as is available to him. So, what I am just asking here is, has the Executive Committee met with the Director of Public Works and the Director of Economic Development to see if through the mechanism of this department the private contractors resident in the territories can be strengthened and increased and better able to take advantage of the opportunities that are found in the territories today? That is a question.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, this is sort of an ongoing project that we have been directed towards by Council before in the past. You will recall that we raised the amount very substantially under which no performance bond would be necessary in order to make it easier for local contractors to bid on jobs. We have meetings with the director of Public Works to seek means whereby local contractors can get as large a share of the work as possible. To both his specific and general question the answer is yes, on an ongoing basis we are doing this.

Activity 3032, Repair and Upkeep of Buildings and Works Agreed.

THE CHAIRMAN (Mr. Stewart): Activity 3032, agreed?

--- Agreed

O and M - Activity 3033, Repair and Upkeep of Equipment.

Activity 3033, repair and upkeep of equipment. Agreed?

--- Agreed

O and M - Activity 3034, Power Services.

Activity 3034, power services. Agreed?

--- Agreed

Social Development, O and M - Activity 4046, Social Assistance

Page 9. Activity 4046, social assistance. Agreed?

--- Agreed

Finance, O and M - Activity 5021, Financial Co-ordination and Program Analysis

Page 10. Activity 5021, financial co-ordination and program analysis. Agreed?

--- Agreed

Activity 5052 ...

MR. LYALL: Mr. Chairman, I do not know if everyone was in at the meeting when we changed that one figure, to 2616 instead of 2316.

O and M - Activity 5052, Finance and Office Services

THE CHAIRMAN (Mr. Stewart): The copy you have in front of you is now correct. That correction has been made.

Activity 5052, finance and office services. Agreed?

--- Agreed

O and M - Activity 5054, Personnel Services

Activity 5054, personnel services. This is already agreed to, this is another transfer. Agreed?

--- Agreed

O and M - Activity 5085, N.W.T. Liquor Control System

Activity 5085, Northwest Territories Liquor Control System.

MR. LYALL: Activity 5084, not 5085.

THE CHAIRMAN (Mr. Stewart): My copy says activity 5085, Northwest Territories Liquor Control System.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, perhaps the Clerk could give Mr. Lyall a new copy. I think he is working from the draft.

MR. PEARSON: Could we have an explanation of activity 5085?

DEPUTY COMMISSIONER PARKER: This is transfer of the Northwest Territories Liquor Control System from the Department of Public Services to the Department of Finance.

THE CHAIRMAN (Mr. Stewart): Is activity 5085 agreed?

--- Agreed

O and M - Activity 5053, Supply Services

Activity 5053, supply services. Agreed?

Imperial Oil Plant at Norman Wells

MR. BUTTERS: Mr. Chairman, I wonder if the Deputy Commissioner could give a little bit more information about the anticipated increases expected in this whole area of the cost of heating fuel on a general basis? It seems that this was the item by which the administration was hit most heavily in 1974-75, something like \$2 million I believe. I wonder if in view of the fact that costs are going to continue to increase if the Deputy Commissioner sees any way out of this and whether there is some possibility that the territorial government might seek to nationalize the Imperial Oil plant in Norman Wells?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the Imperial Oil plant at Norman Wells is already nationalized. The federal government is a major shareholder in it. The field at Norman Wells produces such a very small proportion of our total requirements that the price there does not really control the price throughout the Northwest Territories and by far the majority of our oil now comes out of Alberta and Venezuela. The price of oil is utterly and completely beyond our control. I can not quote a figure exactly but I think we estimate that the price escalation since last September when we put together the figures for the present year budget, the price escalation has amounted to something well over \$1.5 million and it is this amount of money that we are seeking under this allotment as an addition from Ottawa.

MR. BUTTERS: Thank you. One further point. I appreciate that the Norman Wells refinery does not and can not supply the total needs of people even along the Mackenzie but do I have the assurance of the Deputy Commissioner that the first priority for the petroleum products produced by that plant is the domestic needs of the residents of the Northwest Territories?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the only assurance I can give is that the product shipped from the Norman Wells refinery is used in the most efficient manner, that is, it is carried downstream rather than upstream. It is carried downstream to places along the Mackenzie which are downstream from Norman Wells and along the Arctic coast. If there is any price differential established, and there has been from time to time, residential users have been given that benefit.

THE CHAIRMAN (Mr. Stewart): Activity 5053, are we agreed?

Poor Purchasing Procedures

MR. PEARSON: Under this item, Mr. Chairman, I would like to discuss with someone this whole question again of government spending, the complaints from the administration of their difficulty in making ends meet and want to suggest to this administration that their purchasing procedures and methods of buying all commodities are bad, very poorly handled and are costing this government unnecessary funds. There are examples of tender calls which this government puts out on minor things with which I am familiar and if they use the same methods on major items they are really getting taken for a ride. I refer specifically to supply services and their calls for commodities from the merchants across the Northwest Territories. On one hand I will say that they are making a conscious effort of late to deal with northern business people. Their methods of describing what they need and the methods that they use and suggest they use to obtain these materials are in many cases utterly ridiculous, misleading and extremely expensive. One can receive a request from this department for the purchase of goods with descriptions with such descriptions and specifications indicated that it is virtually impossible for anyone to

intelligently bid on these tenders. How they operate I just do not know. I am sure we could get some examples by requesting this department to produce some of the tenders it has sent out to business people across the territories. My colleagues would be amazed at the descriptions and the amounts of money that are spent, the orders that are given without any sign of intelligence or intelligent descriptions, materials, fabrics, furniture, dry goods, soft goods and in very large quantities. I have complained about this before and I would expect to hear something from the administration on it.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 5053. Any further comments?

Hamlets of Rankin Inlet and Pond Inlet

MR. STEEN: I would like to know, maybe somebody could shed some light on why the hamlets of Rankin Inlet and Pond Inlet are showing up so much in these supplementary estimates.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the hamlets of Rankin Inlet and Pond Inlet were just formed on the 1st of April, I believe, this year and, therefore, the estimates that were drawn up and voted in January did not reflect this fact. The money which the hamlet would normally have transferred to it to spend on electricity and maintenance and water deliveries and so forth was in the budget of Public Works and Administration and not in Local Government and so what we are simply doing here is putting the money for these hamlets in Local Government where it can be transferred to them without any further difficulty and it is strictly because they were formed on the 1st of April of this year.

THE CHAIRMAN (Mr. Stewart): Satisfactory, Mr. Steen?

MR. STEEN: Right.

THE CHAIRMAN (Mr. Stewart): Activity 5053, Mr. Pearson?

MR. PEARSON: Mr. Chairman, I still have not had any indication from the administration as to what they plan to do about this whole matter that I have outlined.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Members will recall that Mr. Pearson raised this in the standing committee and if memory serves me correctly I said at that time that I would review the tendering procedures and the purchasing procedures and report back to Council. Mr. Pearson at that time described one or two instances which clearly indicated that there was some lack of information provided. I simply say again that I will do this and make an effort to improve the procedures.

MR. LYALL: Mr. Chairman, also I think when the report is released on northern business preference they are also going to be checking into that matter and I think that should be released pretty soon. I do not know when, do you know, Mr. Parker?

Activity 5053, Supply Services, Agreed

THE CHAIRMAN (Mr. Stewart): Activity 5053, supply services. Agreed?

--- Agreed

Economic Development, O and M - Activity 6029, Employment

Page 11. Activity 6029, employment. Agreed?

--- Agreed

O and M - Activity 6063, Game Management

Activity 6063, game management. Agreed?

--- Agreed

O and M - Activity 6072, Continuing and Special Education

Basically we have already agreed to this, this is just an inner change.
Activity 6072, continuing and special education?

Enlarging On-the-Job Training Programs

MR. BUTTERS: Mr. Chairman, last week we met members from legislatures in Africa and I believe we were all impressed with the very great progress these new and emerging nations have made in the last 15 years. Speaking with a member of the Tanzania Legislature, I learned how one of the first projects of their President, Julius Nyerere, was to establish universities, schools, vocational training centres to bring Tanzania into the 20th century with all possible haste. We have also noticed how Prime Minister Indira Gandhi in her struggle to bring her millions of people into a better level of life has likewise increased the amount of vocational training and technical training being provided to people of that subcontinent.

Now, it seems that while we pay lip service to similar concepts in this jurisdiction of Canada we do not practice those statements. As I mentioned in my constituency we are seeing a hostel being moth-balled and that hostel exists in the centre of the community near which a great deal of activity is going on which requires people having technical skills and knowledge. I can not for the life of me see why on-the-job training programs in that general region could not be enlarged, increased and intensified and that unit used for accommodation for such people who would be interested in those programs.

Last week end I returned to Inuvik to be present at the Commissioner's Award ceremony of Reverend and Mrs. L.P. Holman. I remember when Reverend Holman was speaking following the presentation he said on the matter of dropouts, "We have no dropouts" he said. "They just graduate at different grades, they graduate at grade 8 or grade 9 or grade 12." There are a number of these people who have attained a certain degree of academic knowledge and who now require new opportunities to work in a controlled on-the-job situation to be prepared for opportunities if and when they arise. I for the life of me can not see the wisdom in closing down educational institutions. I trust these are not the considerations that these decisions are based upon, fiscal considerations. I would hope it is not a fiscal consideration which is seeing that building shut down and excluded from people in the Inuvik region generally who could very much benefit from such a facility and from such programs.

THE CHAIRMAN (Mr. Stewart): Thank you.

There is No Money

DEPUTY COMMISSIONER PARKER: Mr. Chairman, it is a fiscal consideration. You are going to hate me, but there is no money. I do not know how often I have to say it -- we can not create it -- we have not got a licence to print it. We are being squeezed. Council says "Stop doing things that are unnecessary". In the Inuvik area we have three hostels, counting the one at McPherson and we can accommodate all of the students in two of those areas, so we can not afford to run three hostels. We simply can not. We would be delighted to run Stringer Hall for adult educational purposes. We would be absolutely delighted to do that, but we do not have the money for that program. We are closing Stringer Hall for a period which I am confident will not exceed two years. In fact it may only be for one year, but we will realize some real savings because there is more than just heat and light. There is staff involved. Our present projections on the numbers of students coming along are such that we will require it in about that period of time. All I can say is we would be delighted to offer vocational and adult educational programs there, but we simply can not do this because of restrictions on money for this purpose.

I think that the young people of the Northwest Territories do not really need to be compared with the young people of Africa, of the emerging nations of Africa. When we say that we are being restricted in funding, we have to recognize, though, the wonderful position that we have been placed in over the years. The young people of the Northwest Territories have had absolutely unparalleled opportunities for vocational education and higher education. If there was ever something we should be grateful for to the people of the South it is the funding of these kinds of education programs and we are so far ahead of the emerging nations in what we have been able to offer our young people of the North, I think that we should be very proud of what has been given to us in this area. That does not mean that there can not be improvements, that it can not be localized, that courses should not be offered closer to home, but that is where the dollars come in. On the over-all program, though, I think we can be very, very proud of what has been offered.

Dr. Noah Carpenter

MR. BUTTERS: Mr. Chairman, I recollect in my remarks I did not compare the young people of the North with the young people of Africa. I brought the African situation in because it had impinged itself upon my consciousness just recently within the last week and what I was comparing, if anything, was the government priorities. I recognize that this government and the Government of Canada have done great things in the area of academic skills, academic knowledge. That same evening Dr. Noah Carpenter out of Sachs Harbour returned to be present at the award presentation ceremony and Dr. Carpenter has just recently been named the senior resident surgeon at the University Hospital. This is a fantastic achievement and it indicates that certainly the opportunities have been made available to the people of the North. Dr. Carpenter's achievement is something that everybody can be proud of and of which everybody can be amazed who understands just what he has done and who appreciates the people and the programs that have given him this opportunity to fulfil himself as a human being and as a Canadian. I am not saying this -- talking about the hostel, I am not talking about the hostel in terms of the academic program. I say one area in which there has been a real lack is in the area of vocational training and I mentioned India because of the ...

MR. PEARSON: Hear, hear!

Anticipated Technical Advancements

MR. BUTTERS: ... the strong statement of Indira Gandhi and the need to lift people up to participate in the increasing technical activities which modern society requires. I am not in any way casting aspersions on the education programs that are presently in operation. I am saying that the need is increasingly for technical programs and on-the-job programs where people can be trained right where the jobs are so they will get those jobs when their training is completed. That is what I am talking about. So accommodation can be provided for them when they come off the job, they can pick up basic skills in mathematics or something they may require that can be given them on the job. This is something that this government has not provided. Fort Smith, for all the excellence of its vocational training centre, still is not meeting the needs, the foreseeable needs of the technical advancements anticipated in the next few years. In no way, Mr. Deputy Commissioner, am I disparaging anything your administration has done. Please.

DEPUTY COMMISSIONER PARKER: Thank you.

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

MR. PEARSON: Mr. Chairman, I could not let this opportunity go by on the subject of hostels. I think if anybody gets the Commissioner's Award it should be John Parker for closing the bastard hostel! If the government wants to save money, I could show you where you could save a cool half million bucks right away, that wonderful little institution in Frobisher Bay known as the Ukkivik hostel. The sooner this government gets out of the business of hostels and gets into the business of providing worthwhile education programs in the settlements so the native people can at least live with their own people and live in their own environments, the better. If they need go to higher areas of learning or higher levels of learning, for the few that require this, then small group homes and that kind of thing can be provided in the large centres where these facilities are. But taking these dreadful establishments, shocking establishments, these false, phony examples of what the white man's world is all about and forcing these kids to live in these synthetic environments in large communities in Frobisher and Inuvik, etc., are very bad, very bad. It has a very bad long lasting effect on those poor unfortunates who get dragged in there at the ripe old age of at whatever ages they may be, but in the low grades when they should be provided for in homes. If you want another half-million, you can chop that one in Frobisher and there are only 78 kids there.

Vocational Training Schools Must be Closer to the People

MR. STEEN: Mr. Chairman, I would like to say that I support Mr. Butters in every way I could to get this hostel, the one that is going to be closed down or moth-balled, to do something with it. Since it is going to be heated all the time that it is closed down to keep it from freezing, to keep the pipe system from freezing. What we have got there is an empty building. There is just nothing going to be used and as I said in my reply to the Commissioner's address, the Fort Smith Vocational Training Centre does not serve the people of the delta area to any reasonable extent. These people want to get training but how can they stay in Fort Smith when it is so far away that you can not train married people who would not like to leave their families for too long a period? The closer you bring these schools or vocational training centres to the people, the easier or better it would be used for the purpose that it was set up.

The pipeline, there is no doubt about it in my mind, they are going to build the pipeline sooner or later. The Inuvik region is going to be the high impact area and there is no way that we are going to train our people to be prepared for work unless they are provided with on-the-job training to accommodate them for all the work that is going to be there. What we are going to be seeing is that the people from outside are going to take the positions that could have been taken by northerners. There are a lot of positions, there are secretaries, there are operators, just about anything you need and this is an awful big building you are closing down. I feel that when the Deputy Commissioner says that there is no money, I feel that maybe we had better take a close look at our budget. Maybe we are spending the budget in the wrong place. I do not feel that the museum in Yellowknife is more important than the vocational training near the people.

MR. PEARSON: Hear, hear!

MR. STEEN: It is the same probably for the warehouse that is going to be built in Yellowknife if we pass it. I say again that we should take a good look and take care of our needs, our real needs, the needs of the people before considering moth-balling places of that size. That is all.

Activity 6072, Continuing and Special Education, Agreed

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Steen. Activity 6072, are we agreed? I have two "agrees". Any more?

--- Agreed

Education, O and M - Activity 7070, Administration

Page 12. Activity 7070, administration. Education, operation and maintenance. Agreed?

--- Agreed

O and M - Activity 7072, Continuing and Special Education

Activity 7072, continuing and special education. Agreed?

--- Agreed

O and M - Activity 7071, Schools

Activity 7071, schools. Agreed?

--- Agreed

Public Services, O and M - Activity 8085, Liquor System

Page 13. Activity 8085, liquor system. This is a transfer on the other sections you have already approved this. Agreed?

--- Agreed

Executive, Capital - Activity 1010, Executive Offices

Page 14. Activity 1010, Executive, executive offices. Agreed?

--- Agreed

Capital - Activity 1026, Emergency Measures

Activity 1026, emergency measures. Agreed?

--- Agreed

Executive Secretariat, Capital - Activity 1226, Special Projects and Development

Page 15. Activity 1226, Executive Secretariat, special projects and development.

Single Accommodation

MR. WAH-SHEE: Mr. Chairman, I would like to know what this supplementary estimate number 1 for \$682,000 is. Is this for single accommodation?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, this is for single accommodation and for the services that go with it as per the arrangement between the federal government, ourselves and Central Mortgage and Housing. As I was able to explain to the standing committee on finance, following a meeting with representatives of all of the communities around Strathcona Sound, the decision was reached to plan the community as a single person one with the employees being moved in by aircraft shuttle service and this was in line with their requests. The option remains in the future for people to live there should this be their choice in the future, but at the present time we are fully confident that we have met their requirements.

THE CHAIRMAN (Mr. Stewart): Activity 1226? Are we agreed?

--- Agreed

Personnel, Capital - Activity 1454, Personnel Services

Page 16. Activity 1454, Personnel, personnel services.

--- Agreed

Natural and Cultural Affairs, Capital - Activity 1525, Recreation

Page 17. Activity 1525, Natural and Cultural Affairs, recreation.

MR. BUTTERS: Mr. Chairman, one small item on recreation before it gets away from us. We recently have had a new director of recreation and there has been a new policy on recreation with directions and objectives. I wonder if the Deputy Commissioner might give a short report on the present situation on the recreation program within the territories.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we do not have a new director of recreation, but we have a chief of that division, Mr. Leo Kylo. Council has studied the paper which was presented, but I do not believe really in depth. We have not taken new directions as yet although we will be moving towards that policy which was laid before Council last June, but there have been no substantial changes so far.

MR. BUTTERS: One further question. I believe that one of the new directions that is to be taken to assist the communities and settlements develop their own recreational facilities is that the administration is either looking at or has agreed to accept the responsibility for paying for the operation and maintenance or a major portion of such recreation facilities that have been erected in communities. Is that correct?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we are now assisting with the cost of utilities in the recreational centres and we have as a "B" level item in our forecast for the next fiscal year, a program of major support in the operation of recreation centres. We do not have the funding for that beyond the assistance that I outlined at the present time.

MR. BUTTERS: And that "B" level funding has not received a very enthusiastic response from either the Treasury Board or the Minister in charge of Treasury Board, is that correct?

DEPUTY COMMISSIONER PARKER: Well, in past years we have not been too successful. However, we believe that we have come up this year with what would appear to be a very good approach and a good design for laying our requirements before the Treasury Board and we are perhaps a bit more hopeful than usual.

THE CHAIRMAN (Mr. Stewart): I am not sure whether this is a plot or not, but Mr. Nickerson also wishes to speak. You will have to wave your hand.

MR. BUTTERS: That is all, thanks.

THE CHAIRMAN (Mr. Stewart): Recreation, activity 1525. Agreed?

--- Agreed

Capital - Activity 1528, Library Services

Library services, activity 1528. Agreed?

--- Agreed

Capital - Activity 1563, Wildlife Services

Wildlife services, activity 1563. Agreed?

--- Agreed

Local Government, Capital - Activity 2022, Municipal Affairs

Municipal affairs, activity 2022. Agreed?

--- Agreed

Capital - Activity 2025, Recreation

Recreation, activity 2025. Agreed?

--- Agreed

Capital - Activity 2026, Emergency Measures

Emergency measures, activity 2026. Agreed?

--- Agreed

Capital - Activity 2028, Library Services

Library services, activity 2028. Agreed?

--- Agreed

Social Development, Capital - Activity 4041, Corrections

Page 19. Corrections, activity 4041. Agreed?

MR. LYALL: Can I ask one question, please?

THE CHAIRMAN (Mr. Stewart): You certainly may.

MR. LYALL: Is Mr. Parker allowed to lead off with the "agrees" in these matters?

THE CHAIRMAN (Mr. Stewart): The answer to that is no.

MR. LYALL: Thank you.

THE CHAIRMAN (Mr. Stewart): Corrections, activity 4041.

MR. PEARSON: Mr. Chairman, just on inquiry re corrections, particularly the facility in Yellowknife, does the administration have any plans or projections

for a satellite facility being operated as they used to be in the capital? At the Yellowknife River there was a summer camp program so that the inmates were out of the facility down there, involved in community work, as they were out at that river.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, that operation was a year-round operation. We moved the buildings and facilities to Hay River and so it does not exist any longer at the Yellowknife River, to the best of my knowledge. The inmates at the Yellowknife Correctional Centre are given opportunities for work release and are taken outside for certain jobs. However, perhaps this could be clarified tomorrow. I see Members have indicated their desire to visit the institution tomorrow noon, but we do not have any plans for reopening the one at the Yellowknife River. For those persons who require, or perhaps I should say can best receive treatment at a very open institution, then they would probably go to the one at Hay River or if they are from the Eastern Arctic, of course, stay at Frobisher Bay.

MR. PEARSON: A further question, Mr. Chairman. When does the administration plan to open such a facility in the High Arctic, the delta area as I think it was expressed?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, at the present time it is my understanding that the number of persons coming from that area is not sufficient to warrant the opening of such an institution. However, we have stated, and I state again that that is the next area that would receive such an institution as soon as the numbers, unfortunately if they do, reach sufficient size to warrant it.

MR. BUTTERS: Mr. Pearson has put my question, sir.

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

Community Work for Offenders

MR. BARNABY: Last week I think we talked about another system of handling offenders, the penalties that were laid down. I was just wondering if inmates could be involved in work that the communities would benefit from, wherever they are. I think we talked about it last week, a person who goes to court and gets a penalty to come back to the community and do some sort of work. I was wondering if the corrective institute maybe could go along towards that line.

THE CHAIRMAN (Mr. Stewart): Basically at Hay River, the way I understand it, most of these people have day passes to work outside of the institution for private enterprise. I think that they have even gone to the extent where they have a union that refuses to work for less than \$4.50 an hour but as far as I know, there is no free community work being allowed any more, so possibly the Deputy Commissioner might like to add to that.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I understand the system that Mr. Barnaby was talking about that was discussed in Council. We have, I believe, promised to see what we can do to work in that direction, that is, the holding of people closer to home and engaging them in local work, but we can not institute that immediately. However, at the locations where these institutions exist it is certainly my understanding that the inmates will be put to work at jobs that are of a community interest nature whenever possible. As you yourself state, there seems to be sufficient day release work in Hay River to accommodate practically all of the inmates and of course, I think that is the very best possible situation.

MR. LYALL: I would just like to state that if you do this type of thing that means you have to put a jail in every community which is going to be another item on our estimates which -- I think myself that it is not very practical to do this type of thing, because of the fact that we have just been discussing.

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

MR. BARNABY: I do not like to disagree, but I think that we are looking at more money. There are a lot of people I think who get in trouble who would be helped and I think something like this which the community could work at would take a strain off a lot of things. I was not talking about Yellowknife when I was thinking about these persons or Hay River. I know there are some inmates from here who went to Hay River to work on jobs but there are still a lot here I think who probably do not get passes to work at jobs.

THE CHAIRMAN (Mr. Stewart): Thank you. Corrections, activity 4041, are we agreed? The Chair would like to have more "agrees", gentlemen. I do not want to proceed until you are ready, but if you are ready, please -- Mr. Steen?

MR. STEEN: I would like to know how is the system working now, how are they getting rid of their sewage?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we have had, since the institution was opened, a small sewage lagoon close by, but since the city has run its major sewer line quite close to the institution, the health officers and the city people have indicated that we must connect to it. It has cost us a certain amount of money each year to maintain the sewage lagoon since it was constructed. We have to keep up the sides of it and so on and in the long run it will be cheaper to connect to the city system. That is why we want to go ahead and do this.

MR. STEEN: Thank you.

Activity 4041, Corrections, Agreed

THE CHAIRMAN (Mr. Stewart): Are we agreed on activity 4041?

--- Agreed

Capital - Activity 4044, Medical Social Services

Medical social services, activity 4044? Agreed?

--- Agreed

Mr. Pearson, are you threatening, or just moving your microphone around?

MR. PEARSON: I am just nodding my head.

THE CHAIRMAN (Mr. Stewart): I would agree on that.

MR. PUDLUK: Mr. Chairman, I would like to know where is Akudlik -- where is Akudlik? Where is that place? It says Cambridge Bay and Akudlik?

DEPUTY COMMISSIONER PARKER: The Akudlik one is at Churchill, Manitoba, and the reason we have to maintain one there is because the people from the Keewatin who use the Churchill hospital need somewhere to wait before going

into the hospital and then to stay in for a few days after they get out of the hospital on their way home.

THE CHAIRMAN (Mr. Stewart): Activity 4044, are we now agreed?

--- Agreed

Finance, Capital - Activity 5053, Supply Services

Page 20, Department of Administration, activity 5053, supply services. This was one point your finance committee did not agree upon and would like to indicate special attention to this committee of the whole. Supply services, activity 5053. Mr. Wah-Shee?

MR. WAH-SHEE: What I would like to know under 5053, they want to construct a central warehouse. Is that to store liquor?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, about 50 per cent of the space in this warehouse would be as a liquor warehouse and the reason for that is because we have an offer of sale of the present one which is located on prime commercial property and one of the major businesses can not expand unless we are able to sell to them. We had the building assessed by an independent firm from Edmonton and we have offered it at the full price to a firm and they have accepted our price. So we need to relocate the liquor stock which I believe Members looked at the other day and found it was turned over on a regular basis.

The other half of the requirement is to meet a need that is not met at the present time. It is met in part through the use of rented facilities and with the use of these rented facilities we really do not have the kind of control necessary. At the present time the combination of the liquor warehouse and the five other locations that we are forced to use for warehousing locally amount to 25,000 square feet of space. In the one that we propose to build, we propose to build a total of 30,000 square feet which is not an increase of any great quantity.

One of the reasons for having it slightly larger is in fact to accommodate the liquor warehouse because at the present time, as Members will remember, all the warehousing had to be done manually and in this day and age that is a very expensive proposition. With just a wee bit more space we are able to have proper aisles in the warehouse and then a little electric forklift for placing the goods and in fact they would be stacked up much higher than they are at the present time. There will be quite a considerable saving in the numbers of people who will be involved in this operation.

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

MR. STEEN: Can I ask one question of the Deputy Commissioner? Mr. Chairman, what is the combined rent of all five warehouses for the year?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I will have to get that information. I do not want to mislead Members. We do not lease all of the space; some of it we own, but I can get a figure on the amount of rent that we paid for the leased space. If you would like to leave this item for the moment, I can get a figure on the value of the leased space and maybe a few minutes later we could deal with it.

THE CHAIRMAN (Mr. Stewart): Is that agreed?

MR. PEARSON: How many minutes?

DEPUTY COMMISSIONER PARKER: Thirteen.

Capital - Activity 5054, Personnel Services

THE CHAIRMAN (Mr. Stewart): We will set aside activity 5053 and proceed to activity 5054, personnel services. Agreed?

MR. PEARSON: Have we agreed to create that new department?

THE CHAIRMAN (Mr. Stewart): I am afraid we are past that point.

MR. PEARSON: The point of no return, Mr. Chairman. I was not agreeing.

THE CHAIRMAN (Mr. Stewart): Agreed?

--- Agreed

Capital - Activity 5085, N.W.T. Liquor Control System

Northwest Territories Liquor Control System, activity 5085. Agreed?

--- Agreed

Economic Development, Capital - Activity 6063, Game Management

Page 21. Economic Development, game management, activity 6063. We have already dealt with this matter and this is just another transfer. Are we agreed?

--- Agreed

Public Services, Capital - Activity 8085, N.W.T. Liquor Control System

Page 22. Public Services, Northwest Territories Liquor Control System, activity 8085. Agreed?

--- Agreed

Health, Capital - Activity 9096, Territorial Hospital Insurance Services

Page 23, Health, Territorial Hospital Insurance Services, activity 9096.
Agreed? Mr. Butters?

MR. BUTTERS: Mr. Chairman, the territorial government or the previous Council, I believe the 6th Council established a procedural program by which residents of the Northwest Territories requiring medical services, operations in provincial centres would receive assisted travel on their doctor's recommendation to avail themselves of that service in the South. I wonder if the Deputy Commissioner could tell me how that provision is developed? Is it protected by ordinance or by regulation?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, was that the provision for people to travel to the South for medical purposes and then come back? I do not quite understand the question.

MR. BUTTERS: That is correct, sir. Persons not employed by government or other companies which provide this service as a benefit of employment.

DEPUTY COMMISSIONER PARKER: I do not believe it is in any ordinance but it is certainly in the operating rules I guess of the Territorial Hospital Insurance Services. Yes, it is in their operating procedures, perhaps their regulations, but there is some protection.

MR. BUTTERS: In view of the fact, sir, that our sister territory the Yukon has for a number of years had a similar program and just recently at their last Council session did enshrine this benefit into legislation, is the administration considering proceeding in a similar direction?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the subject had not been raised with us before but we would be glad to examine their legislation and the basis on which it was brought forward and report to you if you wish.

MR. BUTTERS: I accept that as a satisfactory resolution to my question if the Deputy will so carry out that.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 9096, are we agreed?

--- Agreed

That completes the supplementary estimates with the exception of supply services, activity 5053. What is this committee's instruction? I understand we have a luncheon engagement at 1:00 o'clock and we were asked to be there sharp at 1:00 o'clock. On this basis, are you prepared to recess until 2:30 o'clock?

Revert to Activity 5053, Supply Services

MR. PEARSON: Could we not get this activity 5053 out of the way? I do not need the facts. Mr. Chairman, could we not carry on with 5053? I have a lot to say on this matter and I do not need the facts. (laughter)

DEPUTY COMMISSIONER PARKER: I know.

THE CHAIRMAN (Mr. Stewart): I have no objection. I am at your disposal.

MR. PEARSON: I want to see that justice appears to have been done.

THE CHAIRMAN (Mr. Stewart): Mr. Pearson, you have the floor. We are back on 5053.

MR. PEARSON: In lieu of the question my colleague Mr. Steen asked earlier, this whole matter is one that bothers me and bothered the committee and you, as the deputy Chairman of the committee and chairman of this committee, did not give us a detailed account of the activities of the committee on this matter but perhaps I should do that.

New Warehouse for Yellowknife

The finance committee questioned this whole matter of this new warehouse to be built in Yellowknife. The total amount of money required is \$1 million and the purpose of this warehouse is to house the wares of the government, namely, liquor and its odds and ends and bits and pieces. The committee asked if it could examine these warehouses to see exactly what was contained therein and we found that in the case of the liquor warehouse we found it to be full of liquor as we had been led to believe. We were quite happy with this as we then knew that the government was not pulling the wool over our eyes or trying to.

We then went to visit the other warehouses, one found underneath the building known as the Cunningham building in the bowels of Yellowknife, so to speak, and we found it to be a warehouse of paper and forms and the bureaucratic paraphernalia that the government needs to carry out its daily job. We then went to another warehouse known as Mike's place and found in there an assortment of junk, furniture that seemed to be out of circulation, assorted goods, desks, broken down bits and pieces of odds and ends. Another warehouse we went to was in the Keewatin building again in the bowels of Yellowknife and found approximately one ton of tea, assorted bits and pieces of broken-down machines, out dated, steam driven adding machines.

THE COMMISSIONER: We are hoping you will supply the steam.

DEPUTY COMMISSIONER PARKER: It will run on hot air.

MR. PEARSON: And generally what one would normally describe as junk that perhaps this government would be better served if this junk were actually thrown on the dump. In fact I have seen them throw better stuff away. In fact I have picked up stuff off the dump in better condition than some of that stuff in the warehouse. It seems to me that this is an unnecessary expense. As far as the government selling the warehouse to the Hudson's Bay or whoever it is I think that is probably quite a good idea, good for the Bay and the warehouse does seem a bit limited considering the incredible amount of booze that seems to be contained therein. The committee also questioned the sense of having vast quantities of this stuff on hand when it is possible in a community such as Yellowknife to ship it in on a more frequent basis and therefore, the need of a large warehouse is not really required.

No Need for the Warehouse

Apart from the liquor aspect there is nothing in any of those warehouses to indicate to me that this government needs to spend something in the vicinity of \$37 a square foot for warehouse space. I am quite sure that a very simply constructed utilitarian type building could be provided for the storage of liquor, heated storage space and unheated storage space for the garbage and the junk which they have got and which we recommend they should get rid of. Sell it to the highest bidder. For that stuff I can not see the need for a warehouse let alone a warehouse costing \$37 a square foot when in southern Canada it is possible to build warehouse space for about \$12 a foot, for basic simple ordinary warehousing. A

\$1 million investment in this capital city of Yellowknife for the storage of this junk other than the liquor I think is disgraceful. I think it is a very blatant example of the government overdoing it once in a while. Maybe other Members of the committee would like to express their views, but those are mine and I am wholeheartedly against a warehouse of this magnitude being built in this city.

MR. SEARLE: Mr. Chairman, I am not on the finance committee and hence, did not visit the places indicated. However, I was on the previous finance committee which considered this matter and approved it and I must say we approved it reluctantly. No one likes to spend money for storage space but in a way, you know, you can compare it to road maintenance and reconstruction. You can delay it this year and next year and for five or ten years, but ultimately there comes a time when you have to rebuild the road, regravell the surface or you end up with a dreadful problem.

Yellowknife, of course, is the capital and there are many valid reasons we were persuaded at the last finance committee why there should be a warehouse. There are many things being stored that need to be secured in a central place, there is much efficiency to be gained by having a single warehouse. It seems to me it is an inevitable thing that if you were running a business you would have had a proper and suitable warehouse some time ago. You have to appreciate that Yellowknife is a staging area for certain things. It is road-end, it is convenient to warehouse things here and then take them out from here. That happens to some extent I understand with liquor. I think of Mr. Pearson's problem with wine. You do not buy it by the bottle, you do not even buy it by the case, you have to order it well in advance and buy several cases. It has to be stored maybe for a year or two until it is sold. It is not as simple as just saying if such and such a product runs out in the liquor store, you just get on the telex and you have got a case or two on the next truck and hence, you do not need any warehousing facility. The practical problem, of course, is that the present building is being sold, the present warehouse for liquor. It is being sold for a good reason, it is occupying downtown prime space and a good price can be obtained for the building. It is in the interests of the public of Yellowknife that the Hudson's Bay expand to provide a better facility for the people of Yellowknife. So, you are faced then with the practical problem of having to replace it.

You could lease the space, I suppose. Someone else will pay \$37 a square foot and you could take a 20 year lease on it and you can pay it off over 20 years, but it amounts to roughly the same thing in the long run.

An Age of Inflation

I think in this day and age of inflation that it probably makes sense to buy now and store for later. I would not have agreed with that philosophy a year or so ago, but I think it makes sense to do that. I reluctantly support the construction of a central warehouse, but I think it gets to a point where it makes sense and I think certainly over the last three or four years, we have fought the administration time and time again on this business of a warehouse, but I think there comes a point when you have to do it. I think the point is now. Mind you, delay it if you want, but next year or the year after or the year after, it just gets more critical and then it will cost you \$55 a square foot.

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

MR. STEWART: Mr. Chairman, I made the same rounds as Mr. Pearson and in many respects I agree with what he said. There are a few differences, however. The liquor warehouse has got to be the most inefficient operation I have ever laid eyes on. Everything has to be manhandled. The building was never designed, number one, to be a warehouse. There are nooks and crannies all over the place and the building itself is certainly not in very good repair. I think we must recognize that it is essential that we do have some sort of warehousing for liquor in Yellowknife.

The other warehouses that we went to were inefficient in that they are either in basements or on second floors where everything again has to be manhandled and the number of work hours involved in using this space must be tremendous. So, on the principle of a warehouse I believe that some type of a warehouse facility is required. Now, I have some concerns and some reservations in that I had noted in the past the minute somebody seems to get a warehouse then your warehouse crew seems to think that it must be filled at all times with whatever commodity you may be dealing in and this scares me when we look at the amount of square footage that we have involved in this particular building. A great amount of the stock that I have seen really does not require heated warehousing and in many cases does not require any warehousing at all; it would be better to get rid of it. However, warehousing in this day and age is necessary and I would be prepared to consider somewhat of a cut down version unless the administration can convince me that their requirements are going to need this in the immediate type of future. Certainly right now with what I have seen stored in Yellowknife other than the liquor there is really no need for the size of warehousing that they have at the present time. Now, the administration may have plans that they are going to require this added warehousing and if so, I would like to know what type of thing they are planning on using it for.

THE CHAIRMAN (Mr. Butters): Mr. Deputy Commissioner, over to you.

Cost of Warehouse

DEPUTY COMMISSIONER PARKER: Mr. Chairman, perhaps I am remiss in not having had the very latest estimated figure to put before you, but I have it now. The cost estimate for this building is a total of \$29 a square foot, not \$37 but \$29 and that includes \$3 a square foot for site work. That includes a short access road or some type of access and whatever fencing is necessary. So, the basic cost of the building installed will be \$26 a square foot and the all-up cost \$29.

The number of square feet involved is 34,000 square feet and that gives an all-up cost of \$986,000 or rounded off to \$990,000. You can round it to \$1 million. It is not more than that. The 15,000 square feet of it is for the liquor system to replace an existing 10,000 square feet. I have outlined the reasons for needing a little more square footage, because of going to mechanical handling. I think we can indicate there our requirement pretty clearly. Mr. Pearson will remember that when he asked the questions in each case of how long a certain brand of stock had been sitting there, it had not been there very long, so, contrary to the supposition that the stock sits there a long time or could be brought in a lot more often, I do not believe that that is the case. It was pointed out to us that beer supplies are brought in about every month to two months and the only time it stretches to the two month period is over freezeup and breakup. Other shipments that come from overseas have to be brought on about a once a year basis. Otherwise, it becomes very, very uneconomical to take the necessary ship space and so forth.

However, I appreciate that Members are not arguing particularly over the storage of the liquor. With regard to the other space, it is true that before we would move into such a building we would very carefully turf out any of the things that do not deserve storage. However, we do operate a large number of staff accommodations, something that we would wish to get out of in the long run, but this is something that is not easily achieved and we have to handle a certain amount of furniture and fixtures. I believe that the Members on the little tour saw in the warehouse that we rent from Mike's there was some broken furniture, but repairable and getting ready to be repaired. There was also quite a number of new pieces that were properly stored and ready to go into accommodation as forecast.

Warehouse Agent for Indian Crafts

We have a requirement under Economic Development where we act as the warehouse agent for most of the Indian crafts. This is a business that is growing very substantially. We have had no adequate place whatsoever to bring these goods in from the settlements and get them ready for trans-shipping to retailers. This is a growing business and one in which we have to have some little space in which to operate. Members have mentioned there is a requirement for the storage of government forms and adding machines, although we are swinging over to more modern ones, and so on. I think that is pretty clear. The question was also asked as to what we pay in lease costs. Not counting the cost of leasing space in the spring and fall for liquor, because we have to lease extra space for the breakup and freezeup periods, our annual costs now run to about \$38,500 a year. Apparently the combination of the cost of leasing for the spring and fall liquor storage plus the extra damage that we incur, runs to another \$50,000 a year.

THE CHAIRMAN (Mr. Butters): Mr. Deputy, I understood Mr. Stewart to suggest a possible reduction in the size of the warehouse in view of the fact that there is a general atmosphere of cutback and consolidation of expenditures. Has the administration considered acting in the manner which Mr. Stewart put before us?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, yes, we have, but to some extent Mr. Stewart explained the situation at an earlier vote. When he was describing the initial installation of water and sewage in Hay River whereby there was a change made, I believe, from a 10 inch line to an 8 inch line. At that time it was a mere saving of \$200,000 and to correct that costs several million. We are really very much in the same situation. Having an identifiable amount of 25,000 square feet of space right now being used and being able to identify an additional 5000 that we simply must have for liquor, we figure that it would be false economy to cut below 34,000 square feet. If we were to cut to 30,000 square feet, the cost of adding that extra 4000 or 5000 square feet in a few years time would be very, very much over what it is now. As a matter of fact, when we reviewed our requirements, I personally chopped the requirement back to 34,000 square feet. It was not a case of building it up to that; it was a case of saying, "No, we will not build that to a level that some managers could foresee needing, but we will simply draw the line at 34,000", and that was all there was to it.

THE CHAIRMAN (Mr. Butters): Is there any further discussion on that? What is the wish of the committee? It is 12:30 o'clock and we have a firm engagement at 1:00 o'clock sharp. Is it the wish of the committee that we continue this discussion at 2:30 o'clock or do you wish to vote on it now? Mr. Pearson.

A Matter of Cost

MR. PEARSON: Speaking for myself, Mr. Chairman, I would just like to finish my comments and sum up what I have heard, without delaying my colleagues.

I do not dispute the fact that you can justify an additional warehouse for liquor or, rather, a replacement. You can sell that one for a couple of hundred thousand. It is not efficient, it is not big, it is not a warehouse, as Mr. Stewart says. I will go along with it. The question I raise on that particular one is how much a square foot. You now say \$29 and you quoted, I think, \$30 odd, at the finance committee. However, I did not take the trouble to figure it out for myself. Twenty-nine dollars a square foot is a hell of a lot of money for a warehouse. However, for liquor you need heated, good quality, well secured warehouse space. That is unquestionable, but there was absolutely nothing in any of those warehouses that we saw -- those other places scattered around town, to justify the establishment of the additional space, building the additional space, and how you could put it all in the one vote, I do not know. You need heated space for liquor but you sure as hell do not need heated space for all that other junk we saw sitting there, absolute junk. This business of going into the furniture repair business is a new departure and one which I heartily and wholeheartedly support. I was glad to hear that the administration has come around to this way of thinking because in the past anything with a mark on it or a scratch on it was thrown in the dump, tons and tons of furniture.

I can not sit here and go along with this administration in the establishment of the large warehouse complex in this community which serves no purpose other than to hold the garbage that is sitting in those buildings and that is exactly what it is. I am sure that it would not be a great hardship if the new warehouse was limited only to a liquor warehouse and nothing else. Back in

every other department -- if we can not afford a teacher in an elementary school in Frobisher Bay and provide enough money for hearing aids for children in that school, and provide their parents and teachers with counselling because of cutbacks in education, I, me, I can not sit here and approve a warehouse, especially a \$29 a square foot warehouse. I do not support that and the rest of the Council can do what it likes, but I ask them to look at their consciences on this matter. Thank you.

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

MR. STEWART: I wonder, Mr. Chairman, if we could recess for lunch.

THE CHAIRMAN (Mr. Butters): Is that the wish of the committee?

--- Agreed

THE CHAIRMAN (Mr. Butters): We will recess for lunch. There is one more Member who wishes to speak. Mr. Wah-Shee.

MR. WAH-SHEE: Before we adjourn I would like to see the Speaker on the chair so I can direct a question to him before we adjourn.

THE CHAIRMAN (Mr. Butters): I do not see the Speaker present in the house, Mr. Wah-Shee. I think that he should be taking the chair shortly after our reconvening at 2:30 o'clock and possibly you could direct a question to him then. Is it urgent that you address it to him before lunch?

MR. WAH-SHEE: Yes, it is.

THE CHAIRMAN (Mr. Butters): Is the Speaker available? The Deputy Speaker is here, would the Deputy Speaker be satisfactory?

MR. WAH-SHEE: Yes.

THE CHAIRMAN (Mr. Butters): I will report progress. Is that agreed?

--- Agreed

MR. SPEAKER: Mr. Butters.

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

MR. BUTTERS: Mr. Speaker, your committee has met to consider agenda item Bill 3-56 and I wish to report progress.

MR. SPEAKER: Mr. Wah-Shee, you would like to return to Item 6?

MR. WAH-SHEE: Yes, just before we adjourn I would like to give notice, if it is agreeable to everybody.

MR. SPEAKER: Yes. Would you stand and read your notice?

--- Agreed

REVERT TO ITEM NO. 6: NOTICES OF MOTIONS

Notice of Motion 3-56: Constitutional Development of the N.W.T.

MR. WAH-SHEE: I am still learning, Mr. Speaker, and I do not know all of the procedures. I would like to give notice that I will be proposing a resolution on constitutional development tomorrow. I just wanted to let you know that.

THE SPEAKER: Mr. Wah-Shee, you will give the written draft to Mr. Remnant some time today so it can be reproduced and put in the books for tomorrow?

MR. WAH-SHEE: Yes.

Notice of Motion 22-56: Regular Tests, Arsenic Pollution

MR. LYALL: Mr. Speaker, I would like to also give notice at this time that I will be making a motion tomorrow sometime regarding the arsenic in Yellowknife and I will have that handed to all the Members before tomorrow.

MR. SPEAKER: I think I can safely say, Mr. Lyall, that the Members from Yellowknife are always happy to have the assistance of other Members. Are there any further matters? Mr. Barnaby?

MR. BARNABY: I would like to ask a question. Are we going to discuss local government, the Local Government Philosophy Paper?

MR. SPEAKER: Yes.

Notice of Motion 10-56: Government Employees in Settlements

MR. BARNABY: I believe I gave notice I would present a motion. Now, I think I would like to give notice that I will bring my motion forward for tomorrow to deal with government employees under the control of the settlements.

MR. SPEAKER: Mr. Barnaby, that was a motion you have given once before that I indicated you might discuss with Mr. Slaven so that it was not out of order. I assume you have done that?

MR. BARNABY: Yes.

MR. SPEAKER: Excellent, fine. As to the paper on Local Government, it seems to me that it would be appropriate to plan hearing that as soon as we have finished supplementary estimates which are just about finished.

MR. NICKERSON: I understand that the witnesses who are to help us with the Insurance Ordinance are available and they have come all the way from Toronto and have other commitments. It would be very much in their interests if we were to be able to discuss the Insurance Ordinance this afternoon.

MR. SPEAKER: Mr. Nickerson, you beat me to it. I was just going to add "as soon as we finish the supplementary estimates and the Insurance Ordinance". Members will recall earlier that we were asked to fix a definite time and date for the Insurance Ordinance because you wanted expert witnesses and because this is a highly, sort of skilled area. We have two people here today, Mr. Kennedy and Mr. Irving and we have indicated 2:30 o'clock this afternoon. So I propose to go into committee on the Insurance Ordinance at 2:30 o'clock and hopefully we can finish that quickly, finish the supps and then we have Thursday and Friday really then to get into the Philosophy Paper on Local Government and then there is the motion with respect to the operation and maintenance of airstrips. I think those would be the only two matters left for the last two days as well, of course, as the final third reading which does not take any length of time at all.

I guess what I am saying, therefore, is that it looks at this point in time to me as though we would have sufficient time to do the things that are left. Does anyone wish to comment on that? Then I will proceed with the Insurance Ordinance at 2:30 o'clock. We have only 20 minutes left and I assume we should simply then recess for lunch and I understand we have a luncheon engagement at 1:00 o'clock at the Yellowknife Inn with the Canadian Arctic Co-operative Federation.

Council stands recessed until 2:30 o'clock.

--- LUNCHEON ADJOURNMENT

ITEM NO. 10: CONTINUING CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

MR. SPEAKER: Council will come to order. Turning to the orders of the day, Item 10, continuing consideration in committee of the whole of bills and other matters.

Bill 5-56, the Insurance Ordinance. Can we have a motion to resolve into committee of the whole to consider Bill 5-56? Mr. Ernerk, seconded by Mr. Barnaby. Moved and seconded. Is there any discussion? Question. Question being called. All in favour? Contrary?

--- Carried

Council will resolve into committee of the whole to consider Bill 5-56, the Insurance Ordinance with Mr. Stewart in the chair.

--- Council resolved into Committee of the Whole for consideration of Bill 5-56, Insurance Ordinance with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 5-56, INSURANCE ORDINANCE

THE CHAIRMAN (Mr. Stewart): Committee will come to order to study Bill 5-56, An Ordinance Respecting Insurance in the Northwest Territories. Mr. Nickerson, has your committee a report on this?

Legislation Committee Report

MR. NICKERSON: Yes, Mr. Chairman. This piece of legislation has a rather lengthy history. It has been submitted to the Council of the Northwest Territories on several occasions. It has also been studied by the standing committee on legislation, also on several occasions, representation has been had during its formulation and later evaluation by people engaged in the insurance business, from all aspects. The best possible advice has been taken from experts in the field of insurance and legislation.

This ordinance, sir, is more or less standard legislation. It is the same as that in effect in most of the provinces. The present standing committee on legislation has not examined it in detail because all of this has been done in the past and we rather felt that it would be an automatic matter to get it through Council at this time, after so much time has been spent on it before.

We are lucky enough to have with us this afternoon as expert witnesses, Mr. Kennedy and Mr. Irving. Perhaps we could now invite them up to the witness stand.

--- Agreed

THE CHAIRMAN (Mr. Stewart): Mr. Legal Advisor?

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, I just thought while the witnesses are coming to the stand a word of explanation to the Members and the newer Members. You will see in your legislation book that there are now some loose pages, for example, Bill 1-56. What we have done in this is a duty with which I am charged that after bills are amended as Bill 1-56 was in committee, then we prepare the amended bill and put the

amended one in your book so that you have the amended bill before you for third reading. For information purposes to you we leave the bill as originally written in your book -- loose, and you can compare, for instance, in Bill 1-56 that the original draft was "Members to be appointed by the Commissioner", but you will see the one attached in your book now, it is "Commissioner in Council" which was the amendment that Council made in committee.

MR. NICKERSON: Mr. Chairman, since this is a lengthy bill perhaps the best way of approaching it would be to get the expert witnesses to tell us about each particular set of clauses. There very often can be maybe ten or so clauses applicable to one particular provision in the piece of legislation and perhaps they could explain that and then we could go clause by clause through that particular whole section comprised of several clauses.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Nickerson, any short cuts on this bill would certainly be appreciated by the chairman. After having a look at it, it looks to me like two boxes of Tums worth from the chairman's standpoint. Anything we can do to cut this down slightly will be appreciated.

The Chair would like to welcome and recognize Mr. Irving, Mr. Kennedy and Mr. MacLean. Possibly one of you gentlemen might explain to this committee what procedure you plan on using in explanation?

MR. MacLEAN: Well, I wonder if it might not be in order to take it in parts. We are entirely in your hands, of course, as to how you want to deal with this but if we could start with each part and perhaps a brief explanation of what is involved in that part of the act. Then if there are any specific questions with respect to the clauses in that part then of course we would be only too happy to answer them. There are 12 parts to the act and apart from the definition section, Part I commences on page 14 dealing with the superintendent and his duties. If this is the type of procedure that you would like us to follow, we would be only too happy to proceed in that manner.

THE CHAIRMAN (Mr. Stewart): Do I have agreement from this committee to proceed in that manner?

--- Agreed

Insurance Available to Residents of N.W.T.

MR. BUTTERS: Mr. Chairman, I doubt that I will have any specific questions regarding the detail or the bill generally. I do have a question though with regard to insurance available to residents in the Northwest Territories and while our expert witnesses might not be able to reply to my question possibly the Deputy Commissioner or somebody could take it under advisement before we get into the detailed questions of the bill.

THE CHAIRMAN (Mr. Stewart): Thank you. The Deputy Commissioner is not here at the moment. Before we proceed any further I was wondering if Mr. MacLean might introduce our expert witnesses and tell us something about them.

MR. MacLEAN: Yes. On my immediate left is Mr. Kennedy. Mr. Kennedy is general counsel for Canada of the Insurance Bureau of Canada. Not only does he have a great deal of background with respect to the insurance law

as such, but he is recognized as one of the top draftsmen in the legislation field in Canada, with respect to insurance.

On my far left is Mr. Howard Irving, Q.C., who is a private practising barrister in the city of Edmonton and is among the leading lawyers in Canada with respect to insurance and insurance litigation. He also serves as counsel for the province of Alberta and the Northwest Territories for the Insurance Bureau of Canada.

THE CHAIRMAN (Mr. Stewart): Thank you very kindly. Now, Mr. Butters, if you would like to direct your question?

Vehicle Insurance.

MR. BUTTERS: Mr. Chairman, my understanding is that the insurance business in the past year or two has had a rather difficult go of it, especially insurance business related to automobiles, vehicle insurance, and my understanding is that a number of companies that offered services in this area have ceased to do so and some even have left the Canadian field of the insurance service.

Now, following that it would appear that some of the people whom I have talked to in the territories have been having difficulty acquiring vehicle insurance. It seems that in the provinces there is an arrangement between companies serving the provincial jurisdictions that there is a policy-pot, as it were, for the non-profitable policies such as vehicle insurances, and each company that serves the area picks up its share of these undesirable policy items. I do not think such an arrangement exists in the Northwest Territories. I believe that we are unfortunate in this way. I am wondering if this is the case, what the administration might do to correct this situation or whether the situation is corrected by the ordinance material which is before us? Do I make myself clear?

MR. MacLEAN: This is correct. This has been the situation and there are from time to time complaints with respect to the people not being able to obtain the necessary automobile insurance coverage from certain insurance companies. I wonder if I could ask Mr. Kennedy, perhaps, to say a few words on that point?

Facility of Handling

MR. KENNEDY: Mr. Chairman, it certainly has been the case that the last year has seen the worst experience insurance has ever had in underwriting automobile and property insurance. Nevertheless, there really should not be any real problem in providing insurance, except that insurers have tended to pull out of the Canadian market because of this problem but there are still sufficient insurers writing business. There is a means known as a facility of handling what would be difficult risks or what you generally assume to be bad risks under which all the companies take a share. It is difficult to know why this particular problem has arisen here although there have been market problems in other areas and we would be very happy if you could provide us with details to look into this and to get back to you.

THE CHAIRMAN (Mr. Stewart): Our interpreters are going to have trouble. We have two points, to slow down and to speak clearly into the microphone. I believe our interpreters are having some difficulty.

Background Information

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, if I may speak more at this moment as a member of the government administration than as Legal Advisor, to give the history of this which goes back to several years before Mr. MacLean joined the government. In the spring of 1972 there was an accident between Yellowknife and the airport involving two automobiles and three or four deaths and neither vehicle was insured, although on paper there was compulsory insurance in the territories, and there were complaints at that time from people that they were unable to obtain insurance.

Subsequently in early June, 1972, Mr. Gordon Carter the then registrar of insurance, Mr. Murray Smith the director of the Department of Public Services and myself went to Edmonton and Mr. Irving had arranged meetings one day with representatives of the Insurance Bureau of Canada and several of the larger insurers of Canada and in western Canada. The next day we met with the general manager, as I recall, from what they call the "facility". That is the group that assigns bad risks. We met with the greatest co-operation from the industry. The people from the facility and from the insurance companies felt that we were so small in numbers that they undertook to insure every driver in the Northwest Territories who had a valid driver's licence. I can not speak for the administration, for Mr. MacLean or Mr. Smith now, as to whether there have been any valid complaints come in, in the last year or two, from people who complain they can not get insurance. Mr. Smith shakes his head -- there have been no complaints and as far as I know there is no reason for us to say that the industry and the facility have backed away from that undertaking they gave us a little over three years ago.

THE CHAIRMAN (Mr. Stewart): Thank you. Any other comments of a general nature? If there are no other comments of a general nature, Mr. MacLean, so that I can keep track, would you give me the clauses that you would deal with and I will from the chair endeavour to get approval by this committee and then start again. If you will give me the clause numbers you wish to cover first.

MR. MacLEAN: What I thought we would do, if it is approved by the committee, is to proceed through the ordinance by various parts. Part I, which deals with the superintendent and his duties, commences on page 14. The previous pages deal with interpretation or a definition section and unless there are any questions on the clause 2 -- I guess it is just clause 2, in relation to the definitions, perhaps the committee might proceed with that and go on to Part I.

THE CHAIRMAN (Mr. Stewart): Thank you. I would then direct the committee's attention to page 1, clause 2, interpretation. Agreed?

--- Agreed

MR. MacLEAN: Proceeding on to clause 3 which commences on page 14 and is the first clause in Part I, this part deals with the duties of the superintendent in relation to carrying out those duties under this ordinance. The clauses involved here are 3 to 18. These are the ordinary stipulations in relation to what the superintendent can or can not do with respect to the various sections of the ordinance.

THE CHAIRMAN (Mr. Stewart): Thank you. Are there any general questions with regard to Part I before I go through it clause by clause? If there are none, clause 3, superintendent. Agreed?

--- Agreed.

Clause 4, evidence. Agreed?

--- Agreed.

Clause 5, oaths. Agreed?

--- Agreed.

I would like to hear a few more "agrees", gentlemen.

Clause 6, independence of superintendent and officers. Agreed?

--- Agreed.

Clause 7, actions against superintendent. Agreed?

--- Agreed.

Clause 8, records of superintendent. Agreed?

--- Agreed.

Clause 9, annual publication in Gazette. Agreed?

--- Agreed.

Clause 10, decision of superintendent. Agreed?

--- Agreed.

Clause 11, appeal. Agreed?

--- Agreed.

Clause 12, consequences of failure to answer inquiries. Agreed?

--- Agreed.

Clause 13, access to books. Agreed?

--- Agreed.

Clause 14, duty to furnish information on request. Agreed?

--- Agreed.

Clause 15, annual inspection of insurers. Agreed?

--- Agreed.

Clause 16, service of notice or process on superintendent. Agreed?

--- Agreed.

Clause 17, superintendent to forward notice or process. Agreed?

--- Agreed.

Clause 18, publication by superintendent. Agreed?

--- Agreed.

Mr. MacLean, we are now at Part II. Are there any general provisions applicable to insurers?

MR. MacLEAN: The bulk of this part deals specifically with licences and I might ask Mr. Kennedy if he has any remarks with relation to the fact that it is a uniform policy, with respect to these provisions, in force throughout the other provinces.

Uniform Basis Across Country

ME. KENNEDY: I think, Mr. Chairman, there are one or two provisions in this part of the act which you can see at a glance the reason why it is so important for insurance to be on a uniform basis all across the country. Insurance being such a complex subject, it is probably more important than the Highway Traffic Acts and Motor Vehicle Acts on this basis.

Basically this plan provides an insurer must have a licence before it can carry on business. It provides for different classes of licences, fire, automobile, life, sickness. Section 24 is a very important provision from the automobile insurance point of view which provides that the contract of insurance which an automobile insurer issues will respond in any jurisdiction in which an accident occurs, according to the limits and according to the rules in that jurisdiction, and it gives the protection to the individual if the limits in his own jurisdiction happen to be higher.

"The Green Book"

There is provision for the appointment of a statistical agency and the Insurance Bureau of Canada collects statistics from all the automobile insurers, publishes them each year in the form of an exhibit known as "The Green Book". There is provision in this part for penalties if insurers fall foul of any of the provisions, \$2000 in some cases and \$25,000 in other cases and, of course, the most severe penalty of all is really the fact that the superintendent can withdraw their licence.

There are provisions for insurers placing reinsurance with insurers who are not licensed in the territories. It is mostly procedural. If there are any questions, we would be happy to try and answer them.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Kennedy. Anything further from our adviser? Part II, General Provisions Applicable to Insurers, anything of a general nature? If not, clause 19?

MR. STEEN: Mr. Chairman, I think one of the witnesses at the witness table said the penalty fees are quite stiff. I was wondering why so stiff a fee because is it not if the insurers are fined, the business tends to pass it on to the public?

THE CHAIRMAN (Mr. Stewart): Did the witnesses hear the question?

MR. KENNEDY: I am not sure I understood it completely but if I do understand you correctly, the answer is, no.

MR. MacLEAN: Are you saying that whatever the amount of the fine may be it would be passed on with respect to increased premiums. Is that the question?

MR. STEEN: I am beginning to have second thoughts about it now, so I withdraw my question.

THE CHAIRMAN (Mr. Stewart): Thank you. Anything of a general nature? Anything of a general nature on Part II? If not, clause 19, application of part. Agreed?

--- Agreed.

Clause 20, necessity for licence. Agreed?

--- Agreed.

Clause 21, reinsurance with unlicensed insurer. Agreed?

--- Agreed.

Clause 22, what insurers may be licensed. Agreed?

--- Agreed.

Clause 23, classes of insurance. Agreed?

--- Agreed.

Clause 24, conditions of automobile insurance licence. Agreed?

--- Agreed.

Clause 25, scope of life insurance licence. Agreed?

--- Agreed.

Clause 26, scope of fire insurance licence. Agreed?

--- Agreed.

Clause 27, application of other parts. Agreed?

--- Agreed.

Clause 28, information preliminary to licence. Agreed?

--- Agreed.

Clause 29, documents to be filed by applicants for licence. Agreed?

--- Agreed.

Clause 30 on page 30, form of licence. Are we agreed?

--- Agreed.

Clause 31? Agreed? Do we have agreement?

MR. NICKERSON: Mr. Chairman, I wonder if the witnesses could tell us what would happen when an undisputed claim is not paid. What would the course of the people having a claim against this insurance company be, how would they be able to proceed from there on?

MR. KENNEDY: I am sorry, Mr. Chairman, you are talking about an undisputed claim?

MR. NICKERSON: Undisputed claim as is talked about in clause 31. If the company did not pay it, its licence presumably would be cancelled, but what recourse would the insured person have?

MR. KENNEDY: He still has the right to sue under this contract.

MR. IRVING: As I read clause 31, this relates to a final judgment as against an insured, as I see it -- I am sorry, against an insurer and if the insurer did not pay the claim, apart from losing its licence, as I understand it this applies either to the Government of Canada or the provincial government, would then become liable to forfeit.

THE CHAIRMAN (Mr. Stewart): Clause 31. Mr. Legal Advisor?

Reciprocal Legislation

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, maybe the Honourable Mr. Speaker could add to it. The plaintiff in the Northwest Territories could obtain judgment in the court here against the insurer and even though the insurer may have no assets here, we have an ordinance called the Reciprocal Enforcement of Judgments Ordinance which is reciprocal legislation between the territories and the provinces and our judgment could be set out and registered in a court where the insurance company was situated and the plaintiff could take action against the company. That is the ordinary civil legal remedy and the provisions in clause 31 are over and above that.

MR. MacLEAN: All this clause does is give the superintendent the authority to cancel or suspend the licence of the insurer. All these things are to protect the insured.

THE CHAIRMAN (Mr. Stewart): Clause 31, failure to pay undisputed claim. Agreed?

--- Agreed.

Clause 32, insufficiency of assets to be reported by superintendent. Agreed?

--- Agreed.

Clause 33, statistical returns. Agreed?

--- Agreed.

Clause 34, annual statement. Agreed?

--- Agreed.

Clause 35, published statement. Agreed?

--- Agreed.

Clause 36, statements that financial standing guaranteed by government prohibited. Agreed?

--- Agreed

Clause 37, separate accounts. Agreed?

--- Agreed

Clause 38, insurance with unlicensed insurers. Agreed?

--- Agreed

Clause 39, trafficking in life insurance policies prohibited. Agreed?

--- Agreed

Clause 40, privileged information. Agreed?

--- Agreed

Clause 41, insurer to file form of policy. Agreed?

--- Agreed

Clause 42, effect of violation of law on claim for indemnity. Agreed?

--- Agreed

Clause 43, general penalty. Agreed?

--- Agreed

Clause 44, regulations. Agreed?

--- Agreed

Part III, Insurance Contracts in the Territories. Mr. MacLean.

MR. MacLEAN: This section deals basically with the remedies available, with respect to legal remedies available, in relation to insurance contracts made in the territories. I wonder if Mr. Irving might have a few comments in respect of this part.

Similar Provisions in the Provinces

MR. IRVING: Mr. Chairman, Part III governing insurance contracts in the territories is in all respects identical to the mainstream of similar provisions in the provinces. These govern in general terms the contracts that are made and how they may be enforced within the territories. Many of the provisions are supplemented later under the different headings of life insurance, automobile insurance and this sort of thing, but what you find in Part III relates to the general provisions for all contracts that are common to all before you get into the subdivisions and the other headings. As I say, they are the common provisions that are applicable in the insurance acts in the various provinces.

THE CHAIRMAN (Mr. Stewart): Thank you. Any questions of a general nature on Part III? Clause 45.

MR. PEARSON: Mr. Chairman, I have a question to ask the insurance witnesses. I seem to recall a few years ago a native person applying for life insurance in the territories and he was denied this because at one time he had suffered from tuberculosis. From what I could gather at that time it was a standard rule and regulation of insurance companies that they would not insure people who had suffered at any time from tuberculosis -- life insurance I am talking about -- and there are a tremendous number of people who at one time have been smitten with the dreaded lurky. I am wondering if there has ever been a case of this sort that you know about or if they have the right to refuse to insure for life on him.

MR. KENNEDY: Mr. Chairman, I should perhaps say that we represent the general insurance industry and not the life industry or the accident and sickness industry. They do have their own associations but certainly I think that it is the case ...

MR. PEARSON: Would you repeat, please?

MR. KENNEDY: I was saying that we represent today the Insurance Bureau of Canada which represents the general insurance companies. That is the companies who write other than life and other than accident and sickness so we can not really speak for them, but certainly life insurers can refuse to take a risk for any reason that appears to it sufficient to refuse it. But we really could not speak for the life association on that.

Life Insurance Companies Evaluate Risks

MR. IRVING: I can just add this one thing -- and not because of my connection with the Insurance Bureau but from viewing insurance litigation -- it is quite common for life companies to evaluate risks and if they feel that they do not want to accept them for any reason, they may refuse them. That is quite different from the other types of insurance, as Mr. Slaven mentioned.

MR. PEARSON: Mr. Chairman, we are talking about all aspects of insurance are we not? Not just general insurance?

MR. KENNEDY: Yes.

MR. PEARSON: Okay.

THE CHAIRMAN (Mr. Stewart): Thank you. On page 42, Part III, clause 45, agreed?

--- Agreed ..

Clause 46, contracts deemed made in the territories. Agreed?

--- Agreed

Clause 47, terms, etc., of contracts invalid unless set out in full. Agreed?

--- Agreed

Clause 48, copy of proposal to be furnished to insured. Agreed?

--- Agreed

Clause 49, no contract shall lie inconsistent with ordinance. Agreed?

--- Agreed

Clause 50, contents of policy. Agreed?

--- Agreed

Clause 51, application. Agreed?

--- Agreed

Clause 52, relief from forfeiture. Agreed?

--- Agreed

Clause 53, how policy payable. Agreed?

Down to one "agreed" again, gentlemen.

--- Agreed

Clause 54, waiver of term or condition. Agreed?

--- Agreed

Clause 55. Mr. Pearson.

MR. PEARSON: Mr. Chairman, do I recognize a stranger in the house? Maybe we can get another desk.

THE CHAIRMAN (Mr. Stewart): He is a nice stranger.

Clause 55, right of claimant against insurer where execution against insured returned unsatisfied. Agreed?

--- Agreed

Clause 56, consolidation of actions. Agreed?

--- Agreed

Clause 57, effect of delivery of policy. Agreed?

--- Agreed

Clause 58, insurer to furnish forms. Agreed?

--- Agreed

Clause 59, when action may be brought under contract. Agreed?

--- Agreed

Clause 60, mortgage not to receive commission from insurer. Agreed?

--- Agreed

Clause 61, right to refund premium on termination of contract. Agreed?

--- Agreed

Clause 62, contracts of title insurance. Agreed?

--- Agreed

Clause 63, no racial or religious discrimination permissible. Agreed?

--- Agreed

Clause 64, payment into court. Agreed?

--- Agreed

That is the end of that part. Part IV, Fire Insurance. Now, Mr. MacLean.

MR. MacLEAN: Yes, we are now coming into those parts dealing specifically with the various forms of insurance and Part IV deals with the fire insurance contract and the rights of the insured and the insurer under that contract and it takes up clauses 65 to 73. If there is anything special the committee may have in the way of questions we would be glad to answer them.

Fire Insurance Premiums

MR. BUTTERS: Mr. Chairman, I have something general for, I believe, Mr. Kennedy. Last year the Inuvik fire department came first in the territories, I believe, in competition with fire departments outside, and very, very high up in the competition with fire departments in Canada for communities of its size. What I am wondering is, where one has an effective voluntary fighting force such as the Inuvik brigade has demonstrated that it is, do insurance companies take into consideration this fact when calculating fire insurance premiums being requested in any community?

MR. KENNEDY: Mr. Chairman, the answer to that is very definitely, yes. The best protection you have, obviously, is a firefighting service and they also take into account if there are fire hydrants and things like that within a reasonable distance, but that certainly is the best protection you can have and that is taken into account.

THE CHAIRMAN (Mr. Stewart): Any other questions of a general nature on Part IV, on fire insurance?

MR. NICKERSON: On several occasions something of this nature has happened, somebody insures a building or, say, a dwelling for \$40,000. He then has a fire that burns half the house, say -- no, I am sorry, I have got to get this right. He has a house worth \$80,000 and it is insured for \$40,000. He then has a fire which destroys half the house and does \$40,000 worth of damage, he goes to the insurance company and they say, "We will give you \$20,000". Would I be right in thinking this is the general way in which fire insurance works? I think sometimes it is not properly made known to people when they are buying insurance that this is the case.

MR. KENNEDY: Mr. Chairman, I think there is a little bit of a misunderstanding here. When you are insuring your home you are insuring it basically for a fixed amount and there is a provision -- I think you are talking about homeowner's policies rather than commercial and industrial policies here. There is a provision that if you keep your insurance up to 80 per cent of its value you can get replacement cost. I think that is the type of situation that you are talking about where you in fact insured it for only half of what it was actually worth, but if you have insured for \$40,000 and there is \$40,000 damage, you would get that.

MR. CHAIRMAN (Mr. Stewart): Anything further, Mr. Nickerson?

MR. NICKERSON: No, thanks.

THE CHAIRMAN (Mr. Stewart): Any other general comments on Part IV?

Insurance on School

MR. STEEN: I think this is of a general nature. I would like to ask the Commissioner if schools in the Northwest Territories are all insured against fire.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we have an arrangement with the federal government for items over a certain minimum. I believe it is \$100,000. We do not carry insurance because the cost would be very, very great, but the arrangement that we have with the federal government is that we will be advanced the money for rebuilding and then recover the money through our subsequent years estimates, so in fact it is a form of insurance that the federal government offers to us.

MR. STEEN: Mr. Chairman, I take it he is saying that the schools are insured?

THE CHAIRMAN (Mr. Stewart): No, he is saying the schools are not insured. However, the government, because of the large number of buildings that the federal and territorial government has, that actually they do their own insuring and in the case of the territorial government, the federal government will pay the loss if it is over \$100,000.

MR. STEEN: What I was going to say was that there is no fire truck in Sachs Harbour and if the school burns down or something like that, then we are taking a chance with public money.

THE CHAIRMAN (Mr. Stewart): Thank you. Are there any other comments of a general nature? Mr. Legal Advisor, did you wish to speak?

LEGAL ADVISOR (Mr. Slaven): No.

THE CHAIRMAN (Mr. Stewart): Clause 65, application of part. Agreed?

--- Agreed

Clause 66, extent of coverage by contract. Agreed?

--- Agreed

Clause 67, form of contract. Agreed?

--- Agreed

Clause 68, mortgages and other payees. Agreed?

--- Agreed

Clause 69, statutory conditions. Agreed?

--- Agreed

You will note that on your paper sections 1 to 15 are all part of clause 69. If you turn to page 62, clause 70, limitation of liability clause. Agreed?

--- Agreed

Clause 71, rateable contribution. Agreed?

--- Agreed

Clause 72, special stipulations. Agreed?

--- Agreed

Clause 73, subrogation. Agreed?

--- Agreed

Part V, Life Insurance. Mr. MacLean?

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, if I may, with the committee's agreement, respond to the question asked by Mr. Pearson some time ago, I have a background in the insurance business ...

THE CHAIRMAN (Mr. Stewart): Mr. Pearson, this is in reply to your question from the Legal Advisor. Mr. Legal Advisor?

MR. PEARSON: Say it again.

THE CHAIRMAN (Mr. Stewart): The Legal Advisor is making the point this is in reply to your question of some time ago.

Availability of Life Insurance

LEGAL ADVISOR (Mr. Slaven): Maybe it is not fair because Mr. Pearson did not direct this to me but I may be helpful in making some comments about life insurance and the availability of life insurance. It was mentioned by Mr. Pearson earlier. We have adopted that we require compulsory automobile liability insurance, which is for the protection of innocent third parties, that is, a person run down by an automobile. I think it is quite proper for us to insist that the insurance companies make automobile insurance coverage available. The same does not apply to fire insurance or life insurance. Certainly some buildings are such fire traps that we can not insist that a company insure them. By the same token, life insurance companies are in business to make a profit and I do not see how we could force them to give insurance to every applicant. Insurance has either not been available or available at a very high rate to diabetics, people with heart problems or with a weak heart because of rheumatic fever as a child, much like tuberculosis. If the legislature ever forced a life company or an accident and sickness company to give such coverage, the premiums, I am sure would be prohibitive.

Group Insurance

However, because of two things, life insurance is available to more people now than it ever has been. (1) Because of pressure from some of the diabetic societies or diabetic association of America or whatever they are called have put pressure on and most diabetics can now get insurance from certain companies, possibly at quite a bit higher rate. The other more important thing (2), is the tremendous growth in group insurance through the last couple of decades. Going back 40 or 50 years ago, most insurance was purchased on an individual basis. However, today most of us who are employed can automatically obtain group term insurance while we are employed. The way it works is this: The coverage must be universal, that is, everyone who takes a job automatically gets the coverage and you get that coverage without any statement of health and without any medical examination so that the poorest life insurance risk in the country, if he is employed, will likely have group insurance. Further, I believe, if he borrows from Household Finance you will find he is insured for the amount of the loan. I believe but I am not sure that if he has money on deposit in a credit union he will have insurance to double the amount of his account in the credit union or any money he owes to the credit union subject to certain limits.

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

MR. McCALLUM: Mr. Chairman, I would just like to go back. I know we passed clause 71 and it may just be a misprint, but I see 71(1), and I see on page 63, 71(3). Is there a (2)?

MR. MacLEAN: We just noticed this ourselves and there is a page missing from the ordinance. Page 62A which contains the rest of subclause (1) and subclause (2) of clause 71.

MR. PEARSON: I knew there was something wrong.

MR. MacLEAN: I wonder if I could read that into the record if that is sufficient?

THE CHAIRMAN (Mr. Stewart): We will get another copy of it and let the matter stand for the moment.

MR. McCALLUM: I think on the page prior to 62 there is a 62A and I guess that is where it is.

MR. MacLEAN: Oh, I see. That is correct, Mr. Chairman. It is on the front page of clause 71 and should be continuing on after subclause (1) of clause 71.

THE CHAIRMAN (Mr. Stewart): It is regrettable when legislation is being presented to this Council for the first time that we can not have page 62, 63, 64 without having A's and B's and everything else in it. We are having enough trouble keeping track of where we are at.

SOME HON. MEMBER: Agreed!

THE CHAIRMAN (Mr. Stewart): We will set that aside and come back to it when we get the proper page.

MR. MacLEAN: The proper page is there, only it is not in order. We have agreed to pass clause 71 and then perhaps the Clerk could take it out and put it in the proper order.

THE CHAIRMAN (Mr. Stewart): It is like many things around here, it is a little ass-backwards. Your question, Mr. McCallum, you take 62 and find 62A on the other side. On that basis, is this committee then satisfied with the approval of clause 71?

--- Agreed

Protection of Loans

MR. PEARSON: I just wanted to make a startling observation in keeping with the comments of our learned friend, Mr. Slaven. If native people have difficulty obtaining life insurance, and of this there is no question, how does the government insure itself, say, for example, when it makes one of these loans to a native organization or a personal loan to small business? How does it protect itself in this program they have of its -- it sounds like a commercial on television -- "If you want to borrow some money, just give us a call and we will give you whatever you want", that you may have heard from Economic Development. How do they protect themselves if some of the people they are lending money to would be unable to obtain life insurance?

THE CHAIRMAN (Mr. Stewart): Mr. Commissioner, could you answer that question?

Loan Funds

THE COMMISSIONER: Mr. Chairman, I am not on the loan committee, but I believe it would be the loan board which is the court of last resort when nobody else will help you. Then you go to the Small Business Loan Fund. What they do is try and get what collateral they can and on the basis of the collateral, if someone does not pay them back, I would imagine that they would either try and sell what the person had or realize the best they could from it. Failing that, I think they would just write it off. The Small Business Loan Fund and the Eskimo Loan Fund, although both funds are made up of territorial people, they are both federal funds, so I think that is how they do it. I know that is how we do it on the trappers' assistance. If we can not collect it, we hold it outstanding for about four years and then we write it off.

THE CHAIRMAN (Mr. Stewart): With regard to the Fishing Boat Loan Fund, there is no insurance on that particular territorial loan board. This I am sure of.

MR. PEARSON: I suppose if the people who are lending the money do not go to the trouble of insuring the loan, then they deserve whatever happens to the investment they have made. If the person they have loaned it to dies or, you know, they are completely at a loss. I do not know if that is necessarily a good approach and it seems to me a very unbusinesslike way of doing it. I suppose in light of what has been said here that native people have difficulty obtaining life insurance, so there is not really very much one can do.

Loan Secured by Chattel

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, the practice with most lenders, I believe, is that where you have a loan secured by a chattel, that is, if you get a loan from Industrial Acceptance Corporation to purchase an automobile, there is a chattel mortgage or conditional bill of sale on the automobile and the item is the security for the loan. If you put life insurance on it, the premium for that life insurance would, of course, be

paid by the borrower and there has been many complaints of consumers about borrowers being forced to pay life insurance premiums for insurance they do not want. Accordingly, what is usually followed is if there is a chattel to secure the loan, that is the security. If it is a personal loan with no security, then they ask for life insurance as security. In the case of the fishermen's loans, and I stand to be corrected by the chairman, I believe in every case there is a chattel mortgage taken on the boat or the motor to which the loan is related.

THE CHAIRMAN (Mr. Stewart): That is correct, Mr. Legal Advisor. Any further general comments on Part V, Life Insurance?

MR. MacLEAN: I think we are just starting this part, Mr. Chairman. Here again, Part V deals with one specific form of insurance, life insurance, comprising clauses 74 to 127 and relating to the different forms of life insurance such as family insurance, group insurance and so on, designation of beneficiaries and method of repayment in the event of death.

THE CHAIRMAN (Mr. Stewart): Thank you. Any comments from this committee of a general nature?

Clause 74, interpretation. Agreed?

--- Agreed

Clause 75, application. Agreed?

--- Agreed

Clause 76, group insurance. Agreed?

--- Agreed

Clause 77, insurer to issue policy. Agreed?

--- Agreed

MR. BUTTERS: Mr. Chairman, I have a general question on life insurance and maybe if you would indulge me I could get it in here. It requires an answer from the expert witnesses.

THE CHAIRMAN (Mr. Stewart): Mr. Butters, we are moving along fairly fast so I have no objection to you going back on a general question.

Death Benefits

MR. BUTTERS: Thank you, sir. This has to do with death benefits. There seems to be a discrepancy in the area of death benefits to women. Is it correct that there is a differentiation on the basis of sex in the sense of marital status, that death benefit to a female is less than the death benefit paid to a male in a marital partnership?

MR. KENNEDY: Mr. Chairman, are we talking about life insurance or are we talking about accident benefits that are part of the automobile policy? Because in the latter there is a provision that the head of the household gets \$5000 and the spouse of the head of the household -- and that can be either male or female -- gets \$2500 in the event of death. I do not know if that is the provision you have in mind, but the way it is worded the head of the household is defined to mean the person with the greater

income, but if the wife had the bigger income I think she would get the \$5000. I do not know if that is what you are talking about.

MR. BUTTERS: There is a differentiation in the accident policy on that basis?

MR. KENNEDY: Yes.

MR. BUTTERS: And there is nothing on that line in life insurance?

MR. MacLEAN: No, I do not think so. You insure your life for exactly the amount that you contract for and that is the amount that is paid in the case of death. The Legal Advisor to Council is probably a great deal more knowledgeable in this matter than I am. That is my understanding of it, Mr. Butters.

Family Group Life Insurance

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, I think there are certain things in the Canada Pension Plan legislation and other things that discriminate against the fairer sex. I believe particularly during this International Women's Year changes are being made in federal legislation to put men and women on the same footing. Now, I can think of family group life insurance plans which some companies advertise where the wage earner, who is always pictured in the advertisements as a man, has \$25,000 term and they add on \$5000 for the wife and \$2000 for each child as the children come, and then the children can be convertible to all life when they are 16 or so. This is strictly a matter of choice and I would think -- I am not certain -- but that anybody can apply for life insurance and hopefully a woman could get a lower premium than a man since their life expectancy is longer.

MR. BUTTERS: Mr. Chairman, I wonder if by way of not interrupting the proceedings, if I could just present a document to the witnesses and they could look at this at their convenience.

THE CHAIRMAN (Mr. Stewart): I am sorry, I did not get your last remark.

MR. BUTTERS: Possibly without interrupting the proceedings, I could present a document to the witnesses at some later time, possibly after coffee and they could look at this and clarify the point for me.

THE CHAIRMAN (Mr. Stewart): Thank you. We are now on page 69, clause 78, exceptions. Agreed?

--- Agreed

Clause 79, contents of group policy. Agreed?

--- Agreed

Clause 80, contents of group certificate. Agreed?

--- Agreed

Clause 81, insurable interest. Agreed?

In Loco Parentis

MR. McCALLUM: Mr. Chairman, I wonder if I could have some explanation of subclause 81(3), consent where a person whose life is insured and is

under 16 years of age, consent to insurance being placed on his life may be given by one of his parents or by a person standing in loco parentis to him. Who would determine this? Are you referring to a guardian? Who would determine this person as being in loco parentis?

MR. IRVING: Mr. Chairman, I have not any experience with the actual application of that clause but I think the philosophy behind it is that there should not be a sale of life insurance to somebody under 16 who does not appreciate what he is buying and might be, you might say, forced into the purchase. When you asked who might be standing in loco parentis to him it is a commonly used phrase and I think it might well be if, for example, the 15 year old child is living away from home with an uncle and had been for a number of years, he might be said to be in loco parentis, or in the place of a parent which is all the phraseology means. If you say at a later time how a thing might be determined I suppose it might have to be that the determination is on the court to ascertain if the approval was given by somebody who in fact stood in place of the parent. It is a little difficult to say exactly how the matter would be placed before the court, but I am sure it could be.

THE CHAIRMAN (Mr. Stewart): Satisfactory?

MR. McCALLUM: Yes.

THE CHAIRMAN (Mr. Stewart): Clause 81, agreed?

--- Agreed

Clause 82, insurable interest defined. Agreed?

--- Agreed

Clause 83, contract taking effect. Agreed?

--- Agreed

Down to one "agreed" again, gentlemen.

--- Agreed

Clause 84, default in paying premium. Agreed?

--- Agreed

Clause 85, who may pay premium. Agreed?

--- Agreed

Contract Enforced During Period of Grace

MR. SEARLE: Mr. Chairman, I would just like to discuss something which arises from clause 85 dealing with contract enforced during period of grace. The situation I would like to outline however, does not fall within that exactly, but my memory was, of course, stimulated when I saw that. I am not going to go into a long history of the problems I have had with insurance companies on behalf of clients, but there is one specific instance where I felt the deceased was aggrieved. The circumstances simply were this -- and I will not give any names -- where the insured, who is the deceased, the person who died, pays insurance, takes his medical, he is told by the agent assuming there is no problem "You are insured from this date"; in other words, assuming his medical is all clear. He then goes off on a trip and perishes, in this case in a boating accident. Had he perished a week or two later, the policy as I understand it, would have been issued and would have been dated the date that he made his premium payment and purported therefore to have covered him from the beginning. However, unfortunately for him, he died before the policy in fact was issued and was naturally met by the insurers with the comment that -- and I believe this to be the law and quite properly the law in the light of the cases -- was met by the statement "Sorry, old chap, but no contract is in full force and effect and of course all insurance is a matter of contract"; in other words, the policy had to have been issued to him.

My question I guess is this: Is there any jurisdiction which provides, quite apart from what is stated in the contract of life insurance, that the policy is in full force and effect as at the date of payment of the premium notwithstanding the fact that the policy had not issued if it would have issued? In other words, if you can demonstrate that the medical was clear, the money was accepted, it was just a matter of the paper work catching up, is there any jurisdiction which in that circumstance, in my view quite properly, would provide coverage?

MR. KENNEDY: Mr. Chairman, I am somewhat reluctant to get into an area on life insurance which is outside my experience altogether. I know the type of problem that Mr. Searle is raising was discussed by the superintendents of insurance at the last annual conference in Calgary last year and I know that the life insurance industry is trying very, very hard to adjust the period within which these medical exams are conducted, and the results of medical exams are examined to ensure the insurability of the person examined. I know it is a matter that is concerning the life insurance people. As to that specific case, I could not make a comment, but I do not think there is any jurisdiction that has attempted to deal with that.

Coverage from Date Premium Paid

MR. SEARLE: Can our advisers see anything wrong with this legislature protecting the public in legislating that there shall be deemed to be coverage from the date of payment of premium if it can be shown that the policy would have issued; in other words, that there is no impediment by way of something wrong with the medical. Before you answer that, Mr. Chairman, let me just continue on. I am satisfied from this particular instance, this was a young man with five, I think, children who was going on an extensive canoe trip down a dangerous river, he purposely went in to get covered so that his family would be cared for if an accident occurred to him. He was so responsible a man that I am satisfied he would not have taken the trip, would have delayed it a week or two, had he known that the coverage was not in effect, but he was assured, maybe improperly by the agent, that assuming his insurance came back with a clear bill of health that the coverage was effective as of the date he paid the premium. I believe I am right in suggesting that that is the date that the policies are backdated to. I think I am right.

MR. KENNEDY: Mr. Chairman, I think that is correct and I am trying to jog my memory as to the discussions that took place last year in Calgary and I am fairly sure that the representatives of the life insurance industry said that there were many cases where they have paid out on policies and situations similar to the one you are talking about.

MR. SEARLE: There is one where they did not.

MR. KENNEDY: I fully appreciate that, but I would suggest that if you are contemplating legislation in this area, I am sure the matter is still before the superintendents and will be raised with them at their meeting in Ottawa early in September with a view to getting a uniform approach to it.

MR. MacLEAN: I was just going to say that this matter will be discussed later on this year at the meeting of the superintendents of insurance and perhaps I could come back to Mr. Searle at that time and advise him of the results or developments as a result of our discussions and obtain any other information that may be pertinent to perhaps drafting some legislation in the future.

Force in Law

MR. SEARLE: Well, I can see that as a logical course of action. However, I suppose I am more concerned to see that this holding out of coverage is in fact honoured and not out of the kindness of the hearts of the individual insurers, but, rather, pursuant to force in law. What I am wondering is, what would be wrong for us to take the lead in that particular case and give in effect the superintendent of insurance an example of a jurisdiction where this has indeed been done so that they will press and encourage other jurisdictions to do the same thing and for once lead the way, instead of simply following along in a line after everybody else does the same thing. Is there anything wrong with that approach, or would it upset the whole industry? What are the implications if we do it?

MR. MacLEAN: I think it would depend first of all on the wording of such an amendment, as to whether in effect you are indicating -- I am not too sure -- if an insurance company holds out that it is in force from the date the premium is paid and the medical certificate is accepted, then that policy should be binding and valid as of that date. Is that what you are saying?

MR. SEARLE: What I am saying is this: If the practice in the industry is to issue a policy as of the date you pay the premium, then it seems to me that you should legislate that coverage is effective as of the date of payment of the premium, assuming there is no impediment arising by reason of medical, or whatever other considerations there are.

MR. MacLEAN: At first blush I see nothing wrong with that amendment.

MR. SEARLE: A section that deems the policy to issue as of the date of payment of the premium assuming there are no other impediments, medically or legally.

Discussion at Superintendents of Insurance Conference

MR. MacLEAN: The usual procedure is to attempt to obtain uniformity across the country in relation to legislation, as you are well aware. As I say, this matter is under very active consideration at the present time and will be further discussed in the fall at our conference in Ottawa. As far as the material content of the amendment is concerned, I quite agree with it, but I would prefer to leave it in abeyance at this time until it has been further considered by the superintendents of insurance, but of course we are entirely in your hands here. As you so wish, it shall be done.

MR. SEARLE: What do the other Members think?

MR. BUTTERS: Mr. Chairman, I think the suggestion is an excellent one and I trust that it will suit the accompanying motion. I likewise agree with the Honourable Member from Yellowknife South, that this legislature can be and should be a leader in many of these areas. It has been a leader in the past and I see no reason why we should wait for some meeting in September on a thing like this, which seems so reasonable and logical and sensible and right -- it is right that a man who has paid for the service should get that service. If we can develop that legislation in this house, we should do so at this sitting.

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, I do not think that there is any drafting problem. I agree that we do not have to blindly follow what others are doing or be afraid to move because others do not move. However, is there any chance that if we made such an amendment to the ordinance now and enacted it now that we would find next week that no life insurance company would write any more business in the territories. I do not know. I believe the meeting of superintendents of insurance is in September and Mr. Maclean will be attending and could sound out the thing. I presume there will be a fall session and we would only be putting it off for a matter of four or five months.

MR. NICKERSON: There are very similar matters that concern not only life insurance. For instance, if you want to insure a shipment of goods, this shipment might be going by aircraft and it will only take a couple of days to get where it was going and the procedure here is to walk into the insurance agent's office and tell him what you want to get insured, and how long you want it insured for, and where it is going, and sign some small piece of paper. It is not a policy at all, and very often you do not get the policy maybe for a month after the shipment has arrived. Also you do not get an invoice until a month after the shipment has arrived at its destination. In this particular case a fee has not even been paid and all you are really relying on is the insurance agent's word that this has actually taken place.

THE CHAIRMAN (Mr. Stewart): The Chair recognizes the time as 4:00 o'clock, coffee time. We will recess for 15 minutes for coffee.

--- SHORT RECESS

THE CHAIRMAN (Mr. Butters): Order. We lack a quorum by one Member, so we will await the arrival of one more Councillor.

Your committee again has a quorum and we were discussing, as I recollect, a suggestion put forward by Mr. Searle that changes in legislation which would seem to be desirable from the point of view of the people of the Northwest Territories should be put and made, even though such legislation would be in the forefront of that currently existing in provincial jurisdictions. Mr. Searle.

MR. SEARLE: Mr. Butters, I sense that the committee probably agrees with the suggestion in principle. At the same time I do not want to cause serious problems with respect to doing something that may deny or may cause insurers not to write life insurance in the Northwest Territories. Frankly, I do not think that there is any risk of that, so I think that the best course of action would be for me to move that an appropriate amendment in acceptable terms should be prepared and then ask you, Mr. Chairman, when you report your motion and the amendment, to also report that it is this Council's recommendation that this particular section be proclaimed separate as and when the administration are satisfied that no impairment has been made or caused to the availability of insurance in the Northwest Territories.

THE CHAIRMAN (Mr. Butters): Thank you.

Motion to Amend Clause 85(2).

MR. SEARLE: In other words, putting it simply, I think it would be appropriate to move that an appropriate amendment be prepared, to deem life insurance to be in full force and effect as at the date of payment of the premium unless some impediment later develops with respect to the medical or some other legal impediment, that such amendment not be proclaimed until the superintendent of insurance has satisfied the Commissioner that the proclamation of that section will not impair the availability of life insurance to the residents of the Northwest Territories. I can not be clearer than that.

THE CHAIRMAN (Mr. Butters): Thank you, Mr. Searle. That motion has been taken down in shorthand and I trust I will shortly have it in a manner I can understand.

Is there any other further discussion on that particular motion which was discussed prior to the coffee break? Is there a Member who wishes to comment further or would the witnesses wish to add anything to the contribution?

MR. KENNEDY: Mr. Chairman, I think that is a very satisfactory way of dealing with it. I suspect from my own recollection that there are some legal problems involved with this, but by making it in this way and not having it come into effect immediately, does give a chance to the life insurance industry to raise any point of concern to them.

THE CHAIRMAN (Mr. Butters): Thank you.

MR. SEARLE: I so move, Mr. Chairman.

THE CHAIRMAN (Mr. Butters): Thank you very much.

MR. NICKERSON: Question.

Motion Carried

THE CHAIRMAN (Mr. Butters): Are Members ready to vote on the matter without me having to read back the motion? Any further discussion? All those in favour of the motion that has been provided us by Mr. Searle, would they raise their hands, please? Thank you. Contrary? The motion is carried and it will be reported out by the chairman.

--- Carried

I think that we were discussing clause 85, is that correct? Is there any further discussion relating to 85? Mr. MacLean, were you reaching for the microphone?

MR. MacLEAN: I was just going to say you are correct, we are on clause 85.

THE CHAIRMAN (Mr. Butters): Is it agreed that we move on if there is no further discussion on clause 85?

--- Agreed

Clause 86, duty to disclose. Agreed?

--- Agreed

Clause 87, exceptions. Agreed?

--- Agreed

Clause 88, non-disclosure by insurer. Agreed?

--- Agreed

Clause 89, exceptions. Agreed?

--- Agreed

Clause 90, misstatement of age in group insurance. Agreed?

--- Agreed

Clause 91, effect of suicide.

MR. McCALLUM: Mr. Chairman, on 91(2) it says: "...within a certain period of time". What would be the time?

MR. IRVING: My memory is that it is ordinarily two years. I think it is ordinarily two years so that if you take out a policy and commit suicide within two years, the amount is not payable, but beyond that it is.

THE CHAIRMAN (Mr. Butters): No other questions on 91? Is clause 91 agreed?

--- Agreed

Clause 92, exceptions. Agreed?

--- Agreed

This brings us up to another section for explanation by our witnesses.

MR. MacLEAN: No. That is still part of life insurance.

THE CHAIRMAN (Mr. Butters): Thank you. Clause 93, designation of beneficiary. Agreed?

--- Agreed

Clause 94, designation of beneficiary irrevocably. Agreed?

--- Agreed

Clause 95, designation in invalid will. Agreed?

--- Agreed

Clause 96, trustee for beneficiary. Agreed?

--- Agreed

Clause 97, beneficiary predeceasing life insured. Agreed?

--- Agreed

Clause 98, right to use. Agreed?

--- Agreed

Clause 99, insurance money free from creditors. Agreed?

--- Agreed

Clause 100, insured dealing with contract. Agreed?

--- Agreed

Clause 101, insured entitled to dividends. Agreed?

--- Agreed

Clause 102, transfer of ownership. Agreed?

--- Agreed

Clause 103, interest of assignee. I suggest to our witnesses do not hesitate to slow my progress if you feel there is some part that Members may be interested in and not aware of for simplification.

Clause 103. Agreed?

--- Agreed

Clause 104, group life insured, enforcing rights. Agreed?

--- Agreed

Clause 105, capacity of minors. That is minors in age, not in occupation. Agreed?

--- Agreed

Clause 106, capacity of minor beneficiary. Agreed?

--- Agreed

Clause 107, proof of claim. Agreed?

--- Agreed

Clause 108, place of payment. Agreed?

MR. SEARLE: Mr. Chairman, I wonder if that ever happens in 107? Specifically I am wondering, Mr. Chairman, if payment is ever made within 30 days?

MR. IRVING: Sir, if I may answer, I have seen it occur in relation to life insurance where I was acting on behalf of the estate and beneficiaries. Payment came very promptly, far faster I might say than from my normal clients, the general insurance group.

THE CHAIRMAN (Mr. Butters): Thank you, sir.

Clause 108, agreed?

--- Agreed

Clause 109, action in the territories. Agreed?

--- Agreed

Clause 110, limitation of action. Agreed?

--- Agreed

Clause 111, documents affecting title. Agreed?

MR. SEARLE: I am wondering if there is any legislation in Canada, Mr. Chairman, that would require insurers to pay interest if they do not pay within 30 days?

Insurance Where Amount Ought to Have Been Paid

MR. IRVING: I do not know whether there is legislation directly relating to insurance but in Alberta under the Judicature Act there is provision whereby the court will award interest where an amount ought to have been paid and was not or was improperly withheld. Under the general provisions of the Judicature Ordinance I can say, sir, that in a case on which I represented a life insurance company on a death that occurred in the territories, there was a problem about who ought to get the money and my client, the moment we were able to make a payment into court, had very carefully calculated exactly what the interest was from the moment it should have been paid and we sent that along. I think the industry, so far as I can see, makes a point of computing interest and seeing it is paid and as I say, I think if you have the equivalent to the Alberta Judicature Ordinance there is the legal requirement that it do so.

MR. SEARLE: Of course we do have authority in the courts to award it

but that does require, of course, a person entitled to the money to make that application. I was thinking, however, of something that might say that on any overdue amounts, probably in the general provisions of the act, interest shall be paid at a sum fixed by the Commissioner by regulation. The reason I was thinking of that is because, as we know, these things change. What is an appropriate interest rate changes from month to month and year to year. It used to be that six per cent was appropriate. Now, last year probably 12 per cent was. This year eight per cent is. I just leave that as a comment and maybe we will withhold it until we get to general provisions, which I think are likely at the back, but it seems to me that that would be appropriate to require by law instead of relying on practice or the Judicature Ordinance.

THE CHAIRMAN (Mr. Butters): Do you wish to withhold your comment?

MR. SEARLE: No, I will wait until we get to the general part.

THE CHAIRMAN (Mr. Butters): Clause 111?

--- Agreed

Clause 112, declaration as to sufficiency of proof. Agreed?

--- Agreed

Clause 113, declaration as to presumption of death. Agreed?

--- Agreed

Clause 114, court may make order. Agreed?

--- Agreed

Clause 115, stay of proceedings. Agreed?

--- Agreed

Clause 116, appeal. Agreed?

--- Agreed

Clause 117, power of court. Agreed?

--- Agreed

Clause 118, payment into court. Agreed?

--- Agreed

Clause 119, simultaneous deaths. Agreed?

--- Agreed

Clause 120, insurance money payable in installments. Agreed?

--- Agreed

Clause 121, insurer holding insurance money. Agreed?

--- Agreed

Clause 122, court may order payment. Agreed?

--- Agreed

Clause 123, costs. Agreed?

--- Agreed

Clause 124, where beneficiary a minor. Agreed?

--- Agreed

Clause 125, beneficiary under disability. Agreed?

--- Agreed

Clause 126, presumption against agency. Agreed?

--- Agreed

Clause 127, insurer giving information. Agreed?

--- Agreed

We are now up to Part VI, Automobile Insurance, of the Insurance Ordinance and we have one motion arising out of the clause which we have repeated, which I shall report out. Do the witnesses have any comment to make regarding this part? I believe this is where we receive advice.

MR. MacLEAN: Yes, this is Part VI dealing again with a specific form of insurance, one that we are all familiar with, automobile insurance. It is the largest part in the ordinance dealing with one specific sort of insurance and covers everything from motor vehicle liability policies to the statutory conditions, to subrogation and the principle of absolute liability and runs from clause 128 to clause 178, inclusive. I wonder if Mr. Kennedy might have some preliminary remarks?

Rights of Third Parties

MR. KENNEDY: Mr. Chairman, this is the part of the act that sets out in some detail -- well, it shows the extent of the powers of the superintendent and lays down that the automobile insurance policy has to be in the form approved by the superintendent. Any endorsements to the policy which an insurer issues have to be approved by the superintendent. It tries to deal not only with the relationships between the individual insured and his insurance company, but it gets into the very complex area of the rights of third parties. It tries to spell out the rights of third parties and the manner in which they are protected even although the insured himself may be in breach of his policy.

Accident Benefits

It sets out again in detail the statutory conditions which, of course, apply all across Canada and it brings in by reference to the schedule at the end of the ordinance, the provision for accident benefits which is a form of no-fault insurance, of course. The accident benefit provisions, of course, up to this stage have been non-existent. Now they are made a mandatory part and any insurer writing liability, automobile liability insurance, must provide these accident benefits so this is probably a fairly significant change in the existing situation.

I do not think there is anything else. It is a fairly technical part but if there are any questions we would be pleased to try and deal with them as you go through it.

THE CHAIRMAN (Mr. Butters): Thank you, Mr. Kennedy. I will accept any general questions that Members may wish to direct to our witnesses before proceeding with clause by clause. Are there any general questions by Members? There being no general questions, I will go along to an examination of clause by clause, Part VI, Automobile Insurance, beginning with clause 128, interpretation. Agreed?

--- Agreed

Clause 129, application of part. Agreed?

--- Agreed

Clause 130, approval of forms by superintendent. Agreed?

--- Agreed

Clause 131, at the bottom of page 94, persons forbidden to act as agent. Agreed?

MR. NICKERSON: Mr. Chairman, I wonder if the expert witnesses could tell us why these particular people are forbidden to act as agents of the applicant?

Conflict of Interest

MR. IRVING: The reasoning, as I recall it, that people involved in financing automobiles or selling automobiles were forbidden to act as agents was that quite often there was a conflict of interest and the sort of information and assistance that they would give to the insured went contrary to the interest that he might have had. For a period of time people who were engaged in the selling of automobiles would be more prone to make sure that there was a collision and physical loss coverage in the automobile which protected them more than it did the insured for a finance contract. So this class of person would have a conflict of interest and has been exempted from acting as agents.

MR. NICKERSON: Thank you.

THE CHAIRMAN (Mr. Butters): Clause 131. Agreed?

--- Agreed

Clause 132, copy of application in policy. Agreed?

--- Agreed

Clause 133, misrepresentation or violation of conditions renders claim invalid.
Agreed?

--- Agreed

Clause 134, statutory conditions. Agreed?

--- Agreed

It appears that these statutory conditions go to page 106 where we find the
next clause. Clause 135 on page 106, exceptions respecting statutory conditions.
Agreed?

--- Agreed

Clause 136, coverage of owner's policy, specific automobile. Agreed?

--- Agreed

Clause 137, coverage of non-owner's policy. Agreed?

--- Agreed

Clause 138, persons deemed not owners. Agreed?

--- Agreed

Clause 139, territorial limits. Agreed?

--- Agreed

Clause 140, rights of unnamed insured. Agreed?

--- Agreed

Clause 141, additional agreements. Agreed?

--- Agreed

Clause 142, liability from ownership. Agreed?

--- Agreed

Clause 143, exceptions from liability. Agreed?

--- Agreed

Clause 144, idem. Agreed?

--- Agreed

Clause 145, exception from liability. Agreed?

--- Agreed

Clause 146, idem. Agreed?

--- Agreed

MR. NICKERSON: Excuse me, Mr. Chairman. Clause 143, the explanatory notes on the side of the page, it says "Exception from liability". Clause 144 "Idem". Should it not say "Idem" instead of "Exception from liability" again? In the idem on 146, does that apply to the repeal or the exception from liability?

THE CHAIRMAN (Mr. Butters): What is supposed to happen?

LEGAL ADVISOR (Mr. Slaven): Clauses 143 and 144 and 145 and 146, each one of them says "Exceptions from liability". I put that between exception and idem just to break the monotony. The idem in 146 would refer to exception from liability 145 if not repealed.

THE CHAIRMAN (Mr. Butters): Does that meet with the approval of Members that we repeat the words "Exceptions from liability" alongside these clauses?

--- Agreed

Mr. Legal Advisor, would you note that change without me reporting it back.

Marginal Notes

LEGAL ADVISOR (Mr. Slaven): If I may with the committee's approval, marginal notes are not a part of the ordinance and have no legal effect whatsoever. We try to reprint changes prior to third reading, but if Council would permit us to not bother reprinting these pages, we will see that the changes in the marginal notes are made in the eventual printed ordinance.

THE CHAIRMAN (Mr. Butters): Clause 147 at the top of page 113, minimum liability under policy. Agreed?

--- Agreed

Clause 148, stipulation in motor vehicle liability policy. Clause 148, agreed?

--- Agreed

Clause 149, excess insurance. Agreed?

--- Agreed

Clause 150, agreement for partial payment of claim by insured. Mr. Kennedy, in what instance would you see this matter of a "nuclear energy hazard" relating to this legislation?

MR. KENNEDY: Is this on 150 or 151?

THE CHAIRMAN (Mr. Butters): Clause 150. I am looking at the wrong one. Clause 150, are Members agreed? Clause 150, agreed? I will remain on 150 until I hear sufficient "agrees" to go on.

--- Agreed

Nuclear Energy Hazard

Clause 151. Possibly Mr. Kennedy could relate the reason for this section at this time.

MR. KENNEDY: Mr. Chairman, this is a standard clause in the uniform Insurance Act. I am not quite clear in my own mind what relevance it has here because the question of a nuclear liability is governed by a federal statute and there are all kinds of provisions in the act.

THE CHAIRMAN (Mr. Butters): Would "toxic" include arsenic? Any questions on clause 151, interpretation. Agreed?

--- Agreed

Clause 152, advance payments and release by claimant. Clause 152, agreed?

--- Agreed

Clause 153, defence where more than one contract. Clause 153, agreed?

--- Agreed

Clause 154, application of insurance money under motor vehicle liability policy. Agreed?

--- Agreed

Clause 155 on page 123, insured to give notice of action. Clause 155, agreed?

--- Agreed

Clause 156, stipulations in physical damage cover. Agreed?

--- Agreed

Clause 157, partial payment of loss clause. Clause 157, agreed?

--- Agreed

Clause 158, claims to be adjusted with insured. Agreed?

--- Agreed

Clause 159, uninsured motorist cover. Agreed?

MR. NICKERSON: Mr. Chairman, this would appear to be an important clause in the bill. I wonder if the expert witnesses could tell us more about this particular clause.

THE CHAIRMAN (Mr. Butters): Mr. MacLean or Mr. Kennedy?

First Party Claimant

MR. KENNEDY: This clause is simply providing for coverage in the event of your being involved in an accident with a motorist who does not have any insurance at all against which you can claim. You then claim on your own policy as a first party claimant.

THE CHAIRMAN (Mr. Butters): Is that satisfactory, Mr. Nickerson, or do you have something further?

MR. NICKERSON: That is satisfactory.

THE CHAIRMAN (Mr. Butters): Any further questions relative to clause 159? Clause 159, agreed?

--- Agreed

Clause 160, medical and funeral benefits. Clause 160, agreed?

--- Agreed

MR. NICKERSON: What happened to page 127?

THE CHAIRMAN (Mr. Butters): I have not got there yet.

MR. NICKERSON: Clause 160 should go on to page 127.

THE CHAIRMAN (Mr. Butters): Mr. Clerk, would you attend Mr. Nickerson? Apparently there was an error in one of the Members' books. We will wait a minute until another book is provided. I do not want to lose one of my loudest "agreeds". Clause 160 is agreed.

Clause 161, death and disability benefits. Agreed?

--- Agreed

Did you see that document, Mr. Kennedy, that I passed to Mr. MacLean? Is it relevant to this section?

Head of Household

MR. KENNEDY: Yes. I think the document you gave me comes from some other jurisdiction. The method that has been used here is to define the phrase "head of household" so as not to discriminate whether it is male or female. It is basically the one with the higher income and that qualifies for the higher payment.

THE CHAIRMAN (Mr. Butters): I am advised it is part of the statutory conditions that exist in policies that are available to residents of the Northwest Territories and which are provided residents of the Northwest Territories and that it conforms with provincial practice. I do not have direct knowledge of that, but I am informed of that by a good authority.

MR. IRVING: Sir, the practice as I understand it has been to include in the Policies that are sold in the Northwest Territories the provisions that are made applicable in Alberta and in the medical benefit sections in Alberta are the ones that become the schedule to the act and they are found starting at page 6. These ought to be the medical benefits that are attached to the policy.

THE CHAIRMAN (Mr. Butters): Thank you, Mr. Irving and I will withhold any further questions on the point.

Clause 161, agreed?

--- Agreed

Clause 162, demand for particulars of insurance. Agreed?

--- Agreed

Clause 163, rights of unnamed insured. Agreed?

--- Agreed

Clause 164, first liability. Agreed?

--- Agreed

Clause 165, payment into court. Agreed?

--- Agreed

Clause 166, limitation of action. Agreed?

--- Agreed

Clause 167, claimant's obligation to inform. Agreed?

--- Agreed

Clause 168, terms of certain insurances. Agreed?

--- Agreed

Clause 169, other insurance. Agreed?

--- Agreed

Clause 170, subrogation. Agreed?

--- Agreed

Clause 171. I beg your pardon, we have come upon Part VII. Do the witnesses wish to provide us with some background?

MR. MacLEAN: Mr. Chairman, here again it is a part dealing with a specific form of insurance, accident and sickness insurance, and it gives us certain powers under this part that we do not have under the existing ordinance in relation to misrepresentation of policies and also in relation to certain clauses with respect to bringing these companies under the direct jurisdiction of the superintendent of insurance. It is not a long part, but it is a very much needed part as far, as the new ordinance is concerned, in respect of regulating the accident and sickness insurance part of this bill.

THE CHAIRMAN (Mr. Stewart): Thank you. Part VII, Accident and Sickness Insurance. Any comments of a general nature?

Clause 171, interpretation "application". Agreed?

--- Agreed

Clause 172, application of part. Agreed?

--- Agreed

Clause 173, group insurances. Agreed?

--- Agreed

Clause 174, issue of policy. Agreed?

--- Agreed

Clause 175, exceptions. Agreed?

--- Agreed

Clause 176, confinement clauses void. Agreed?

--- Agreed

Clause 177, contents of group policy. Agreed?

--- Agreed

Clause 178, continuation of accident and sickness insurance where contract terminated. Agreed?

--- Agreed

Clause 179, contents of group certificate. Agreed?

--- Agreed

Clause 180, exceptions or reduction. Agreed?

--- Agreed

Clause 181, statutory conditions. Agreed?

--- Agreed

On the statutory conditions the next clause is 182, omission or variation of conditions. Are we agreed?

--- Agreed

On page 148, clause 182.

--- Agreed

Clause 183, notice of statutory conditions. Agreed?

--- Agreed

Clause 184, termination for non-payment of initial or renewable premium. Agreed?

--- Agreed

Clause 185, right where premium unpaid. Agreed?

--- Agreed

Clause 186, insurable interest. Agreed?

--- Agreed

Clause 187, lack of insurable interest. Agreed?

--- Agreed

Clause 188, capacity of minors. Agreed?

--- Agreed

Clause 189, duty to disclose. Agreed?

--- Agreed

Clause 190, incontestability. Agreed?

--- Agreed

Clause 191, application of incontestability to reinstatement. Agreed?

--- Agreed

Clause 192, pre-existing conditions. Agreed?

--- Agreed

Clause 193, misstatement of age. Agreed?

--- Agreed

Clause 194, designation of beneficiary. Agreed?

--- Agreed

Clause 195, meaning of "heirs", etc. Agreed?

--- Agreed

Clause 196, trustee for beneficiary. Agreed?

--- Agreed

Clause 197, documents affecting title. Agreed?

--- Agreed

Clause 198, insurance money free from creditors. Agreed?

--- Agreed

Clause 199, group person insured enforcing rights. Agreed?

--- Agreed

MR. NICKERSON: I have two pages missing in my book.

THE CHAIRMAN (Mr. Stewart): No wonder you were able to get through this so fast.

Clause 200, simultaneous deaths. Agreed?

MR. SEARLE: Bingo.

THE CHAIRMAN (Mr. Stewart): Clause 200.

--- Agreed

Clause 201, payment into court. Agreed?

--- Agreed

Clause 202, where beneficiary a minor. Agreed?

--- Agreed

Clause 203, beneficiary under disability. Agreed?

--- Agreed

Clause 204, payments not exceeding \$2000. Agreed?

--- Agreed

Clause 205, place of payment. Agreed?

--- Agreed

Clause 206, action in the territories. Agreed?

--- Agreed

Clause 207, insurer giving information. Agreed?

--- Agreed

Clause 208, undue prominence. Agreed?

--- Agreed

Clause 209, relief from forfeiture. Agreed?

--- Agreed

Clause 210, presumption against agency. Agreed?

--- Agreed

Clause 211, application of part. Agreed?

Part VIII, Livestock Insurance. This covers a lot of bull.

MR. MacLEAN: Mr. Chairman, all that this part does is bring livestock insurance as a specific form of insurance under the jurisdiction of the superintendent of insurance and you will notice it is very short, encompassing only four clauses.

THE CHAIRMAN (Mr. Stewart): It is only a small bull. Are there any general comments?

Clause 211, are we agreed?

--- Agreed

Clause 212, property that may be insured. Agreed?

--- Agreed

Clause 213, application of provisions as to fire insurance. Agreed?

--- Agreed

Clause 214, term of contract. Agreed?

--- Agreed

Part IX, Fraternal Societies.

MR. MacLEAN: Here again this part deals specifically with fraternal societies and there is only one clause with a bunch of subclauses and all that it really encompasses is bringing the insurance of licences for fraternal societies in the business of life insurance under the jurisdiction of the superintendent of insurance.

THE CHAIRMAN (Mr. Stewart): Thank you. Anything of a general nature?

Students on School Grounds

MR. BUTTERS: Possibly you would accept my question at this point. It is not relative to fraternal societies, but it is relative to students on school grounds. Does the territorial government maintain an insurance policy, a life insurance policy or group insurance policy covering students attending public schools?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we carry some liability insurance but not total liability insurance for all students attending schools. I think I know the sort of thing that Mr. Butters is referring to, and we do not carry that totally.

MR. BUTTERS: Mr. Chairman, I think that in the North such a policy is a lot more necessary than in many southern jurisdictions, that is, if one accepts that from the time a child leaves home until the time it arrives home going by the shortest possible route, he is the responsibility of the Department of Education. Likewise, in many of our communities we have a problem of loose dogs in settlements, loose dogs around schools and as we know, dogs can kill. I am wondering in view of the number of hazards which face young children and young children on our school grounds if some type of benefit could be guaranteed or could be developed.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, with regard to the transportation of any students that are travelling back and forth, they are covered and properly, or perhaps I should say adequately, but with regard to the other situation perhaps it would be best if I prepared a little report on our practices and then Council Members could examine it and if they were not satisfied they could recommend to us additional coverage. I might be able to have that ready before Friday, but I can not guarantee it.

MR. BUTTERS: That will meet my requirement, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Is the committee agreed?

--- Agreed

Part IX, Fraternal Societies, clause 215, licensing. Agreed?

--- Agreed

Part X, Agents, Brokers and Adjusters Licences of Insurance Agents.

MR. MacLEAN: This part sets out specifically again who the superintendent of insurance may issue licences with respect to the sale of any form of insurance in the territories. You will notice that in licences it includes agents, brokers and insurance adjusters and this is one type who do not have any ordinance. At the present time we have to accept certification from one of the provinces with respect to insurance adjusters to carry business in the territories and the pertinent section of this part would of course take care of that deficiency.

THE CHAIRMAN (Mr. Stewart): Thank you. Comments of a general nature on Part X?

Insurance Agent's Qualifications.

MR. NICKERSON: I wonder if the witnesses could outline what type of qualifications people are required to have before they can take on the business and responsibilities of being an insurance agent.

MR. KENNEDY: Mr. Chairman, the superintendent of insurance has laid down basic examinations which agents and adjusters have to take before they get licensed and equally the agents have got to be sponsored by an insurance company before they can apply for a licence. So there is a kind of double edged requirement.

THE CHAIRMAN (Mr. Stewart): Anything further of a general nature?

Clause 216, licensing agent. Agreed?

--- Agreed

Clause 217, on page 174, licences of salesmen. Agreed?

--- Agreed

Clause 218, licences of insurance brokers. Agreed?

--- Agreed

Clause 219, licence may be granted limiting authority of licensee. Agreed?

--- Agreed

Clause 220, agent or broker receiving premiums. Agreed?

--- Agreed

Clause 221, fraudulent representations. Agreed?

--- Agreed

Clause 222, personal liability of agent for unlawful contracts. Agreed?

--- Agreed

Clause 223, licences of insurance adjusters. Agreed?

--- Agreed

Clause 224, prohibition against public adjusters of motor accident claims. Agreed?

--- Agreed

Clause 225, acting as agent, broker or adjuster without authority. Agreed?

--- Agreed

Clause 226, no compensation to be paid by insurer to person not licenced. Agreed?

--- Agreed

Clause 227, twisting life insurance prohibited. Agreed?

--- Agreed

Clause 228, returns to superintendent. Agreed?

--- Agreed

Clause 229, appeal. Agreed?

--- Agreed

Clause 230, limited or conditional licence. Agreed?

--- Agreed

Part XI, Unfair and Deceptive Acts and Practises in the Business of Insurance. Mr. MacLean.

MR. MacLEAN: Mr. Kennedy has some general remarks to make on this part.

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

Protect Interests of Consumers

MR. KENNEDY: Mr. Chairman, this is what you might term a consumers' piece of legislation which is very definitely designed to protect the interests of the individual consumer. We do not like to think that insurance companies would be guilty of unfair or deceptive practices, but the provisions are there and I think the Northwest Territories have now become the second jurisdiction to enact provisions like this. Ontario

enacted it some years ago and it probably takes the place of separate legislation which other jurisdictions have got and frankly it is better to be in the Insurance Ordinance where everything is all in one place.

THE CHAIRMAN (Mr. Stewart): Thank you. Questions or comments of a general nature?

Clause 231, interpretation. Agreed?

--- Agreed

Clause 232, prohibition. Agreed?

--- Agreed

Clause 233, superintendent may investigate. Agreed?

--- Agreed

Clause 234, order of superintendent. Agreed?

--- Agreed

Clause 235, penalty. Agreed?

--- Agreed

Clause 236. Pardon me, this is Part XII.

Insurance Premium Tax

MR. MacLEAN: Mr. Chairman, this is a very important part of this ordinance in that it deals with revenue. At the present time we have no provisions in our Insurance Ordinance with respect to an insurance premium tax. This tax will be levied, if the committee agrees to it, against all premiums earned in the Northwest Territories by insurance companies. It is an amount of two per cent on the gross premiums received by any insurance company subject to a deduction of amounts paid in return premiums or amounts paid in dividends to the shareholders plus an additional one-half per cent by fire insurance companies. We are not sure just how much money we would be losing without this insurance premium tax over the past few years, but we do know that it is a minimum amount of approximately \$100,000.

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

MR. SEARLE: Mr. Chairman, I am all for raising revenue. I wonder, however, if these percentages will simply then be passed on to the insured; in other words, by an enactment of Part XII. By enactment of Part XII should we not recognize that we are automatically increasing the cost of insurance by that amount?

MR. MacLEAN: The fact of the matter is, all insurance companies are paying this premium tax in all other jurisdictions and the premiums on insurance up here, I do not believe, are any lower than the premiums charged down South. There is, of course, no guarantee that it will not be passed along. It is a question of whether or not we want to levy the premium tax and let competition take care of the rates charged on insurance or not levy the insurance premium tax. Perhaps Mr. Kennedy could add substantially to that.

Cost of Doing Business

MR. KENNEDY: I do not think I can add substantially, Mr. Chairman, but I doubt if this would affect premium charges very much because you are not talking about much in the way of income. I doubt if this would have any significant effect on premiums. Obviously it is a cost of doing business and it has to reflect itself.

MR. SEARLE: Mr. Chairman, is Mr. Kennedy saying in effect that this sum is being paid in other jurisdictions and is not being paid here? Therefore, we should not expect premiums to be increased?

MR. KENNEDY: I am in no position at all to discuss premiums, Mr. Chairman.

LEGAL ADVISOR (Mr. Slaven): Mr. Irving might want to comment after me. As far as I know, the auto insurance rates in the territories are identical to the northern Alberta rates and in effect the companies have been receiving the benefit of the two per cent they have not been paying and I would think it unlikely that they would, because of this, add a two per cent surcharge, if you wish, to cover the tax. Of course I can not speak for the insurance companies.

THE CHAIRMAN (Mr. Stewart): Thank you. Any other general comments?

Clause 236, definitions. Agreed?

--- Agreed

Clause 237, amount of tax. Agreed?

MR. McCALLUM: Mr. Chairman, in other jurisdictions is it two per cent as well?

MR. KENNEDY: It is the standard.

THE CHAIRMAN (Mr. Stewart): Agreed?

--- Agreed

Clause 238, levy on insurance companies. Agreed?

--- Agreed

Clause 239, when tax payable. Agreed?

--- Agreed

Clause 240, interest on overdue taxes. Agreed?

--- Agreed

Clause 242, inspectors. Agreed?

--- Agreed

MR. NICKERSON: I do not know if we agreed on 241 yet but with respect to 242, I wonder if we could be told whether the inspectors have the power to inspect books, etc., etc., outside the Northwest Territories because I believe a number of companies underwriting business in the territories keep their books and records outside of the territories.

MR. MacLEAN: The jurisdiction of the superintendent of insurance can only be within the Northwest Territories but we do have a couple of levers on these companies in that they have to have a licence here and if they want to continue to hold that licence, co-operation would be desirable. Another lever with respect to licensing of agents or brokers and so on, the company would have to withdraw entirely from the jurisdiction. Then, of course, there is also recourse, as I understand it, to the Government of Canada, the insurance department with which Mr. Kennedy is much more familiar in relation to further pursuit outside the Northwest Territories.

MR. KENNEDY: Mr. Chairman, I am not aware of any problem in this area at all. I think whenever there is a request of a company to produce books and documents they are invariably made available.

THE CHAIRMAN (Mr. Stewart): My apologies to this committee in that I did miss clause 241. Are we agreed on 241, returns?

--- Agreed

Money Owed to Insured

MR. SEARLE: Mr. Chairman, I know it is late and I am sorry to slow you up on this, but if you look at clause 240, you will see there that the government is looking after itself requiring interest at six per cent to be paid on money going to it. It is that sort of a paragraph that interests me for money owing to the insured. In other words, rather than putting the

onus on the insured to go seek interest by way of the courts, I suggest something be placed in the ordinance, as the government has recourse to the cabinet itself, but we fail here to look after the public. I think we should put in at least the same thing.

THE CHAIRMAN (Mr. Stewart): Any other comments? Mr. Butters?

MR. BUTTERS: I am a little late in this suggestion, Mr. Chairman, but I trust that we will continue until we complete this item if it is at all reasonable. I notice the rules say a request to extend the sittings should be made no later than 4:30 o'clock but there are five minutes to go until our usual time of adjournment for the day, and I think that as our witnesses are here for a short duration we should continue if we can until this item is completed.

THE CHAIRMAN (Mr. Stewart): My watch does not say that at all. Mr. Searle, do you want to develop your thoughts into a motion?

Motion to Develop Clause Similar to Clause 240

MR. SEARLE: I have already spoken to it but I suppose I should formally move that a clause similar to clause 240, I say similar to clause 240, should be developed to require interest to be paid by insurers on amounts due the insured. I would suggest the clause apply to all insurance, not just to life or automobile, but to any insurance.

THE CHAIRMAN (Mr. Stewart): Do our advisers have any comments on this suggestion?

MR. SEARLE: As to the interest rates, Mr. Chairman, I would suggest that it be fixed by regulation of the Commissioner so that it is flexible. I would not want to peg it at six per cent.

THE CHAIRMAN (Mr. Stewart): I see.

MR. SEARLE: If they are paying 12, it would give them an incentive to pay promptly.

THE CHAIRMAN (Mr. Stewart): Have you any comments, Mr. MacLean?

MR. MacLEAN: No. I understand the usual practice of some insurance companies is to pay interest and there is no harm, as far as I can see, including it in the ordinance if it is so desired.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Searle, at this time do you wish to propose a motion or do you wish the Legal Advisor to bring a clause back to Council?

MR. SEARLE: I had rather hoped I had done that. I thought that was what I was just doing, moving that a requirement similar to clause 240 be included with respect to interest due and payable to an insured and that the rate be fixed by regulation so it can be flexible, and that it apply to all types of insurance.

THE CHAIRMAN (Mr. Stewart): Discussion on the motion?

MR. NICKERSON: I am trying to think here of what might happen in a case such as this: Say there is an automobile accident and the settlement is not made, the final settlement is not made, until a period of two years

policy but unless you see the insurer under the policy, again this amounts in fact -- it sounds awfully like an unfair trade practice. You have got your remedy under these new provisions in the ordinance and you can get the superintendent to lean pretty heavily on the company.

MR. NICKERSON: In this particular case, would the interest of which Mr. Searle was speaking be payable with respect to the complete amount of money or just that amount of money above that which was tendered? I have not got Mr. Searle's suggestion quite clear in my own mind. I can see there are lots of technicalities that might develop.

MR. KENNEDY: It would be interest on the amount that had been improperly withheld I think. I presume that is what Mr. Searle is getting at.

Motion Carried

THE CHAIRMAN (Mr. Stewart): Anything further on Mr. Searle's motion? Question being called. All those in favour? Opposed, if any?

--- Carried

MR. SEARLE: Would you make a copy of that amendment?

THE CHAIRMAN (Mr. Stewart): Yes.

Clause 243, cancellation of licence. Agreed?

--- Agreed

Clause 244, offences and penalties. Agreed?

--- Agreed

Clause 245, regulations and orders. Agreed?

--- Agreed

Clause 246, repeal. Agreed?

--- Agreed

Clause 247, coming into force. Agreed?

--- Agreed

The schedules.

MR. BUTTERS: On the schedule, specifically on Part II, Total Disability, and more specifically on that section which deals with payments that would be made to a housewife, am I correct this is the section?

MR. IRVING: Yes.

MR. BUTTERS: It would appear that the contribution of the wife who works in the house is a little low in terms of the actual value of the contribution to the marital partnership. Is that not correct in view of today's valuation of contribution to a marriage?

Value of Services Performed by Housewife

MR. IRVING: I do not know that I can give you an explanation on those terms but I think perhaps I can explain the history of how this came about. My recollection is that in other accident policies that were part of automobile policies there was no benefit given whatever for the value of the services performed by the housewife in the home in the event that she was disabled. Schedule B was designed for the province of Alberta and it was one of these various compromises whereby a certain cost of insurance was developed with these kinds of provisions and the insurance industry was able to arrange the payment for the injured housewife where other forms of policies in other jurisdictions had no such provision.

Now, you can always alter the benefits payable but that, of course, alters the cost of the coverage and at the time this came into effect, if I recall correctly, the actual cost of this schedule in Alberta was, I think, \$7 or \$9, a minimum of seven and a maximum of nine. It was one of these various compromises that had to be made in order to keep the cost low.

MR. BUTTERS: It seems not to reflect reality. Certainly if a household had to acquire the services of a housekeeper during the time that the housewife was disabled, either totally or partially, I am quite sure that those services would cost a lot more, would amount to a lot more per week than \$50 as in the case of the maximum benefit, I believe, eight per cent.

MR. IRVING: Oh, yes, excuse me, sir. At the bottom of page 199 it does point out that the maximum weekly benefit is \$50 per week for any person and the housewife is entitled to get that.

MR. BUTTERS: That is what that says?

MR. IRVING: Yes.

MR. BUTTERS: Well, that should be satisfactory if that is the top limit permitted and there is no discrimination involved.

THE CHAIRMAN (Mr. Stewart): I was wondering if I could ask the advisers, this is designated as section B. Where is section A?

MR. KENNEDY: Mr. Chairman, this is a reference to a part of the insurance policy. This particular schedule forms what is in part section B of the motor vehicle liability policy, section A being the liability part.

THE CHAIRMAN (Mr. Stewart): Thank you. Do I have agreement on the schedule?

MR. NICKERSON: Mr. Chairman, the schedule on page 197, I wonder if the witnesses could tell us how these figures are arrived at? At the rate which inflation is taking place today do they feel there is any need for provisions to increase these figures periodically and, therefore, might they not better be made under some form of regulation where they can be increased easily or should there be some form of automatic increase?

Provisions of Schedule Can Be Modified

MR. KENNEDY: Mr. Chairman, I think there are two points here. There is the provision in the ordinance that the provisions of the schedule can be modified by regulation and that does permit that type of thing to be taken care of. I think the other point is that essentially this is intended as a very limited form of death insurance, if you like, if you are thinking about the principal sum payments on death. It is something

that has been added into the automobile policy that really was not there before, as a means of cushioning the load and cushioning it quickly at the time it is wanted, but it is not really intended as a substitute for a proper scheme of life insurance.

MR. NICKERSON: Thank you.

THE CHAIRMAN (Mr. Stewart): Might I bring the Council's attention then back to clause 1?

LEGAL ADVISOR (Mr. Slaven): Mr. Chairman, the two amendments I have been asked to prepare, I have been unable to do while sitting here and following the rest of the debate, and in a complex ordinance like this they have to be done with great care. I suggest to you if you will give me overnight to sit down with the three expert witnesses to draft these proposed amendments, we will have them ready for you first thing tomorrow morning. In that event, all you can do at this time, I suggest, is report progress.

--- Agreed

System of Numbering Clauses

MR. NICKERSON: Mr. Chairman, in the "Interpretation" clause, clause 2, I wonder if it is the feeling of the committee that the numbering system used here could not be improved substantially? This is a very similar matter to that which you brought to our attention a couple of days ago.

THE CHAIRMAN (Mr. Stewart): Yes. The system does seem to be very cumbersome. Is there any particular reason why it should be numbered in this manner?

LEGAL ADVISOR (Mr. Slaven): The draftsman advises me that this is the most up to date way of doing it. She says that formerly the definitions when they exceeded the number of 26 were numbered from "A" to "Z" and then "AA", "BB", "CC" and "DD". In federal legislation there are no numbers because the definitions are in alphabetical order.

THE CHAIRMAN (Mr. Stewart): If we did not keep these things fairly difficult, of course, we would not need lawyers to tell us what they are talking about. I will report progress.

--- Agreed

MR. SPEAKER: Mr. Stewart.

Report of the Committee of the Whole of Bill 5-56, Insurance Ordinance

MR. STEWART: Mr. Speaker, your committee has been studying and reviewing Bill 5-56, An Ordinance Respecting Insurance in the Northwest Territories, and we wish to report progress at this time.

MR. SPEAKER: Members of Council, may I on your behalf thank Mr. Kennedy, Mr. Irving and, of course, Mr. MacLean for appearing before us and helping us this afternoon. I assume that since there are only a couple of amendments to come back, that we can indicate to them that they would not be required to stay around, except presumably to assist Mr. Slaven and the others to whatever extent they wish, but that Council does not require them any further?

--- Agreed

MR. NICKERSON: On a point of privilege, Mr. Speaker, I refer to a rather unflattering picture of myself on page 4 of this publication we have before us. I wonder if you would be good enough to order the publishers of this journal for the next five consecutive issues to publish a much more flattering and a much better likeness of myself.

MR. PEARSON: I think it is a very good likeness. It is natural.

MR. SPEAKER: If Mr. Speaker could, he would also rise on a point of privilege in view of the association that is made.

Turning to the orders of the day, Mr. Remnant, are there any announcements?

MR. ERNERK: On a point of order, please. I wonder if I could have unanimous consent of Council to go back to Item 6, notices of motions.

--- Agreed

REVERT TO ITEM NO. 6: NOTICES OF MOTIONS

Notice of Motion 23-56: Need for Higher Education in the Keewatin District

MR. ERNERK: Thank you, Mr. Speaker. On Thursday, June 19th, 1975, I will give notice of the following motion:

WHEREAS there is a growing need for higher education in the Keewatin district of the Northwest Territories;

AND WHEREAS hostel operating costs and transportation costs are increasing in the Northwest Territories;

NOW THEREFORE, I move that the administration give consideration to the establishment of junior and senior high schools in the Keewatin district of the Northwest Territories.

MR. SPEAKER: Thank you, Mr. Ernerk. Mr. Butters, you have a meeting laid on for this evening of which all Members are aware, I assume?

MR. BUTTERS: That is correct, sir, at 8:00 o'clock in the Executive Board Room of the Laing building.

MR. SPEAKER: Further announcements?

MR. ERNERK: Mr. Speaker, concerning our luncheon tomorrow at the Correctional Centre, a bus will be leaving between 12:45 and 1:00 p.m. tomorrow afternoon. If the Members require to have a bus here before that time, we can make that arrangement. Lunch will be served, followed by a tour of the centre and a question period and the bus will be back at 2:30 p.m. in time for the Council meeting tomorrow afternoon.

THE COMMISSIONER: You will be sorry!

MR. SPEAKER: I assume the normal bread and water will be supplemented. Any further announcements?

MR. STEWART: I was wondering if there was a guarantee we will be able to get out of there after lunch.

MR. ERNERK: I did not hear that, Mr. Speaker.

MR. SPEAKER: Mr. Stewart was suggesting we have a head count on leaving.

Gentlemen, if there is nothing further, Mr. Clerk, orders of the day for June 19th.

Orders of the Day.

THE CLERK OF THE COUNCIL (Mr. Remnant): Orders of the day, Thursday, June 19, 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. Second 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, Private Member's Bill
- Information Items
- Philosophy Paper on Local Government
- Motion 4-56 Current Budget Formulation
- Motion 7-56 Maintenance and Operation of Airstrips
11. Third Reading of Bills
 12. Assent to Bills
 13. Time and Place of Next Session
 14. Prorogation

MR. SPEAKER: Council stands adjourned until 9:00 a.m., Thursday, June 19th, at the Explorer Hotel.

--- ADJOURNMENT

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