



**COUNCIL OF THE NORTHWEST TERRITORIES DEBATES**

58th Session

8th Council

Official Report

**TUESDAY, FEBRUARY 10, 1976**

Speaker David H. Searle, Q.C.

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TABLE OF CONTENTS

10 February 1976

	<u>PAGE</u>
Prayer	592
Questions and Returns	592
Notices of Motions	595
Motions	596
First Reading of Bills:	
- Bill 11-58 Rent Control Ordinance	601
- Bill 13-58 Strathcona Sound Development Loan Agreement Ordinance, 1976-77	601
- Bill 14-58 Council Ordinance	601
Consideration in Committee of the Whole of:	
- Bill 4-58 Appropriations Ordinance, 1976-77	602, 655
- Anti-Inflation Program	634
Report of Committee of the Whole of:	
- Bill 4-58	633, 666
- Anti-Inflation Program	649
Orders of the Day	666

YELLOWKNIFE, NORTHWEST TERRITORIES

TUESDAY, FEBRUARY 10, 1976

MEMBERS PRESENT

Mr. Steen, Mr. Stewart, Mr. Lafferty, Mr. Lyall, Mr. Butters, Mr. Wah-Shee, Mr. Barnaby, Mr. McCallum, Mr. Evaluarjuk, Mr. Ernerk, Mr. Pearson, Mr. Kilabuk, Mr. Pudluk, Mr. Searle, Mr. Nickerson

ITEM NO. 1: PRAYER

---Prayer

THE SPEAKER (Mr. Searle): Turning to the order paper, questions and returns.

ITEM NO. 2: QUESTIONS AND RETURNS

Are there any written questions? Mr. Pudluk.

Question W50-58: Municipal Ordinance, Section 128

MR. PUDLUK: Mr. Speaker, thank you. I just wanted to know on councils, when they are established in the settlements in the High Arctic, the hamlet of Pond Inlet, under the ordinance, section 128 of the Municipal Ordinance, and that says that the council of the hamlet may by law provide for the payment of an allowance not exceeding \$10 for chairman, \$7.50 for deputy chairman and \$5 for each councillor. They say that this fee is not enough for the councillors of Pond Inlet and would like to raise that a little higher if possible.

Therefore, when they are away in the summertime by canoe and have to return for a \$5 meeting it is not worth it, to come back to Pond Inlet for meetings. They would like to raise that amount a little higher. I would just like an answer to that question, concerning these people at the settlements.

MR. SPEAKER: Any further questions? Mr. Kilabuk.

Question W51-58: Community Hall, Broughton Island

MR. KILABUK: Mr. Speaker, I am going to ask a question concerning Broughton Island. On August of 1975, the settlement council of Broughton Island asked the Commissioner if they could build a recreation area -- community hall. When will they find out whether they are going to get this?

Question W52-58: Polar Bear Quota

People of Broughton Island, Clyde River and Pangnirtung would like to know if they could get an increase in quota on polar bears instead of being so limited. How soon will they know concerning this matter?

Those are the questions I have. Thank you.

MR. SPEAKER: Mr. Commissioner.

Return To Question W52-58: Polar Bear Quota

THE COMMISSIONER (Mr. Hodgson): Mr. Speaker, in reply to the last question, the quota system is established on recommendation of the wildlife service. If it is the desire for these two communities to have an increase in their polar bear quota, we can ask the wildlife people to have a look at it and, based on their statistics, determine whether an increase in the quota is warranted. This we will do.

Return To Question W51-58: Community Hall, Broughton Island.

As for the first question, the finances for a community centre or recreation centre, the program is a 50-50 program, whereas in any three year period the government will pay up to \$75,000, which is 50 per cent of the \$150,000 and the other \$75,000 is to come from the community. Now it is very doubtful whether Clyde River or Broughton Island could raise that kind of money. The administration has had for two years a new policy in the making which would enable the building of recreation centres with a substantially less contribution from the community. This new formula would mean, of course, that the government would pay a greater percentage.

We have not been able to finalize this but, as announced the other day by Mr. McCallum, the Minister of Education, we are now looking at a whole new approach and it would combine a number of community services which would include a gymnasium and a community or recreation centre within the one building. As yet we have not finalized it. I will be in both Clyde River and Broughton Island in April along with the Member and we will discuss this at that time with those two communities.

MR. SPEAKER: Any further questions? Are there any returns?

Return To Question W47-58: Road To Strathcona Sound

DEPUTY COMMISSIONER PARKER: Mr. Speaker, on Friday, February 6, 1976, Councillor Pudluk, Question W47-58, regarding the building of a road from Arctic Bay to Strathcona Sound. The Department of Indian and Northern Affairs has full responsibility for construction of the road from Arctic Bay to Strathcona Sound. In keeping with section 8, subsection (3) of the primary agreement signed June 18, 1974, authorizing the Strathcona Sound project to proceed, Indian and Northern Affairs awarded the contract for construction of the road to Nanisivik Mines Ltd. Therefore, the awarding of subcontracts for all or a portion of the road is now the responsibility of Nanisivik Mines Ltd.

At a meeting held on November 27, 1975, representatives of the Arctic Bay settlement council raised this matter with officials of Indian and Northern Affairs and the company. The Arctic Bay council proposed that Nanisivik Mines Ltd. make available to them the equipment necessary to construct the road, and that the settlement council then be hired to carry out the work. This request was rejected by Nanisivik Mines Ltd. on the following grounds: 1. Under the terms of the contract with the Department of Indian and Northern Affairs, the company is obligated to construct the road at cost. Therefore, the company felt that the settlement of Arctic Bay would have a difficult time making a profit on the project; 2. The settlement of Arctic Bay has no means of maintaining heavy duty equipment; 3. The equipment used to construct the road is also required to construct the dock, airport, mine and townsite facilities, and is rotated almost daily during the short construction period to obtain maximum efficiency; 4. It was felt that the settlement of Arctic Bay would suffer should any delays develop in construction of the road because of their need to have access before the winter of 1976 to the new airport at Strathcona Sound.

However, it was agreed that one Inuit general foreman and one Inuit mechanical foreman should be trained to provide the Inuit workers on the job with supervisors from their own settlement. To meet this request Nanisivik Mines Ltd. and the Government of the Northwest Territories have arranged for Mr. Percy Pikuak and Qumanqapik Ayukuluk, who have already shown competence in these areas, to receive two months advance instruction on road building at Fort Smith and on the Mackenzie Hire North project commencing the first week in March.

Return To Question W48-58: Housing In Arctic Bay

On Friday, February 6, 1976, Councillor Pudluk asked Question W48-58, concerning the number of houses to be built in Arctic Bay.

The Northwest Territories Housing Corporation has tentatively allocated ten houses to be built in Arctic Bay in 1976.

This allocation is subject to the following: 1. Acceptable supply tenders being received; 2. Mortgage funding to be made available by Central Mortgage and Housing Corporation; 3. Land being available in the community; 4. The gravel pad foundations to be built before July 1, 1976.

All local communities dependent upon the sealift are now informed of tentative housing allocations through the Housing Corporation's district offices.

Return To Question W49-58: Construction Date, Community Hall

On Friday, February 6, 1976, Councillor Pudluk asked Question W49-58, concerning the construction date for the Resolute Bay community hall.

The Resolute Bay community hall is planned as part of the town centre complex, scheduled as phase III of the community relocation plan. Phase III also involves the relocation of the federal government departments and agencies from the airport site to the new townsite. Funding for this move must be obtained through those other government departments requesting the funds in their five-year forecasts. At that time, they are also to request their portion of funding for the new community centre complex, as this will be a joint territorial-federal shared cost venture. At the moment, it seems that this part of the plan may be two or three years away.

This administration recognizes the need for an interim facility for recreation in Resolute Bay. Therefore, arrangements have been made by the Department of Education to make available to the community one of their buildings full time this next school year for use as a community recreation facility.

MR. SPEAKER: Are there any further returns?

Item 3, oral questions.

Item 4, presenting petitions.

Item 5, reports of standing and special committees.

Item 6, notices of motions.

ITEM NO. 6: NOTICES OF MOTIONS

Mr. Pearson.

MR. PEARSON: Mr. Speaker, I wish to give notice that on Wednesday, the 11th of February, I will give notice of the following motions:

Notice Of Motion 18-58: Freeze On Staff In N.W.T. And Travel Budget

WHEREAS it has become apparent to this Council during this session that the increases in government spending and the increase in staff are becoming excessive;

AND WHEREAS the present travel budget of the Northwest Territories government is growing at a very high rate;

NOW THEREFORE, I move that a freeze be placed on all staff increases and travel budgets for 12 months effective for the fiscal year 1977-1978.

Notice Of Motion 19-58: Subsidy On Alcohol Be Removed

WHEREAS the Government of the Northwest Territories pays a complete freight subsidy on alcoholic beverages so as to equalize the costs throughout the Northwest Territories;

AND WHEREAS alcohol is causing increasing problems among the residents of the Northwest Territories;

NOW THEREFORE, I move that the subsidy on cost equalization be removed. It is recommended that the savings be used to implement a program of school meals.

MR. SPEAKER: Thank you, Mr. Nickerson.

MR. NICKERSON: Mr. Speaker, on Wednesday, the 11th of February, I will move a motion to defer Bill 11-58.

MR. SPEAKER: Further notices of motions? Item 7, motions.

ITEM NO. 7: MOTIONS

I understand this morning we have Motions 14-58, 15-58, 16-58 and 17-58. Starting first with Motion 14-58, Mr. Lafferty.

Motion 14-58: Adoption Of Terms Of Reference Of The Standing Committee On Idemnities, Allowances And Members' Services

MR. LAFFERTY: Mr. Speaker, Motion 14-58:

WHEREAS the 8th Council of the Northwest Territories has established a standing committee on indemnities, allowances and Members' services;

AND WHEREAS the duties and responsibilities of this committee are not identical to those established for the standing committee on indemnities and allowances of the 7th Council of the Northwest Territories;

NOW THEREFORE, I move that the terms of reference for this committee, attached hereto, be adopted.

Terms of reference...

MR. SPEAKER: Mr. Lafferty, they are there. I think we can let Members read them. I do not think you need to read them out.

MR. LAFFERTY: Thank you, Mr. Speaker.

MR. SPEAKER: Is there a seconder? Mr. Lyall. Is there any discussion? Mr. Lafferty. Question? Are we ready for the question?

SOME HONOURABLE MEMBERS: Question.

Motion 14-58 Carried

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

---Carried

Motion 15-58, Mr. Pudluk.

Motion 15-58: Land Use Permits

MR. PUDLUK: Mr. Speaker, this Motion 15-58 I will ask the Clerk to read for me again.

THE CLERK OF THE COUNCIL (Mr. Remnant):

WHEREAS that portion of Somerset Island lying west of a line from the intersection of the 74th parallel of north latitude and the 95th meridian of west longitude to Fury Point is a good hunting area visited by residents of Resolute Bay and Spence Bay;



AND WHEREAS the Minister of Indian and Northern Affairs has stated that the issue of land use permits for work in this area would be subject to the approval of the settlement councils of Resolute Bay and Spence Bay unless such work is in the interests of Canada as a whole;

AND WHEREAS a work party from the Department of Energy, Mines and Resources is now in this area making soil tests to find out the ice depth;

NOW THEREFORE, I move that this Council request the Minister to ensure in future that all land use permits for this area are issued only after approval by the settlement councils of Resolute Bay and Spence Bay.

MR. SPEAKER: Moved by Mr. Pudluk. Is there a seconder? Mr. Lyall. Discussion, Mr. Pudluk.

Decrease In Caribou Herds

MR. PUDLUK: Mr. Speaker, I will speak in Eskimo. I can express it better that way. Mr. Speaker, in 1951 they started putting people in Resolute Bay. At that time they had good hunting grounds very near their place. They would go by dog team and would be gone for only one week. After they got skidoos they would be gone for only two days and close to 1970 the number of caribou started decreasing. So in 1971 the number of caribou decreasing was very, very noticeable. In 1972 there were none left at all. It started in 1951, up to 1972 there were more caribou around there. In the fall, September and October they used to go caribou hunting up there by dog team or by skidoo. Now that there are no caribou left they have to go to Somerset Island because that is where the caribou hunting grounds are now. The spring is the only time in the year they can go to Somerset Island. There is no other place that is closer than Somerset Island that has caribou. If they are going to start seismic exploration on Somerset Island, the caribou are going to move and you know it. We want to have this place to hunt caribou in and we want to have a good cache in that place, on that island where there are caribou. We do not want anybody disturbing them doing exploration of any sort. That is all I have to say. Thank you.

Motion 15-58 Carried

MR. SPEAKER: Is there further discussion? No further discussion? Are you ready for the question? Question being called. All in favour? Ten. Contrary? Nil contrary.

---Carried

Motion 16-58, Mr. Pudluk.

MR. PUDLUK: Thank you.

MR. SPEAKER: Mr. Pudluk, do you wish this motion read for you by Mr. Remnant?

Motion 16-58: Banding Swans

MR. PUDLUK: I can handle this, Mr. Speaker. My English is a little better than yesterday.

WHEREAS the Canadian Wildlife Service uses large aluminum neck collars to band swans;

AND WHEREAS ice buildup on the upper and lower edges of these collars can cause injury to these birds;

NOW THEREFORE, I move that this Council recommend to the Canadian Wildlife Service the use of some other way of tagging swans.

MR. SPEAKER: Moved by Mr. Pudluk. Seconded? Mr. Lafferty. Discussion, Mr. Pudluk.

MR. PUDLUK: Mr. Speaker, I have a little necklace in here. Last September in Pond Inlet somebody tagged a swan with this. The swans go out there in the summertime and fly out for the winter. We know in the air there is some icing. If the icing started to stick into this aluminum neck collar, it is going to be pretty hard to go back down South or to the North. I would like to stop this because it could do real harm to the swan. I do not mind if they are using a little piece attached to the leg, but this one could do real harm. The one who got this, it was on the neck and the place where it was, there was hardly any hair on it. Thank you.

MR. PEARSON: Feathers.

MR. SPEAKER: Further discussion. Mr. Lyall?

Leg Bands Are Sufficient

MR. LYALL: I would like to support that motion very strongly because of the fact that I have personally seen this myself. I think that it is not only the Canadian Wildlife Service that do this. I think there is another wildlife service from down in the United States in Washington that uses a plastic type, the same size, except they are plastic. The company that makes tags also has a leg band and I think what Mr. Pudluk says about just using a leg band should be all okay because all the geese they band just use leg bands and it has proven sufficient. I think that the one that they found around the Cambridge Bay area is still up in Cambridge Bay so far as I know. I think the same idea was found on the swan that it was found on, that the neck, just about three and a half inches of its neck were completely bare, so I think this kind of thing has got to stop. We know the leg bands are sufficient, so I think this is the reason why I support Mr. Pudluk's motion.

MR. SPEAKER: Further discussion? Mr. Evaluarjuk.

MR. EVALUARJUK: Mr. Speaker, I would support what I have heard in the past regarding the tagging system, especially the geese. When I was over to Pond Inlet I was told by the residents in Pond Inlet that there is a survey on geese every year or so. There is a sanctuary not too far from Pond Inlet. In this sanctuary there has been a survey and it would also indicate that a flock of geese can not walk with leg bands. They were chased to this particular lake and had bleeding feet around the lake, because they were chased to the lake.

Now, in 1975, I also learned that there were not too many geese around my home or community, but this spring, there were a lot of geese for the first time in a long time. Right near the community even though the community is a small place, there were no geese and have not been for a long time. However, last spring, there was quite a flock of geese, and not too far from the community. I was told by the local people that there were a large number of birds. Perhaps the people who were doing the survey could tell us where the flock of birds came from that went to the community of Igloolik, or the surrounding area and perhaps they could tell us where they come from.

I have no comments or complaints about where the birds came from, however, perhaps they could tell us where they came from. I suspect, however, that this flock of birds that came into the Igloolik vicinity probably came from the Pond Inlet bird sanctuary. I suspect this because the people have chased the birds to this particular lake around Pond Inlet. I would like to hear from the people who did the survey on these birds. I heard from local people that when these wildlife services wanted to have people, when they were rewriting the game sanctuary regulations, this is what I have to say.

MR. SPEAKER: Any further discussion?

SOME HONOURABLE MEMBERS: The question.

Motion 16-58 Carried

MR. SPEAKER: Motion 16-58, the question being called. All in favour? Contrary? Motion carried.

---Carried

Motion 17-58. Mr. Pudluk.

Motion 17-58: Tagging Caribou

MR. PUDLUK: Mr. Speaker, Motion 17-58, tagging caribou.

WHEREAS caribou in the Northwest Territories are being tagged around the neck by the federal and territorial governments;

AND WHEREAS these tags are put on in the summer when caribou's necks are much thinner than in the fall;

AND WHEREAS some caribou have died because of collars which are too tight when their necks grow larger in the fall;

NOW THEREFORE, I move that this Council recommend to the federal and territorial governments that some other way be used to tag caribou.

MR. SPEAKER: Moved by Mr. Pudluk, seconded by Mr. Stewart. Discussion. Mr. Pudluk.

MR. PUDLUK: Mr. Speaker, last summer when I went to Pond Inlet I asked one of the hunters to measure the necks of the caribou, and when I went there to Pond Inlet, measurements had already been taken. The fellow who measured, he was a hunter, and he was measuring no other animals, just specifically caribou. He measured around the neck in the fall and it was three feet, two inches. In the summertime he measured a male caribou and it was one foot, eight inches. Now, the measurements around the neck appears absolutely different in the fall than during the summer. Now, they are tagging these caribou, or starting to tag them around the neck. If they were to tag all the caribou in the Northwest Territories, one third of all those caribou would die in one year because of this. So, I would like to speak to this point again, about tagging caribou around the neck, if the tagging system can be changed. I think that is all I can say about it now, Mr. Speaker. Thank you.

MR. SPEAKER: Any further discussion?

SOME HONOURABLE MEMBERS: The question.

MR. SPEAKER: Mr. Kilabuk.

MR. KILABUK: Mr. Speaker, I would like to support Mr. Pudluk because I know a number of people who do this particular work. We have local people who do this type of work. In 1975 there were people who were tagging at a place called Nettilling Lake, a large lake south of Pangnirtung. There were two people who did the work who were helping the game management. These two people knew that they were not supposed to be doing this type of tagging but they had a game officer with them who knew or who they thought knew what they were doing at the time. Now, these two people knew about caribou, the situation on caribou in the summer, fall and winter and Mr. Pudluk was absolutely right because the caribou hair thickens in the autumn.

This autumn we had a number of meetings on the tagging purposes around the community of Pangnirtung. I think they were in agreement not to tag caribou around the neck as a result of some of our conferences. However, I have heard that they will be tagged on the ear and the local people disagree with this method of tagging. I wholly agree with what Mr. Pudluk has said on tagging methods and I fully support him, disagreeing with the methods that the department of game management is using on caribou tagging. Thank you very much for this opportunity.

MR. SPEAKER: Any further discussion?

SOME HONOURABLE MEMBERS: The question.

Motion 17-58 Carried

MR. SPEAKER: The question being called. Now therefore, I move that this Council recommend to the federal and territorial governments that some other way be used to tag caribou. That is the motion. The question. All in favour? Contrary? Carried.

---Carried

Those are all of the motions for today.

Item 8, tabling of documents.

Item 9, first reading of bills.

Bill 11-58, Rent Control Ordinance, Mr. McCallum.

ITEM NO. 9: FIRST READING OF BILLS

First Reading Of Bill 11-58: Rent Control Ordinance

MR. McCALLUM: Mr. Speaker, I move that Bill 11-58, An Ordinance for the Temporary Control of Rents in the Northwest Territories, be read for the first time.

MR. SPEAKER: Is there a seconder? Mr. Pudluk. The question. The question being called. All in favour? Contrary? Carried.

---Carried

Bill 13-58. Mr. McCallum.

First Reading Of Bill 13-58: Strathcona Sound Development Loan Agreement Ordinance, 1976-77

MR. McCALLUM: Mr. Speaker, I move that Bill 13-58, An Ordinance to Authorize the Commissioner to Borrow Funds for the Purpose of Developing a Townsite at Strathcona Sound in the Northwest Territories, be read for the first time.

MR. SPEAKER: Is there a seconder? Mr. Stewart. The question. All in favour? Contrary? Carried.

---Carried

Bill 14-58. Mr. Ernerk.

First Reading Of Bill 14-58: Council Ordinance

MR. ERNERK: Mr. Speaker, I move that Bill 14-58, An Ordinance to Amend the Council Ordinance, be read for the first time.

MR. SPEAKER: Is there a seconder? Mr. Lyall. The question. All in favour? Contrary? Carried.

---Carried

Item 10, consideration in committee of the whole of bills and other matters.

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

Is it the Executive's wish to continue with Bill 4-58?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker.

MR. SPEAKER: Council will resolve into committee of the whole to continue consideration of Bill 4-58, the Appropriations Ordinance, 1976-77, with Mr. Stewart in the chair.

---Council resolved into Committee of the Whole for consideration of Bill 4-58, Appropriations Ordinance, 1976-77 with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 4-58, APPROPRIATIONS ORDINANCE, 1976-77

THE CHAIRMAN (Mr. Stewart): The committee will come to order. Last evening prior to adjourning for the night we were dealing in this committee with a motion by Councillor Butters. At that time we had recognized speakers, Mr. Barnaby and Mr. Nickerson. I propose to continue this debate this morning and will hear from the Councillors already heard after everybody else has had an opportunity to speak. Unfortunately, I had a list of persons indicating their wish to speak, however, I have lost it and so we will have to start with a new list this morning. On the motion. Councillor Lafferty.

The Need For Economic Development

MR. LAFFERTY: Mr. Chairman, I believe that this motion is a very important one to our people and I support the Honourable Member, Mr. Butters' motion fully. I believe it is a proper and wise motion, much to the response of the needs of the people of the Mackenzie River Valley. Of course we all know there are several demands placed before us by the people of our constituencies and we all know that somewhere we will have to make a choice. Obviously we must decide what will be our priority in the next several years. In my view, in response to the people of my area, the greatest need is economic development.

Contrary to the statements made by Members of the native community along the Mackenzie River, there are many Indian people, especially the young, who are seeking jobs to earn a fast buck. Many of these young people are leaving for the South in pursuit of work, any kind of work. Those who do not leave the country are left at home living off the old folks who are generally on a fixed income or on social assistance.

These young, healthy and strong people are also the very people who get into troubles of many descriptions. Chances are they get into trouble because of money needed to do what they think others are doing, getting into recreational activities of some sort and that is generally the bar. I am making this general statement to outline what are some of the problems of both Indian and Metis groups in larger communities along the Mackenzie River system that the motion mentions. These people are able and willing workers and they are among the best there are in the labour force, but what good is that when the Mackenzie area is economically depressed? There is absolutely nothing, no work. What are all the training programs that we send our people to when we are not deciding anything in the future about work for these trainees. When they leave the schools there is much indecision on the part of the potential developer to invest any money in northern economic development because of uncertainties in the social order of northern communities. Are we going to let this continue and end up with hundreds of jobless people?

I believe that the government has sincerely made an effort to cope with many of the problems resulting from jobless people. There are programs designed by our educational system to create worth-while career patterns for northern native men and women. Their education and job training programs specifically are designed to meet their needs, but there are no jobs to go to when they get home from training or schooling. I also believe Eskimo people are just as aware of these problems as we are in the Mackenzie River Valley because we are now dealing with bread and butter for people to eat.

Hire North Project.

Let us take a look at the Hire North project as an example. We had native men working there from all over the Northwest Territories, some even came from the northern parts of the provinces near to us, most of these men who in some cases had families and who are now on social assistance. Of course, many did not make use of the dollars earned but they learned that there are other ways of making a living than trapping and hunting and now many are looking for work but there are no jobs. We need jobs now and in the future, Mr. Chairman. In view of that I fully support Mr. Butters' motion.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Lafferty. To the motion? Councillor Steen.

MR. STEEN: Thank you, Mr. Chairman. I do not think that this Council has much choice. There is either no development or development. I would hate to see what would happen to the people if there was no work for them. There has to be some sort of development and if we say no to development, then we are going to come to this Council as representatives of people who are on welfare. There are a number of people all through the Arctic who work on the development and, if this development is not continued, then these people will go home and what is there for them to do? What are we going to do with these people with no work?

Development Should Be Controlled

I would support Mr. Butters' motion as long as development is controlled. There is nothing wrong with development, as long as it is controlled. I think myself, coming from the Mackenzie Delta area, I would know what we want in that area. I do not think someone should say to me that I do not know what is going on in the area, in my area. I think that is the reason why Mr. Butters made the motion in the first place; he knows what is going on in the area. So, I feel that I have to support the motion for the benefit or for the good of the people of the Northwest Territories.

THE CHAIRMAN (Mr. Stewart): Thank you. To the motion, Councillor Pudluk.

MR. PUDLUK: Mr. Chairman, I would like to support this motion myself too because we are really concerned about jobs and getting more money for the native people, for all the people in the Northwest Territories.

As long as it is not going to get in the way of the hunting areas, that is what I am really concerned about. If they are not going to get in the way of the hunting areas, I would support this motion. Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you, Councillor Pudluk. Councillor Lyall.

MR. LYALL: Mr. Chairman, I strongly support Mr. Butters' motion. I would not like to see development in the Northwest Territories come to a complete stop. I think by not supporting the other motion that was put forward for the political development of the Northwest Territories, we damned near stopped the Northwest Territories completely. If we were to go against this motion, I think we would be doing that. The motion is very valid because of the fact that exploration is going to give all our people jobs which they need very badly. Because of that I would strongly support Mr. Butters' motion.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Lyall. To the motion? Just one moment. I am trying to give everybody an opportunity to speak and then I will go back to those who have spoken. Mr. Pearson.

The Question Of Land Claims

MR. PEARSON: I feel very confused by Mr. Butters' motion. I must agree with the basic principle of it, of course, anybody would. It was only a few days ago that this Council almost unanimously voted against a motion that was almost the same as this, calling for development. The Council expressed its views very strongly at that time, that such support could not be forthcoming until land settlements were made by the native people of this country. This is very much similar in content but it does not mention the claims made by the native people, the legitimate claims, I might add. As I said, I strongly support the principle that there has to be development.

MR. BUTTERS: Hear, hear!

MR. PEARSON: There must be development but it can not be to the detriment of the environment or the people who live in the environment.

MR. BUTTERS: Hear, hear!

MR. PEARSON: But Mr. Butters makes no mention of those factors that caused this Council to vote so strongly against a motion similar to this a few days ago and I find it very confusing. I have not quite made up my mind, Mr. Chairman, as I think other Members in this room are in a similar predicament as to whether to vote for it or abstain from voting because it would conflict with what I said a few days ago. My conscience is clear. My views are very simply that there must be development, but there are certain things that have to be done first, that is, the needs of the native people have to be taken into consideration, as Mr. Barnaby pointed out yesterday. I find no mention of that aspect in the framework of this motion. Perhaps Mr. Butters could rephrase it. Perhaps it could be amended. I do not know. I throw that out for discussion.

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

MR. ERNERK: Mr. Chairman, I am a bit confused on this particular motion as well. Speaking on behalf of the people of the Keewatin district, I think the general feeling of the people who are living in the Keewatin, at least in some of the places where some heavy activity is going on, is that they are not really against any kind of development.



MR. BUTTERS: Hear, hear!

Guaranteed Employment Opportunities

MR. ERNERK: Providing there are some guaranteed employment opportunities being provided for the communities, long range employment opportunities, that is, providing there is some control of exploration programs that are carried out, let us say, in the case of Eskimo Point or Baker Lake, for that matter. I really feel that there are two viewpoints, at least two viewpoints which I picked up about a year ago now when I was travelling around the Keewatin. I had the opportunity to sit at a meeting where members of the Department of Indian Affairs were visiting different communities last year informing the people in the Keewatin settlements as to what type of exploration programs would be taking place. There were two of them. Some say "This area is our hunting area. This is where we get most of our caribou meat and that part of the sea is our seal hunting area, and we are very concerned about the protection of the seals, whales and so forth and fish."

On the other side of the coin some people thought "Well, as long as there are some employment opportunities for local people from Eskimo Point, as long as there is no destruction to the environment itself, that is to say, the lakes and the land, we would be glad to go along with you." However, one of the more important things here, as I see it, I would suppose it would be as important as the exploration program which is the land claims issue in the Eastern Arctic.

I wonder, as Mr. Pearson suggested, if we should not include the native peoples wishes in this particular motion and let our views be known on this and see what we can come up with.

THE CHAIRMAN (Mr. Stewart): Thank you, Councillor Ernerk. To the motion. Mr. McCallum.

MR. McCALLUM: Mr. Chairman, I am not sure whether everyone has the same paper, or the motion written in the same words, but I would like it clarified. On page 2, in section (d) it says as a clause to the "now therefore" part of the motion of the 7th Council, that adequate provision etc. and down to the fourth line, "And whereas such support was predicated on the conditions that the anticipated development and the associated capital programs", and should that read, "be carried on"?

MR. BUTTERS: Yes.

The Motion Does Not Refer To Political Development

MR. McCALLUM: Mr. Chairman, at first glance I was as well confused by it, but on reading it through I do not see where there is confusion, at least in my mind, with political development. This motion speaks to development but not to political development. I think the concerns that were voiced by the people in my constituency were concerns about the development of political institutions which, in the view of the Fitz-Smith Band and Local 50 of the Metis Association, that it was their view that they would like to pursue political development and I was fully prepared at that time to vote for deferral on the basis that things could evolve as they have within the country. However, nowhere in the communications I have received from the people in my constituency has there been a denial of development and a pipeline. I think I read my constituents' views as being pro-development in terms of resources, in terms of a pipeline. I have not had any view contrary to it and my own personal view would be that we must have this kind of development. So, I would be in favour of the motion, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Thank you, Councillor McCallum. To the motion. Anyone who has not spoken yet? I have other people who wish to speak again but I would prefer to give everyone an opportunity to speak once and then go back. So, there is no one who wishes to speak at this time and my list indicates that Councillor Lyall has the floor.

MR. LYALL: Mr. Chairman, I would just like to say that I think when Mr. Butters made his motion and spoke on it yesterday that he indicated very clearly that this motion had nothing to do with land claims and I think that should be taken into consideration before you try and change the motion around to the way you think it would be better. I think the motion should stay just the way it is and we have already laid this off for two days. I think the motion was looked at very clearly and that it should not be changed around so much that we get all confused over again. I think a lot of us have read it very clearly and I think the indications we have had so far, are that people have said they understand it clearly. I think we should keep it the way it is and just speak to the motion as it stands.

THE CHAIRMAN (Mr. Stewart): The Chair recognizes Councillor Barnaby.

Control Over The Lives Of Natives

MR. BARNABY: Thank you. I got into this Council hoping to do something good for the people I represent, but so far it looks like I can not do very much except try to hold back you guys who can not wait for opportunities where you might get rich out of it, I guess. It seems as Councillors that the concern seems to be to throw all kinds of obstacles in the way of the native people who are trying to get control of their lives through land claims and things like that. I am just debating now whether to continue sitting here and arguing all the time. Really I am not getting anything good out of this Council.

There has been some talk of control, but this is more than control over little things, this is control over our whole lives. There is more than one gas pipeline that the oil companies are talking about and the people of the Mackenzie Valley stated very strongly that they do not want a pipeline, at least not at this time. Now, that leaves the Polar Gas line. All I can say again is that I see these people being manipulated, but who has all the information and who can make the wise decision? That is what I hate to see going on.

Another thing is that I think Mr. Wah-Shee wants to say something and he is not here and I wonder if we could wait for him?

THE CHAIRMAN (Mr. Stewart): Thank you, Councillor Barnaby. The Chair recognizes Councillor Lafferty.

Control Over Development Expressed In Many Areas

MR. LAFFERTY: Mr. Chairman, I think there are a lot of needless fears being expressed here, but I appreciate it because it gives us a sense of awareness, perhaps much more acutely than if we had all just agreed. I appreciate much of the expressed views of my colleagues, particularly Mr. Steen and Mr. Pudluk, where they desire control over development. I think if we go back in

our minds and to our previous discussions and sessions, you will find that we did express this concern and it is in view of this that this motion was, no doubt, introduced. I would think that control only means in one area and I think that control, as we understand it, expresses many areas. I believe these to include all our hunting grounds, bird sanctuaries and fishing areas, with which we are familiar in our own areas and regions.

Then there is the expression of confusion that I mentioned yesterday and, of course, I am very glad to hear that finally Mr. Pearson is confused. I can not see any Member who expresses deep concern about native people and their needs deny them their right to employment or a wage income, when it is in that direction that we are spending millions of dollars in education. This is what this motion is all about, a way to earn a livelihood, other than by hunting, trapping and fishing, which can no longer support the total native population of the Northwest Territories. We must find some other means to provide bread and water for those people. You will notice I did not say "wine", I said "water" and butter, of course.

I believe that the motion should be passed without change. I believe that if we start changing it, we are not going to go anywhere, we will be sitting here, or other Members will be sitting here, on the next Council, going through the same problems.

Of course, I appreciate the expression of Mr. Barnaby and his concern and his desire to have native people take control over their own lives, but up to date, in listening to his arguments, I have not heard him offer us any alternatives. I ask, how do you achieve self-determination without money? We very well know and we have discussed it here for the last two weeks, that the greater majority of our native people are on social assistance or they are demanding some kind of government subsidy. All the co-operatives in the Northwest Territories are subsidized and all native organizations are subsidized or granted funds. How do you get people out of that kind of a rut? We are destroying them psychologically.

In spite of this type of economic condition of the native people, who are also my people and for whom I have a lot of feeling, I ask, what are the alternatives? We must go into the future into a wage economy because the days of hunting and trapping are over.

THE CHAIRMAN (Mr. Stewart): Thank you, Councillor Lafferty. To the motion. Councillor Searle.

In The Interests Of The People Of The North

MR. SEARLE: Mr. Chairman, I propose to be very brief. I supported the motion that was passed by the 7th Council and I support this motion which is consistent with that. I do so, however, for several reasons and many of them have already been stated by Members who have spoken prior. I do not think, in looking at Canada as a nation, we can reasonably expect exploration and new development of energy not to continue in the interests of all Canadians. We would look like fools to move a motion that even suggested that and I have no doubt it would be totally and completely ignored by the federal government. This motion does not do that of course, it does the contrary. I think it is in the interests of all of the people of the North to support this sort of thing. Not only does it give jobs and bring about business development and growth to the area, which is important for all people, but without this sort of exploration, surely it makes the native position of looking to a fair and just settlement, it puts it in a weak position; in other words, unless you know you have something of value which is proven up, what kind of a settlement can you make?

If we look to what happened in Alaska, and if we look to James Bay, apart from a large sum of money by way of damages for breach of treaty, there are also discussions, or agreements, with respect to the payment of royalties. Now, it seems inconsistent to me to expect a settlement that might contain something like that and, yet, to say there should be no exploration and no development because unless you have that you would have no royalties. It seems to me that unless you have the sort of thing that this motion contemplates, then there is no impetus to settle native land claims, and surely they do not state a priority. It is only if you have this sort of thing that you then have the priority to settle claims, and it is only if you have this sort of thing that you can hope to get a good, just and fair settlement. At least that is the way I look at it. If there is no development, and no energy shortage and no need for the energy then there is no priority to settle claims and that can just go on forever.

As to Mr. Barnaby's comments about resigning from this Council, I would hope that he would not do that. I would hope that we can sit here as honourable men and honourably disagree and if something does not go our own way, then that is because this is a democratic society and you win some and you lose some and that is the nature of democracy. Just because some people do not agree with you is no reason to take your football and go home. As to waiting until Mr. Wah-Shee gets here, he knows that this Council starts at 9:00 o'clock in the morning and, if he does not choose to be here, then he runs the risk of business being transacted in his absence. He was certainly here yesterday and knew that this motion was first up when we got into committee of the whole today, so those are my views on the points raised and I would suggest that as soon as all Members have spoken we call the question.

THE CHAIRMAN (Mr. Stewart): Thank you, Councillor Searle. The Chair recognizes Councillor Evaluarjuk.

Disturbance Of The Hunting Grounds

MR. EVALUARJUK: Mr. Chairman, I think I know the place you are talking about. I have not really heard about this from the people where I was elected. I really agree with the development that has to be done in this country, in the Northwest Territories. To stop this development would be really bad. The only place I have heard about this is from the newspapers and they do not seem to agree on this. In Baker Lake or elsewhere to whom the pipeline is being brought, if they do not want that in their communities, I think the people have the right to take that position. I think it would be good if they had some money put aside in case there was a break in the pipeline or something and the oil spilled out. If they had the money to back that up, it would be good and also the seals in the sea, because nobody on earth can make seals again if they all die.

I say we own this and the government says they own that, but you can not make it up if they lose part of the land. Sometimes I really feel badly when the people say all they do to help the Eskimos is they have to give money to the co-op to let it run. I feel kind of badly when they say this, because they think we never help them in any way. What about the furs that you used to buy a long time ago? They would just give us a little bit for them and then there was a lot of income tax on those moneys. I agree with development having to go on as long as they do not disturb the hunting grounds. Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you, Councillor Evaluarjuk. I have two speakers who have not been heard from. We are dealing in debate on the motion of Councillor Butters. Do these speakers wish to speak now?

SOME HONOURABLE MEMBERS: Question.

THE CHAIRMAN (Mr. Stewart): The question is being called. Councillor Wah-Shee.

MR. WAH-SHEE: Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Excuse me, Councillor Wah-Shee. It is coffee time and we might be a little delayed on this particular session. We will adjourn for 15 minutes for coffee.

---SHORT RECESS

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum and calls this committee back to order. Before we recessed for coffee the Chair had recognized Councillor Wah-Shee.

The Importance Of A Land Claims Settlement

MR. WAH-SHEE: Mr. Chairman, I would like to make a few comments in regard to the motion proposed by the Honourable Member Mr. Butters. It may be it is inevitable that in the future we will have development occurring. The types of development will probably be in regard to non-renewable resources, petroleum, and from this particular development there might be off-shoots into secondary industry. I think the important thing here is that we all know that times are changing, but I believe that the important thing here is that there is no reference to whether native claims are to be settled first or whether, you know, this particular motion refers to calling on this Council to support the construction of the Mackenzie Valley pipeline.

I would have preferred to see the motion written in such a way that native claims be settled first, because I believe that whenever development occurs there will be adverse effects from it and there is no real guarantee to what extent the adverse effects will be on the ecology, environment and basically the way of life of the native people. Granted I am not saying that the traditional way of life of the native people will continue forever and ever, but I believe that the native people should have a choice, should have the same privileges to continue their traditional way of life living off the land. I believe there should be given equal support for any native people who want to go into the wage economy, they should be given equal support and training and should have the same opportunity as anyone to make a living.

I believe that it would not be appropriate for me to support this particular motion because the people I represent in my constituency have said time and time again that they would like to see native land claims settled first and that if we were to give priority to the Mackenzie Valley pipeline over our native claims, then the simple political effects of this particular move would be that we are giving development the first choice and the second choice would be given to native land claims.

MR. PEARSON: Hear, hear!

Not Proposed By The Native People

MR. WAH-SHEE: I have always said, and I continue to say, even though I sit here on territorial Council, that I believe native land claims are extremely important to the native people because it will give them the opportunity to participate in future development, not from a disadvantaged point of view, but they would have an opportunity to participate much more fully than if the development were to occur first and the native land claims were to be negotiated second. Then you would be taking away the bargaining position. There is nothing wrong with native people being given job opportunities, but we know that most of the older generation will probably be given just basically labouring jobs. There is not a very high percentage of native people at the present time who have adequate skills for long term employment and the promotion to have the Mackenzie corridor promoted was really not proposed by the native people themselves. It was basically to give way to the construction of the Mackenzie Valley pipeline.

I can not support this motion because of the fact that I believe that if we are serious about native land claims, we can not give it second priority. I believe that it has to have the first priority and at no time did I hear that the native people are saying "Okay, let the pipeline go ahead first and then we will negotiate our land claims afterwards." I have not heard any native people along the Mackenzie district saying that. I doubt very much if you will hear it because to some people development is very sacred, to the extent that they will be willing to compromise the negotiating position of the native people, but I do not see that at all as being particularly sacred because there are certain adverse effects from it. If you have native land claims negotiated, I do not know what kind of adverse effects you would have from it, but I think that native people are a reasonable group, and I know that at some point in the future it is inevitable, like I said, that development will occur in the North, but what comes first I think will determine a lot of things that will happen. I concur with my colleague, the Honourable Member from Great Bear, Mr. Barnaby in that it is quite possible that we say it is economically going to be feasible and it is going to be beneficial to the business community.

Also, when we refer to native people we say the native people will have jobs, but I believe that the way that the motion has been written I can not support it. I believe that native land claims have to be given first priority and development second priority. Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you, Councillor Wah-Shee. To the motion? Councillor Butters.

Motion Not Written To Exclude Land Claims

MR. BUTTERS: Mr. Chairman, the motion was written to exclude the very, very important item of land claims, not that there was any suggestion that one should be first and the other second, it was written to recognize that without development as Mr. Searle so ably put it, there will be very little land claim settlement.

I pointed out in my opening remarks that the native organizations have clearly made it known that development is part of their program, and part of the future that they see for their people. I excluded, as I say, the matter of land claims specifically to just recognize that development is welcomed by all people of the North.

I appreciate Mr. Barnaby's comments and I know that he represents the feelings of the members of his community ably and well. I know that two years ago the Councillor there sent a wire to Governor Egan of Alaska supporting the El Paso project, a project which would see the Prudhoe Bay gas piped through Alaska to Valdez or to another Pacific port, and I recognize and respect that position.

Mr. Wah-Shee mentioned about the adverse effects of development and I suggest that there is a real and very adverse effect to non-development and there are many people who require that line now and they may not wait for the claims to be settled. These people I am referring to are Americans because, in the main, the line would be carrying their gas.

I see here a release of January 16th, John L. Hupple, Sr., president of the Association of Interior Eskimos, announced his full support of the Alaska Federation of Natives stand for the Trans-Alaskan pipeline routing as stated by the Alaskan Federation of Natives president Sam Keto. He said the Alaskan route would be a boon to growth potential with inexpensive and dependable fuel sources. All of Alaska should support this concept and interested organizations such as OMAR will also support the concept. While the discussion was going on I looked at the assessed mill rate for the legislation, which would be coming to the territories and under the present legislation it amounts to \$1.25 million. I would remind Members that we have a legislature, we are the ones who would examine...

THE CHAIRMAN (Mr. Stewart): Councillor Butters, I believe they are having trouble with you, or there is a problem with the interpreters. To slow down is the request from the interpreters.

Responsibility To The People Of The North

MR. BUTTERS: We are the legislature, we are the ones who would develop and work out the taxation benefits of such a line through the Mackenzie. We are the ones who, through our legislative responsibility and power would, to large measure, control the development that occurred. I think that three Members have mentioned this aspect of control. We do have, I believe, not only a great deal of power in this area, but a great deal of responsibility to see that the interest of the people of the North are protected and optimized through the legislation that we can develop in this house.

As I say, and I repeat again, land claims is not the issue here. I think that frequently in the past outside ecologists and environmentalists and other experts are using native people to pursue objectives and ends which are really not in the interests of native people. Sometimes I wonder if some of these outside experts are really looking forward to the creation of a living museum in the Northwest Territories.

THE CHAIRMAN (Mr. Stewart): Thank you. Everyone has spoken who indicated a wish to. Are you ready for the question? The question is being called. So there is no doubt as to the question being called. Councillor Barnaby.

Amendment To The Motion

MR. BARNABY: I wonder if I could make an amendment on this thing somewhere? It seems like the guys on the Eastern Arctic do not protest too strongly against a pipeline but along the Mackenzie River, nobody wants to see the pipeline as yet, or at least until the land claims are settled. So what I would like to strike out is the part that states "through the Mackenzie Valley" and perhaps put in there "along the Polar Gas route".

THE CHAIRMAN (Mr. Stewart): I got the part about crossing out the Mackenzie River Valley but...

MR. BARNABY: Where it says "the construction of a pipeline" or "pipeline development through the Polar Gas route", perhaps that is what you could put and maybe somewhere we could add in there that there be no decision made on the Mackenzie Valley pipeline until the land claims are settled. Perhaps we could fit that in somewhere and that would be more appropriate to what is being talked about here.

THE CHAIRMAN (Mr. Stewart): The Chair is not prepared to try and rewrite this. I wonder, Mr. Clerk, if you could assist Mr. Barnaby?

MR. BUTTERS: Because it is my motion may I speak? An amendment such as that is counter to my motion and I would withdraw my motion if that amendment is made because it is contrary in thought and concept to the motion as expressed.

THE CHAIRMAN (Mr. Stewart): The point may be well taken. I think I will recess for two or three minutes and have a conflagration with my Legal Advisor. This committee stands adjourned for a few minutes.

---SHORT RECESS

Amendment Ruled Out Of Order

THE CHAIRMAN (Mr. Stewart): The committee will come back to order. The Chair rules on the original amendment as put forth by Councillor Barnaby as out of order in that it dealt with the "whereas" clauses and changed a statement of fact, unless some just cause can be shown that this statement is incorrect. However, I understand that possibly Mr. Barnaby now has a revamped amendment that he would like to put forward and the Chair will listen to this.

MR. BARNABY: Mr. Chairman...



THE CHAIRMAN (Mr. Stewart): Does Mr. Kilabuk wish to speak prior to the amendment or do you want to listen to the amendment first? Mr. Kilabuk has not spoken as yet and the Chair will recognize his right at this time.

Translation Into Inuktitut

MR. KILABUK: Mr. Chairman, I feel a little bit guilty because all of the paper in front of us is written in English only. I think in my case it would be better for me if it was all translated into Inuktitut. You may have noticed that I have had very little to say during this committee because the paper in front of me is in English only. What is being discussed now is also written in English and I would like to have seen that translated into Inuktitut. This way I would like to understand what is being discussed. However, I am thoroughly confused because what is in front of me is all written in English and I have no idea what I am looking at. I think what is written in front of us was given to us too early and I would not be prepared to make any decision on it. I would not want to make any decision right now because I have no idea of what is on the paper because it is written in English only.

I would be supporting the people who agree with this paper if there was the same type of situation in my constituency. We have fought very hard on Baffin Island, at Broughton Island in particular, on the oil exploration issue. We were also talking to the government officials regarding exploration and I am sure that this incident is also very important. However, there are only two hours since we knew what this paper in front of us was. I would not be prepared to make any decision on it.

I would like to see in future sessions the many papers written in Inuktitut, at least as much as possible. This makes it very difficult for me as I do not read English and I would like to see the papers in front of me written in both languages. Perhaps you may have noticed that Mr. Evaluarjuk and I have had very little to comment on some of the subject brought before this Council because all of the papers or articles in front of us are a lot of the time in English only. I would like this Council to know that people like me who do not read English would not be prepared to answer any questions or give agreement or to voice disagreements if they are not written in both languages. Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Kilabuk. It is difficult for the Chair to determine whether you would like this paper set aside and put a motion to that effect until such time as translations are available. You intimated that in what you had to say, but unless such a motion is put before the house, I will have to continue the present debate. If you feel strongly that you want this done, then the proper way to do it is by way of motion, and ask that the paper be translated and we can vote on that and decide whether or not the committee agrees. If not, I will have to continue the debate. Councillor Butters.

Motion Withdrawn

MR. BUTTERS: Mr. Kilabuk makes a good point on having important motions translated into Inuktitut syllabics prior to their examination and debate. I regret I did not do this and it has probably prevented Members from the Eastern Arctic and the High Arctic from participating in the debate fully and completely. When I drafted the motion I was attempting to get an expression of opinion on development. I purposely excluded land claims matters and for the last hour and a half I have heard many expressions of opinion in support of development. It appears that now the politics of the land claims is going to be introduced into this chamber, and with that consideration I hereby withdraw my motion.

THE CHAIRMAN (Mr. Stewart): Councillor Butters, the mover of the motion, has withdrawn it and as we are in committee of the whole it does not need a seconder so I conclude that the motion has been withdrawn.

Department of Finance, O And M - Activity 5054, Budget And Fiscal Planning

I direct your attention to page 10.06, Finance, activity 5054. I am afraid occasionally when we are asked to proceed with a vote on these things I take a vote and then check the vote off and somebody else speaks. I am not sure whether last night it was approved. Possibly, Deputy Commissioner, activity 5053, was that approved?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman, it was. Mr. Chairman, I wonder at this time at this point in this debate if it would be agreeable if we were to ask the representative of the Auditor General of Canada to be heard? We circulated the Auditor General's report this morning which is a two-part report. One of the booklets contains the statements and the other booklet contains his report to Council. Would it be possible for us to ask the representative to be heard this morning? The reason I say this is that we have, I believe, agreed to hear from Mrs. Plumtre at 2:30 p.m. I, of course, can not predict the length of the debate that will follow at that time. Mr. Bogda of the Auditor General's office is here and available, so I await your pleasure.

THE CHAIRMAN (Mr. Stewart): Are we agreed on the Deputy Commissioner's request?

---Agreed

Will you call your witness, please?

Introduction Of Mr. Dan Bogda

DEPUTY COMMISSIONER PARKER: Mr. Chairman, thank you very much. I would like to ask Mr. Dan Bogda who is the regional manager for Alberta and the Northwest Territories of the Auditor General of Canada, if he would join us here and perhaps it would be proper if we were to ask the director of Finance to sit with him strictly for the purpose of assisting the committee in its deliberations. Our director of Finance, as you may appreciate, has a role, a statutory role, in finance matters which is outlined by ordinance, so perhaps if the two gentlemen were to sit together, it might assist the committee in its deliberations.

THE CHAIRMAN (Mr. Stewart): Go ahead, Mr. Deputy Commissioner.

MR. BOGDA: Thank you very much. I am pleased to be here today and present the Auditor General's report to you. You have before you two reports. The first one is the report appended to the financial statements of the Government of the Northwest Territories. I think I would like to deal with that report first. It in effect certifies the financial statements of the territorial government with the exception of one qualification that we have had to make and that is covered in paragraph (c) and I will read that to you: "the transactions of the territories that have come under my notice, except for certain transactions which gave rise to overexpenditures of \$36,062; \$18,928; \$1211 and \$900 in the appropriations of the Departments of Local Government, Social Development, health and Education, respectively, have been within

the powers of the territories under the Northwest Territories Act and any other act applicable to the territories." That is the only qualification we had to make.

MR. PEARSON: Mr. Chairman, what does that mean that "except for certain transactions which gave rise to overexpenditures"? Are these figures you can not identify?

Overexpenditures Of Departments

MR. BOGDA: We can identify these figures. In effect it means that the territorial government have overspent in those departments over and above what Council has appropriated for the departments. In effect you could say that there is a slight breakdown in the commitment control likely resulting from the year end adjusting entries.

MR. NICKERSON: Mr. Chairman, in the same vein I do not think these figures of \$36,062, \$18,928 are really that much. I think over-all the administration has done a very good job of keeping expenditures in line with what they were authorized to do by this Council and by the various acts and ordinances under which they have to operate. I wonder if we could have some explanation as to just what this \$36,062 and \$18,928 are? Are they moneys that were just spent in excess of the amount authorized or are they moneys spent on a program that was not authorized?

MR. BOGDA: No. I think these expenditures are legitimate expenditures. They were just a technical lag here that needed commitment control to be totally accurate. Those dollars would have been spent in the subsequent year and charged to the subsequent years appropriations rather than the previous year when they were actually spent. Perhaps Mr. Holden might like to elaborate on that but that is the way we see it.

MR. HOLDEN: Mr. Chairman, if you will notice the departments that are overspent, they primarily relate to statutory payments in the case of the Department of Social Development. We had the same problem last year, if you recall, where welfare payments are made in the field by the staff of the Department of Social Development. The cheque is actually cashed right at the settlement level before we get any paper to commit the funds of the department. They are really payments that are statutory in nature and really can not be controlled to a vote, under the terms of the Canada Assistance Plan, if the individual qualifies for welfare payments and the payment is made. Last year we had a much larger amount. We had around \$130,000. We were able this year to commit some of the funds ahead of time, estimating what we thought the outstanding paper was, so it has been reduced substantially this year and hopefully we would get even better control on it and eliminate it.

The Department of Local Government was an adjustment that came in after the year end. The funds in that vote were fully spent by the time the adjustment was fully accounted for. So, it resulted in an overexpenditure there. Really the payments would have all been carried over to the new year if we had had full control of it. I think they were legitimate payments and just because of their unique nature they had to be charged to the old year.

THE CHAIRMAN (Mr. Stewart): Thank you. Any further questions? Councillor Pearson.

MR. PEARSON: Mr. Chairman, last year Mr. Bogda was here with his assistant.

MR. BOGDA: With Mr. Gilhooley, yes.

MR. PEARSON: And the report I seem to recall had some discrepancies as to the modus operandi of the territorial government Department of Finance. There is no reference in this but have you found improvements since you were here last year?

MR. BOGDA: I think if we look at the second report that we have, this is the one I would like to cover, we will touch on a number of instances which would probably relate to last year as well as the current year. If there are no further questions regarding the report appended to the financial statements, I think we could proceed with that.

I will proceed with the second report that we have to Council and this report is still covered under the same section of the Northwest Territories Act. It allows the Auditor General to report to Council any other matters which he thinks should be brought to their attention. In the current year there are seven items which we feel Council should be aware of and I think possibly what I will do is read the observations first and then answer any questions you might have.

THE CHAIRMAN (Mr. Stewart): The interpreters are indicating we are speaking too fast again. Could you please keep your tempo down?

MR. BOGDA: All right. We will try to slow down.

#### Observations Of The Auditor General's Office

Our report of January 8th, 1976, has as its first observation delay in preparation of financial statements of the territories. This observation was also covered last year and in response to Mr. Pearson's question the situation has not changed materially from that of the previous year. There were still late adjustments, materially late adjustments prepared in late July of 1975 and also numerous audit adjustments that were required. We recognize that the territorial treasurer's office were able to improve on their staffing position in the current year but much of this took place late in the year. Consequently benefits were not entirely felt. We are hopeful that they will be in operation in the current year.

I will read the observation to you. "The accounts of the territories were not sufficiently complete to permit prompt finalization of financial statements for the year ended March 31, 1975. This is evidenced by the Department of Administration's large number of year end adjustments and the additional audit adjustments required to correct inaccuracies in the accounts."

This is our recommendation to help to alleviate that particular problem: There is need to review monthly and year end responsibilities of treasury personnel to ensure that financial reports, particularly the annual reports, are prepared promptly and accurately.

One of the real problems here is that if you delay the preparation of your year end financial statement to any large degree, you end up starting the new year behind. It is always sort of a catch up ball game and you never really get caught up. We feel that keeping track of your expenditures are such that you really have to lay down your procedures, your timing and try to adhere to this. It may mean extra hours at year end and it may mean extra hours at month end but you have got to really stay current. Otherwise, it is a catch up type of situation and judgment day only ends up coming up once a year at year end.

MR. PEARSON: Mr. Chairman.

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

The Question Of Bad Management.

MR. PEARSON: Are there other provincial governments in the country which run into the same problem? Is this a common problem or is it simply bad management in this administration in the financial section?

MR. BOGDA: This is a very difficult question to answer when you say "bad management" as I am not certain it is bad management. I think one of the problems you have constantly been faced with is the constant turnover of staff. I think we covered this in the subsequent observations that you really must lay down your procedure and come up with accounting manuals and accounting procedures so that inexperienced people when they come in to work in your treasury can work effectively and they know what is expected of them and can meet particular deadlines. Year end should not be an insurmountable task, if the work is being done regularly throughout the year. The year end problem should not be as acute as it has been. Now, you have probably had difficult problems with the staffing situation and we think in the current year you should be better off in that respect.

THE CHAIRMAN (Mr. Nickerson): Excuse me, but would it be possible for you to speak a little closer to the microphone as it is very difficult to understand what you are saying.

MR. BOGDA: I am sorry. Would you like me to repeat what I just said?

THE CHAIRMAN (Mr. Nickerson): If possible.

MR. BOGDA: I think Mr. Pearson asked me whether the reasons for the late preparation of your accounts was something that was common for most provincial governments or whether it was unique to the Northwest Territories and attributable to bad management. My response was that that was a difficult question to answer. You have had extraordinary types of problems here, wherein you have had a high turnover in staff. In the current year you have recruited a number of, we think, very capable people but they did not come to you until relatively late in the year. We have in subsequent observations in the report before you indicated that we feel that one way for you to correct the problems you now face is to develop accounting manuals where in the procedures of the territorial treasury are outlined. When you have a bunch of new people working in the accounting section, and even in the supervisory staff, relatively new and inexperienced, problems do arise, people make wrong entries and you do not really encounter these until we get to year end.

Our feeling is if you could work more currently, if you could have proper procedures established to get more effective utilization out of everyone during the year that many of the problems you are facing at year end would disappear. Does that answer your question?

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

MR. PEARSON: Well, in light of the fact that I think we approved 12 more positions for this department yesterday, do you feel that that -- and I gather Mr. Holden is quite happy with that development.

#### The Problem Of Organization

MR. BOGDA: I feel if you have approved 12 more positions that certainly as far as staffing goes there should be no problem there. It is now a problem of organization and getting the people you have hired, and giving them the tools to do the job. By giving them instructions your expenditures will have come close to \$200 million. It is a rather large operation but everyone must know what is expected of them in order to do their duties properly.

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

MR. SEARLE: Mr. Chairman, I would just like to summarize what I pick out of this report if I might. Lack of reliable information seriously affecting the decisions which must be made by management. Secondly, numerous weaknesses existing in the computer operation. Thirdly, with respect to accounting and treasury inefficiencies occurring through repetitive errors, with respect to accounts receivable, inadequate billing and collection follow-up of moneys such that there is \$11,301,000 outstanding as of March 31 here, and follow-up and collection action is poor.

On the Northwest Territories Housing Corporation alone there is \$806,000 due. There is little evidence that there is any adequate follow-up action there to collect that money. The billing procedures have not even been developed to ensure that revenue is even billed, let alone collected. There is duplication of records, there are excessive costs through inefficiencies in the use of territorial staff and a duplication of records. Now, if that was a report on my business I think I would be more than seriously concerned. Would I not be filing bankruptcy or something? I think that is an appallingly bad report.

#### Accounting And Treasury Manuals

MR. BOGDA: We think you should be concerned and those are the reasons we brought those to your attention. One area where we feel corrective action can be implemented if you act on it, is in developing accounting and treasury manuals so that everyone knows exactly what their duties are. If they are not doing their job, and it becomes clear they are not, then you must clearly identify who is responsible for what and what they should be doing. You have not had such a manual that is current, and that has created problems, problems with the number of new people that come and go in the territorial treasurer's office.

MR. SEARLE: Well, Mr. Bogda, I would like to thank you sincerely for bringing these matters to our attention as you have done, and as you have done on many occasions. The thing that bothers me, Mr. Chairman, is that we have had excuses over the years, from time to time, and yet each year we expect the situation in terms of financial management to get better. I do not notice any significant improvement, in fact this report is as bad as I have ever seen. What, Mr. Chairman, does the Executive propose to do about this, about all these things that are raised? I know we are adding 12 new positions, but apart from that there are many controls which seem to be lacking, supervision seems to be lacking. In other words, there is no good management and you do not achieve that by simply adding a lot of people.

THE CHAIRMAN (Mr. Nickerson): Thank you, Mr. Searle. It certainly is a long list of errors and omissions and possibly Mr. Holden would like to say a few words in defence of what the Department of Finance has been doing?

#### Staff Turnover Rate In The Department Of Finance

MR. HOLDEN: Yes, Mr. Chairman. I have prepared a reply, and the problems are nothing new, as I think we have had this situation for quite a few years. If I may just make a few general comments before I comment on the specific items included in the report. During the year there were about four major problems that caused us difficulty in finalizing the year end. The first one, that is one Mr. Bogda mentioned, concerns staffing. We again had a problem with high

turnover. In 1974-75 we encountered difficulty in recruiting and retaining qualified staff in the senior officer positions. The turnover rate for the department for the year was in excess of 30 per cent.

MR. PEARSON: Turnover of 30 per cent!

MR. HOLDEN: And the vacancy rate was 13 per cent. What this means is that during the year approximately one-third of the total staff of the department left our employ and about 13 per cent of the positions were vacant all year. With a total staff in excess of 300 positions this amounts to a staff change of 100 persons during the year and a total of 39 positions being made vacant for the whole year. It is interesting to note that of the ten senior officer positions which are directly involved in the preparation of the annual accounts, only three were held by persons who have been in the same position for the complete year. So, the staff that was doing the year end again were all new staff.

These large changes in personnel result in very inconsistent handling of our financial transactions during the year, which in turn, requires a detailed review at year end in order to make the necessary corrections. This is one of the major reasons for the delay in the finalization of the accounts.

Obvious questions which will come to mind are: what are the reasons for the high turnover and what solutions are available? I think the reasons fall into really three main areas and one is the general market situation. For the last several years in Canada there has been a severe shortage of qualified financial people. The demand has exceeded the supply and salaries have increased accordingly. I think Mr. Bogda will confirm that the Auditor General himself is having difficulty in staffing all of their auditing positions. Salaries, because of the market shortage, possibly rose higher in the southern market than our ranges were. As a result of the recent classification review I think this problem has been resolved because most of our senior finance officer positions have been classified upwards to the market rate.

The third one is the career progression. Again because of the market shortage available, financial persons found that they were able to advance in their career path at accelerated rates. Employers were willing to settle for less experience in order to acquire a qualified person. So, financial people were moving quickly in their career path, and in a lot of cases from job to job and from employer to employer.

#### Possible Solutions To The Problems

As to possible solutions to the problem the following measures have been implemented over the past 18 months and appear to be meeting with some degree of success: Staff training -- a total of eight persons who are presently on staff have either demonstrated or indicated their desire to remain in the territories and have been enrolled in evening and correspondence courses which will lead to professional accounting designations. Several of these persons have successfully completed portions of their exams and are progressing well, and these are people I think who will be with us for several years. The reclassification, as I mentioned I think has resolved the salary problem. Career development -- it is my intention to develop an obvious career path within the government service so that individuals will be able to progress in their careers within the service rather than by leaving our employ. As I previously mentioned these solutions appear to be working and the situation seems to be stabilizing. Over the past year we have recruited four fully qualified officers and of the ten senior officer positions previously mentioned, all but two have been filled by the same person for the whole year. So, I think we have got some stability in the senior officer staff now and at this year end we will be able to finalize the fiscal year on time and accurately. Now, that all pertains to the problem regarding staffing.

#### Interdepartmental Financial Review Committee

The second major difficulty encountered last year was related to the interdepartmental financial review committee which the Commissioner referred to in his Opening Address. This committee was

organized in February of 1975 and I was appointed chairman of the working committee. This review was given top priority in order to resolve some problems inherent in our negotiated federal funding. It was a major undertaking which, as the Commissioner mentioned, provided major financial benefits included in the estimates which are presently being reviewed. However, because of its timing I was unable to spend as much time on it at year end as I would have liked. The committee was formed in February and we did not really get the final report of the committee finished until May, which was right at our peak workload, at year end. There was a top priority review and it could not be put off until after year end.

#### Lack Of Documentation In Treasury Manuals

The last major factor affecting the 1974-75 annual accounts concerns the lack of documentation of detailed accounting policy and procedures which Mr. Bogda has mentioned. To ensure a high degree of consistency in the treatment and preparation of the territorial accounts, it is imperative that policies and procedures should be clearly defined and documented so they are understood by all staff members.

This requirement is of even greater importance in view of our high turnover of staff. It should also be noted that the financial review committee recognized this shortcoming and recommended that additional staff be added to the Department of Finance in order to completely review, design, document and implement a complete financial reporting system. This was supported by Treasury Board in their approval of the 1976-77 estimates which we have just reviewed and provides for the formation of such a systems group. This is a long term project that will take two or three years to complete. The group will not be incorporated into the day to day routine of the Department of Finance.

The problem we have had with the staff we have now is that they are involved in day to day routine and no one has adequate time to sit down and document treasury manuals. What is included in the estimates is expected to be phased out at the end of the project which would be at the end of two or three years. The 12 people will probably be brought down to two or three to maintain the manuals once the major work is done.

Those are my general comments. I commented here on specific items included here in the report. If you would like me to proceed with them ...

THE CHAIRMAN (Mr. Nickerson): Are there any questions on the general presentation? Mr. Pearson.



Concerning The 30 Per Cent Vacancy Rate.

MR. PEARSON: Mr. Chairman, I am shocked at the figures Mr. Holden has offered to us, the 30 per cent vacancy rate within the department and the question that springs to mind is: if there is a 30 per cent vacancy rate, why go for another 12 people? I mean, how is that going to alleviate the situation if you have additional staff? You are going to be still short of staff. It seems to me the problem that this organization has to come to grips with is, how the hell do we get 300 people on a productive basis, 300 people? An incredible amount of people. How can you attract people? If this government is going to have an increase in its budget every year to the tune that it is having and we seem to have less and less competent people to deal with it, what the hell is the point in the government expanding at that rate, or trying to meet its commitments with staff shortages of this sort? There is no point in taking on more responsibility if you are going to get deeper and deeper into the red.

THE CHAIRMAN (Mr. Nickerson): Mr. Holden, have you a reply to those comments?

MR. HOLDEN: Yes, Mr. Chairman. The 300 people are related to the total of the Department of Finance. They are not all financial people. It includes all the supply service people, the liquor system people, the budget group and the finance and office services group. Finance and office service itself is 145 out of the 300. The 30 per cent was the turnover rate. The vacancy rate was 13 per cent. So the 30 per cent, I think, is not just unique to the Department of Finance. I think it is about the average turnover rate for the total government staff.

MR. PEARSON: Mr. Chairman, Mr. Holden has used this figure as one of the excuses for the problem. I mean, if it is good for one side of the question, then surely it must apply to the other. There must be a factor that must have some bearing. I appreciate the fact that you have only got 145 people, but that figure is still constant, a constant percentage of turnover. I again ask the question: how can we overcome this problem of turnover? It is the same, I am sure, in every other region, certainly it is the same in the Baffin region. The turnover in staff is phenomenal. In the report on personnel that was made a couple of years ago, we who read it saw some of the problems outlined. I want to know how you suggest we come to grips with this? There must be a way of getting people to commit themselves to working for the government, working for the territorial government. How many native people work in the financial section of the territorial government in the northern regions?

THE CHAIRMAN (Mr. Nickerson): Mr. Holden?

Development Of Northern People

MR. HOLDEN: I have not got an exact figure on that. I could possibly produce one for you. We have quite a few. The turnover I mentioned in my opening remarks -- what I hope to do is to develop people who have been with us for a few years and who are committed to the North by having them enrol in the correspondence programs for the accounting courses. We have got about eight enrolled in those courses now.

I think in the senior officer positions where the requirement is for accounting qualification the only alternative to employing from outside is to develop our own people. Down South there was a very high shortage of qualified accountants and we had no results to our advertising down there at all. I think we have taken maybe the best course, but it will take a little longer to develop these people because it is a lengthy course. It is a five year course. I think the reclassification has possibly helped us retain some people because we are now paying what I think is the market rate for a qualified person.

THE CHAIRMAN (Mr. Nickerson): Thank you very much, Mr. Holden. Would it be satisfactory, Mr. Pearson, if Mr. Holden were to give you the figures you requested afterwards?

#### Employment Of Native People

MR. PEARSON: Yes, I would like to hear them because, bearing in mind the fact that the native people do live in this country and like living in this country, it is quite conceivable there may be more of them prepared to go into these jobs if they are given a fair chance. I know of the competence of native people when it comes to accounting procedures and being able to do the work. There was a fellow in Frobisher who handled the entire payroll himself, and it was a federal payroll, a native chap without any formal training at all and he did that for several years alone. It is quite a remarkable achievement and I am sure there are native people, if given the opportunity -- perhaps if your department was to go to the high schools across the Northwest Territories, long before graduation time and talked to them, like the large corporations do; talk to the native people and offer them careers in the territorial government. You might find there are a lot of them willing to do that if they were recruited and given training on-the-job and opportunities for advancement without the danger of this government pursuing the present policy it seems to have of appointing continuously people from outside the administration to come in and take jobs of importance, although I again must compliment them on their choice in Economic Development.

#### Monthly Financial Statements

There is one other thing that really bothers me, Mr. Chairman, and that is the question of speaking slowly. One other matter that bothers me is the matter of the monthly financial statements prepared and submitted to the Executive during the fiscal year. I would have thought this would be paramount to utter confusion if the Executive is not financially aware of what is going on. A good example of this kind of thing occurred in Frobisher recently when the village council of Frobisher Bay was fired by the territorial government for incompetence due to many factors, but one of them was that the monthly financial statements had not been prepared for them and given to them each month to show them the status of the finances for that particular period. In fact they went on for years without there being any statements made to them. Consequently the thing got into an unbelievable mess. I gather that it was a similar situation which has developed here and that seems to me to be a very important facet of this report.

THE CHAIRMAN (Mr. Nickerson): Thank you, Mr. Pearson. Perhaps the Deputy Commissioner would like to comment on any troubles caused to the administration by receiving any statements late.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, thank you. I would not want the impression left that the Executive feels that it has not been in a position to deal properly and adequately with the financial situation on a month to month basis, because that certainly is not the case. We have been able.

We receive our computer printouts and we are well aware of the status of spending within the government. What has to be understood is the method of approach here. We receive our money, our operations money, one-twelfth at a time and of course it is not spent as evenly as that and, therefore, at any given month end the status of expenditures is not nearly as important in the earlier months as it is in the later months of the year. Each Executive member and each director has a very good handle on where the expenditures stand. I appreciate that a formal financial statement, which is something that we are seeking to implement, will be of value, but it is not going to be of as much value as this might indicate.

THE CHAIRMAN (Mr. Nickerson): Thank you. Would anyone else like to comment on general terms, on what Mr. Holden has told us? I understand, Mr. Holden, that you have some detailed remarks and are these likely to take a long time, are they very detailed?

MR. HOLDEN: Well, I just comment briefly on each of the items in the report.

THE CHAIRMAN (Mr. Nickerson): If you could keep it fairly short, Mr. Holden, I think we would appreciate that.

#### Department Of Finance Comments On The Report.

MR. HOLDEN: With regard to the observation on the monthly financial statements that we were just discussing, I believe that this observation refers to the discontinuance of a monthly balance sheet and statement of receipts and disbursements. These were purposely discontinued because it was felt that because of the nature of government accounting they tended to be misleading as a statement of financial position.

I think the Auditor General or Mr. Bogda will agree that on the modified cash basis of accounting, which we are required to follow, that a balance sheet is meaningless because it does not report all assets or liabilities. Because of this shortcoming we discontinued its use and replaced it with two other statements which gave a more accurate description of our financial condition. These were, one, a working capital projection statement and this statement was based on projections of the most recent financial information and informed the Executive on a continuing basis of the expected year end working capital position. Financial decisions could then be made based on the adequacy or inadequacy of expected available sums. These statements were updated and issued at least monthly during the last quarter of the fiscal year. Secondly, we have the management reporting system which Mr. Parker was speaking to.

Early in 1975 a new departmental expenditure reporting system was instituted. This system required each department to report actual expenditures to date by activity, together with a projection to the year end. I believe the Executive was well informed during the year of the financial position of the government and they had all the information they required in order to make sound financial decisions. As a matter of fact, in the last quarter of 1975-76, because of the expected shortfall in working capital, the Executive Committee implemented a program of severe financial restraint including a freeze on the hiring of new staff and restricted spending on travel. This decision was based on information provided in the aforementioned reports.

I should also mention in the forthcoming year I will be forming an interdepartmental finance committee which will be given the responsibility of preparing in-depth orderly expenditure reviews for each department of the government as a whole. This will provide the Executive with additional information with which to manage the over-all fiscal framework of the government.

### Computer Operations

Regarding the comment on the computer operation. As indicated in this observation, an independent evaluation of the computer division was conducted by an outside consultant. However, this was not finalized until June of 1975 and, therefore, it was impossible to implement any of the recommendations in the fiscal year being reported on. However, in the last six months many of the recommendations have been implemented, including the provision of adequate space and accommodation, the upgrading of physical security of the premises and the upgrading of computer report printouts.

Also one of the major recommendations of the consultant was that the staffing was minimal and barely able to meet minimal requirements. No manpower was available to improve existing systems and provide new programs but this has been recognized in the current years estimates and there are now new programmer and analyst positions in the positions you reviewed yesterday.

Regarding the accounting and treasury manuals, I fully agree with the Auditor General's observations. With the turnover in our staff we have to have our systems and procedures well documented in order to keep them consistent.

With regard to the accounts receivable, the basic observation concerning accounts receivable pertains to poor billings and collection procedures. This is primarily attributable to the split in responsibility amongst various departments. Individual departments with cost-sharing or other revenue producing programs are responsible for raising the claim or other billing and the Department of Finance is responsible for the subsequent follow-up and collection. To a certain extent there was a lack of co-ordination between the various departments in the last fiscal year. This situation has been resolved through the implementation of checklists and monthly reviews to ensure that all accounts are properly billed and that proper follow-up has been taken.

I think Mr. Barnaby mentioned yesterday that there were some old billings that the regions were following up on and that was as a result of the upgrading in the revenue section of the department. The balance outstanding of \$11 million may appear to be a staggering amount, however, when it is broken down ...

THE CHAIRMAN (Mr. Nickerson): Excuse me, but I think the interpreters are again having trouble and if you could slow down a little.

MR. HOLDEN: ...when it is broken down it primarily represents the final claims against the federal government under cost-sharing agreements. Over \$7 million represents accounts which originated within the last 30 days of the year end. Basically it is the final claims under the Canada Assistance Plan and the hospital insurance.

### N.W.T. Housing Corporation Outstanding Amounts

With regard to the outstanding amounts due from the Housing Corporation for heating fuel, we have made a concerted effort and are bringing these up to date right now. The reference made to the 1973 fuel sale to the Northern Canada Power Commission is incorrect. Our records indicate that this sale was in fact billed and paid for and a further check with the accountant of the Northern Canada Power Commission has confirmed this. What they had done was that in the Northern Canada Power Commission's records they had paid the invoice but they also set up an accounts payable for the paid item.

Now, on the duplication of records. This is again primarily attributable to the lack of systems documentation which is something that when this group gets on staff and we should get well documented procedures. With regard to the Housing Corporation, a draft agreement has been now documented and should be approved in the next few weeks.

THE CHAIRMAN (Mr. Nickerson): Thank you very much, Mr. Holden. We are pleased to note what you are doing about this situation and we all look forward to receiving a much more favourable report from the Auditor General next year. Are there any questions or comments on the detailed remarks by Mr. Holden? Mr. Pearson.

#### An Alarming Situation

MR. PEARSON: I am very alarmed at the situation, Mr. Chairman, and I wonder if the additional 12 staff members that Mr. Holden is looking for are really going to make a great improvement, or are they simply going to just keep the thing going? It seems to me that there needs to be a complete revision of the organization, as Mr. Bogda points out, the need for procedure manuals and technical information for people in the field, I gather, and for people within the various government agencies who are part of the whole thing, the various financial people in the various departments, not just the Finance department.

Now, if these people are so busy trying to develop procedures and clean up the mess, how are they going to get time to prepare manuals for a healthy operation? I would like to ask a question: is it conceivable that you employ the services of private enterprise to carry out some of these functions and to bring in some of the more competent financial companies, say management companies in Canada, to assist the government to develop proper and good quality management procedures and accounting financial procedures that people can follow and which would aid in straightening this out?

MR. BOGDA: Was that question directed to me, Mr. Pearson?

MR. PEARSON: Anybody.

MR. BOGDA: Well, I certainly think that there is a possibility that this could be done, but I am more inclined to think that you would get more benefit by having the senior people in the treasury department carry this out and perhaps have other people to carry on on the day to day operations for a period of time. To prepare the manuals, one is going to have to be familiar with your government accounting system and with the various problems in the different regions and how things are intermeshed with the various different departments. Now, these people could assist you but certainly you would have to second somebody from the senior level of the territorial treasurer's department to work on this manual.

#### Procedures Manuals Should Be Top Priority

Mr. Holden indicated that he would be working on that and it would take in the neighbourhood of two to three years and that is something I was not sure of, to complete, or to get the manual on the road. In other words, we feel that probably that should be a top priority and you should possibly put a deadline as to when you hope to have such a manual in working shape so that can be used to facilitate the more junior people.

Personally, from my years of observation, in auditing the territorial government, I feel that one of the reasons for your high turnover in staff is the fact that many people at the working level get frustrated because there are no instructions to them. They are trying to do a good job but they are getting no guidance, there is nothing to refer to. If you want to see a supervisor he may be at a meeting or may have travelled to another office and so you, in effect, a supervisor spin your wheels and do not get effective utilization from that person. He is trying his darndest but eventually he may get frustrated and say "Well, I will go and look for something else." So, we feel that these manuals and treasury procedures are a top priority and they should be worked on immediately and you should be looking at a very early date for completion of those manuals.

MR. PEARSON: Mr. Chairman, just on a point of clarification, you are saying that the private enterprise method of developing these procedure manuals would not necessarily be the best route. It would be better for senior government accountants to develop the manuals. Is this to say that government procedure is better than private enterprise procedure?

#### Knowledge Of Government System Is Needed

MR. BOGDA: No. I certainly would not say it is better. I think we were talking about qualified accountants and there are accounting principles involved very often. The conventional accounting principles that are involved with private enterprise where you are dealing on an accrual basis in accounting and the government system where you are dealing on a bona fide cash basis, very often relying in referring to your legislation and your ordinances.

Without some knowledge of government you may end up having an RCA Victor accounting system which is not going to be compatible with your legislation and the types of reporting you have to do to Council. Consequently you have got to have, we feel, someone with knowledge of the government system involved in the manuals. You could bring one or two people from the outside in who are good at that to work with that one person. Probably that might be a way to go.

MR. PEARSON: I could make a funny, but I will not. Thank you.

THE CHAIRMAN (Mr. Nickerson): Thank you. Are there any comments from any other Members? Are there any more comments from Mr. Pearson? In that case, could we have an agreement then that the Report of the Auditor General be accepted? Are we agreed?

---Agreed

MR. PEARSON: We will accept it, yes.

THE CHAIRMAN (Mr. Nickerson): Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, if I could just take a moment and say that the relationship that we have with Mr. Bogda and his people -- when I say "his people", I refer to a staff of somewhere between 10 and 14 people who come in each year for several weeks at a time and then make a variety of other visits -- the relationship that we enjoy with his staff is, if I could use the term, very much a partnership operation. Mr. Bogda and his staff are very, very helpful to us. They are instructive. Obviously they have immense patience with us. We do not live in a situation of conflict with the Auditor General's operation. We are very, very happy to say that we are learning a great deal from him and that he and his people are of very, very great assistance to us. We are delighted that this relationship exists and we only hope that we will be able to take the kind of action that we must take to ensure that it continues.

THE CHAIRMAN (Mr. Nickerson): Thank you very much, Mr. Deputy Commissioner.

MR. BOGDA: Mr. Chairman, I would like to say on behalf of all the officers of our Edmonton office, we have always received excellent co-operation from the territorial treasurer and his staff in conducting the audit here and we hope that the observations we have brought to light will be corrected and that our relationships will always remain as cordial as they have in the past. Thank you.

THE CHAIRMAN (Mr. Nickerson): Thank you. Before concluding I would like to thank both Mr. Bogda and Mr. Holden for presenting themselves this morning and giving us some expert testimony. I think the house looks forward to working with Mr. Mullins who, I understand, is an expert in financial matters. I believe he is to join the government sometime in the very near future. Thank you very much indeed, gentlemen. Where do we go next?

O And M - Activity 5054, Budgets And Fiscal Planning

THE CHAIRMAN (Mr. Stewart): The committee will come back to order. I direct your attention to page 10.06, under Finance, activity 5054, budgets and fiscal planning in the amount of \$127,100. Councillor Wah-Shee.

MR. WAH-SHEE: Mr. Chairman, I would like to inquire about something else. I would like to know if my motion in regard to the removal of the ban on development on Fort Rae, if it is possible to have this motion discussed tomorrow afternoon because I seem to get the impression that having my motion brought forward before the committee of the whole, my impression is that it has been buried somewhere. I had hoped that the matter would be discussed and I have no indication when this will occur, so I am requesting that the motion be discussed tomorrow afternoon.

THE CHAIRMAN (Mr. Stewart): Councillor Wah-Shee, I will make known to the Speaker your request and we will get together with you later today and see when that will be on the order paper, when we may be able to make time for it. Activity 5054, budgets and fiscal planning in the amount of \$127,100, are we agreed?

MR. NICKERSON: Mr. Chairman, I notice on the budgets and fiscal planning you have no casual employees but you have casual wages of \$1200. An explanation, please?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, that amounts to less than a man-year. We need a little help for the preparation of the budget in December and early January and perhaps November, so it does not amount to a full year.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 5054, agreed?

---Agreed

O And M - Activity 5055, Northwest Territories Liquor Control System

Activity 5055, Northwest Territories Liquor Control System in the amount of \$413,000. Councillor Nickerson.

MR. NICKERSON: Mr. Chairman, I would assume that a lot of expenses involved in the liquor system are for rents and leases on warehouses, and retail stores. There will be a lot of payments involved in transportation of liquor from one place to another. I wonder where we could have access to these figures?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the liquor system operates on a revolving fund and, therefore the only expenditures that are presented in the budget are the salaries and benefits and that is all. The purchase of liquor, the transportation, the day to day operation of stores and so forth are all contained in the annual report of the head of the system. That report is always tabled with Council. I would have to check and see whether it was put in at this session or earlier for the last operating period. The detail is in his report.

THE CHAIRMAN (Mr. Stewart): Councillor Nickerson.

Profits From Liquor

MR. NICKERSON: Mr. Chairman, when we were discussing revenue for the Department of Finance there was a certain figure put in there for profits from the operation of the liquor system. Would this figure for profits be before or after the salaries in this particular item were subtracted?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the profit in the neighbourhood of \$5 million reflects the difference between operations costs and sales with the exception of salaries. If you were to look at the true picture, you would have to take the profit figure which is listed under revenue and subtract these salaries.

MR. NICKERSON: Are there any other figures, Mr. Chairman, we would have to subtract to get the true profit of the liquor system?

DEPUTY COMMISSIONER PARKER: Up to this year there are two other areas that would not be included and those would be the heating costs for the stores and the employee benefits, that is, the staff housing benefit. For this coming year we are going to record those two things separately so that we can give the complete picture. Those figures we could determine but we have not thus far included them in the statement.

MR. NICKERSON: I see. It is rather confusing, Mr. Chairman, but I think I am learning.

THE CHAIRMAN (Mr. Stewart): Activity 5055, Northwest Territories Liquor Control System, are we agreed? Pardon me, Councillor Steen.

Motion To Provide Compulsory Jail Sentences For Bootlegging

MR. STEEN: Mr. Chairman, I would like to bring up a motion in this committee concerning the illegal sale of liquor and the problems that are arising in the territories. I would like to present this motion as follows: Whereas the illegal sale of liquor, commonly called "bootlegging", contributes significantly to liquor problems in the territories; and whereas the payment of fines seems to be considered by the bootlegger as simply an expense of carrying on business; now therefore, I move that the administration bring forth an appropriate amendment to the Liquor Ordinance at the May, 1976, session of this Council to provide for compulsory jail sentences for all bootlegging convictions.

MR. PEARSON: Hear, hear!

THE CHAIRMAN (Mr. Stewart): I have a motion on the floor. To the motion? Councillor Pearson.

MR. PEARSON: One question of Mr. Steen, Mr. Chairman. How many convictions have there been in the past 12 months for bootlegging? Have you any idea? Does the Legal Advisor know?

THE LEGAL ADVISOR (Mr. Slaven): No.

MR. PEARSON: Does anybody know?

MR. STEEN: Mr. Chairman, I do not know really how many convictions there have been. They are having a very difficult problem catching the bootleggers, but I do not think it is a very good thing to have in the ordinance that they have the option to pay a fine because they just charge it up to the sale of the liquor. With bootlegging I think everyone knows that some of the kids are getting bootlegged liquor and they can not get it at the liquor store so they get it from the bootlegger. Many things are happening in that way through the sale of bootlegged liquor.

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

MR. PEARSON: I see Mr. Robinson in the house and I am sure he should know that answer. I wonder if we could get an indication? Somebody must know, surely.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Mr. Robinson and the liquor control board get no reports on bootlegging activities, convictions or charges. I am sure that we could ask the courts what the information is but we do not have it assembled.

THE CHAIRMAN (Mr. Stewart): Thank you. Councillor Lafferty.



Bootleggers Are Protected By Those Whom They Serve

MR. LAFFERTY: Mr. Chairman, I think there is the other side of the fence to be examined too, the fact that the bootleggers are very difficult to catch, simply because they are protected by those whom they serve. I do know of many communities that have a lot of bootleggers in them and there are many people who are selling alcohol to teenagers and underage people but they do not get caught, simply because there is nothing to enforce or allow the police to charge a person who is buying.

I do not think there is anything in the ordinance which would compel a person to admit to purchasing bootlegged liquor and these are things which should be examined. I do not know if that is in the Liquor Ordinance, as I am not familiar with it, but there is an awful lot of bootlegging going on, even in such small communities as Fort Liard, Fort Providence and Jean Marie River. There have been complaints about bootleggers coming into Jean Marie River to the police but the people will not complain.

THE CHAIRMAN (Mr. Stewart): Thank you. To the motion. Councillor Nickerson.

MR. NICKERSON: Mr. Chairman, we have spent some time this session and in the previous session discussing diversionary sentencing. I do not think it is right for us to give direction to the administration, or to the courts that we are in favour of diversionary sentencing and then immediately turn around and say that for this specific offence they must send people to jail.

I think that a great deal of discretion has to be left up to the people running the courts. I can see cases where somebody, maybe a young person, might be brought up on a charge of bootlegging and it is his first offence and he probably really did not know what he was doing. There could be all kinds of extenuating circumstances and I think in that case the court should be allowed to deal out the punishment which they feel would be most fitting. In that case they might feel that a jail sentence is much, much too severe.

I understand what Mr. Steen is trying to get at and I would probably support a motion that bootlegging offences be punished more severely than at present, but I do not think I could at this time say that we should impose mandatory jail sentences for that offence under all circumstances.

THE CHAIRMAN (Mr. Stewart): Thank you. To the motion. Are you ready for the question?

SOME HONOURABLE MEMBERS: The question.

THE CHAIRMAN (Mr. Stewart): Councillor Pearson.

MR. PEARSON: Would Mr. Steen be willing to amend it because I think Mr. Nickerson makes a lot of sense. We have talked about diversionary sentences and there is no point in saying on the one hand lock him up in jail and on the other hand, let him do some work in the community to pay for his sins.

While I support the motion in principle very strongly, I also agree wholeheartedly with Mr. Nickerson and sooner than have Mr. Steen lose the motion, I would much sooner see it revamped. Perhaps after lunch we could do it, and I do not want to put words in his mouth, but that seems the sensible approach.

Motion Withheld

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

MR. STEEN: Mr. Chairman, I may have to get together with the Honourable Member from Yellowknife North to see what he wants, or what he is getting at. So I would agree to withhold the question.

THE CHAIRMAN (Mr. Stewart): The suggestion has been made that we withhold this question until we have had a chance to review the motion and are we agreed?

---Agreed

Thank you. Back to activity 5055, the Northwest Territories Liquor Control System in the amount of \$413,000. Councillor Pearson.

Unnecessary Warehouse Facilities

MR. PEARSON: I might have missed something during the week but I would like to inquire about the present status of the unnecessary warehouse facilities that this Council approved of last session for storing liquor and whatever it was by this government.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, that answer was given just as Mr. Pearson was entering the chamber yesterday and the answer was that construction has not started, although the order for the steel building has been placed, and construction will start fairly shortly. We will be coming back to Council in May seeking approval for a revote of funds which we must carry over.

MR. PEARSON: A revote of funds with some additional funds too, I would imagine by now, with the delay. It was \$1 million, I understand, was it \$1,100,000? And is the price still the same?

DEPUTY COMMISSIONER PARKER: It will be, yes.

MR. PEARSON: Shame!

THE CHAIRMAN (Mr. Stewart): The Pearson monument will be constructed. Activity 5055. Are you ready for the question?

SOME HONOURABLE MEMBERS: The question.

THE CHAIRMAN (Mr. Stewart): The question being called.

MR. PEARSON: I am not ready, Mr. Chairman. I have some questions to ask of the administration as to licensing, as to the distribution of liquor and various other matters that concern me and many other people in the Northwest Territories and obviously Mr. Steen, seeing he raised the question of bootlegging. How does, or how is the administration service of the liquor licensing board, is there an increase in the number of applications, is there an increase from communities and requests for liquor services to be provided?

DEPUTY COMMISSIONER PARKER: What was the last question again?

MR. PEARSON: Have there been any requests from communities to have liquor facilities provided in them, and if so, how many, and is the rationing process devised by one Chief Arrowmaker in effect, is it working?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, Mr. Robinson informs me that there are no new applications in hand for liquor outlets and that the rationing system for the Fort Rae area seems to be working reasonably well.

MR. PEARSON: I wonder if the administration has any views on its operations, any views on the problem of alcohol across the Northwest Territories? After all, this is the department responsible for the sale of liquor.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I think that with all due respect the administration's views were given during the debate on alcohol under Social Development. Any additional views we have, as far as sales go, could probably be summed up by this statement:

We do not propose to make alcoholic beverages any more readily available than they are now, unless we are so instructed by this Council or as a result of local option plebiscites, as outlined under the ordinance. We have no intention of establishing new stores unless it is done through the due legal process I have already outlined.

THE CHAIRMAN (Mr. Stewart): Thank you. Councillor Searle.

Present Pricing Policy

MR. SEARLE: Is the administration, Mr. Chairman, of the view that the present pricing policy is a subsidization of the price of liquor?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the Executive views the present pricing policy as one most assuredly not a subsidization of liquor. Clearly, with the profit margin that we indicate there is no question of it being subsidized, even adding in those few costs which have not been added in previously, as revealed by the line of questioning followed by Mr. Nickerson, as it revealed.

The argument, of course, revolves around whether or not there should be one price used throughout the territories or not.

THE CHAIRMAN (Mr. Stewart): Thank you. The hour being 1:00 o'clock, prior to recessing, I would like to make the following announcement.

There will be a meeting of the standing committee on rules and procedures at 1:00 p.m. in room 303. The Members of this committee are Mr. Barnaby, Mr. Butters, Mr. McCallum, Mr. Searle, and Mr. Wah-Shee. This committee stands recessed until 2:30 p.m.

---LUNCHEON ADJOURNMENT

THE CHAIRMAN (Mr. Stewart): I call this committee to order. I recognize a quorum and I call your attention to the finance estimates, activity 5055, Northwest Territories Liquor Control System in the amount of \$413,000. Are you ready for the question? Councillor Pearson.

MR. PEARSON: I have some questions, Mr. Chairman.

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

MR. PEARSON: I have some questions I would like to ask of the liquor control board, particularly with reference to licences and inspection of licensed establishments. I wonder if we could get some indication from the Deputy Commissioner or his experts as to how the program is going, how they would like to see it go, because I am not at all happy with the procedure and the inspection procedures that we have in my constituency at least.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, perhaps if Mr. Pearson wishes to go into that area, it would be appropriate for us to have the chairman of the Northwest Territories liquor control board sit as a witness or at least be available to me to pass on information because the board is indeed independent and I would not be able to answer the questions that Mr. Pearson has without assistance from the board, either the chairman or the secretary. We could arrange to do this later on in the day.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Deputy Commissioner. Are there any further questions that we may be able to answer at this time?

MR. PEARSON: All of my questions on liquor I reserved for this vote; the ones I have left, in dealing with the administration of the department and the controls that are needed at least, I feel, in the regions, in the constituencies and in the bars and the places that are selling a dangerous drug. I quite frankly would like to discuss it at this session. I can not see any other time to do it and I do not think another time would be appropriate. If the administration can produce expert witnesses later on today, that is fine with me. As I suspect, all of my questions will require an expert to answer.

THE CHAIRMAN (Mr. Stewart): The questions are being asked by an expert so I assume it would take an expert to answer them.

Activity Memorandum, O And M - Activity 5055, N.W.T. Liquor Control System Deferred

In view of that, then, I take it it is your desire to set aside activity 5055, Northwest Territories Liquor Control System, until these witnesses can be produced?

---Agreed

Mr. Deputy Commissioner, what vote should we proceed to then at this time?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, perhaps we could just examine the amortization program toward the back of the book, since it is related to the finance program.

Amortization, Program Memorandum

THE CHAIRMAN (Mr. Stewart): Thank you. I direct Council's attention to the amortization program on page 15.01. Deputy Commissioner, would you like to make comments on this at this time?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, previous to the current fiscal year the procedure was for us to borrow money for capital expenditures and then receive the money necessary to pay off the interest portion as part of our operating deficit grant. For this current fiscal year and into the future the federal government has agreed to provide the money to us on the basis of a grant, but we still have the interest owing on capital loans drawn over past years. We receive

the money still to pay that interest as part of the deficit grant, but since it is a payment which must be made back to the federal government, we must seek Council's authority to make that payment. Therefore, on page 15.02 you will see for repayment of principal, \$897,100 under activity 1880 and under activity 1881, payment of interest, \$646,500. To a very great extent these are bookkeeping entries because we receive the money for the payments.

THE CHAIRMAN (Mr. Stewart): Thank you very much, Mr. Deputy Commissioner. I see our guest has arrived. Shall I report progress?

---Agreed

MR. SPEAKER: Mr. Stewart?

Report of the Committee of the Whole of Bill 4-58, Appropriations Ordinance, 1976-77

MR. STEWART: Mr. Speaker, your committee has been studying Bill 4-58, the Appropriations Ordinance, 1976-77, and we wish to report progress at this time.

MR. SPEAKER: Thank you. Looking to the orders of the day, Item 10. Under Item 10, Members of Council, is the matter of anti-inflation program. The intention is to resolve into committee of the whole to consider that item and to hear from Mrs. Plumptre. Before we do that, however, possibly I could call upon the Commissioner to introduce Mrs. Plumptre to this house.

Commissioner's Introduction Of Mrs. Beryl Plumptre

THE COMMISSIONER: Mr. Speaker, Members of Council, you will recall at the early part of this session you requested that we invite a representative of the Anti-Inflation Board from Ottawa to come to Council some time during your session to give you the opportunity of asking questions with regard to matters that are under the jurisdiction of this board. I am very pleased that the board has seen fit to send their vice-chairman to Yellowknife to attend a session of this Council. Our guest really needs no introduction, I suppose she is one of the most famous people in Canada, having been connected with a subject that is of great importance not only to people of business, but to the householder, the people, those whom her work touches, each and every one of us. You perhaps might like to know that Mrs. Plumptre was born in Australia, in Melbourne. She graduated from the University of Melbourne and subsequently received an LL.D. from Cambridge University in England. She has been an economic consultant to several federal agencies, including the Wartime Prices and Trade Board and the tariff board. She was a member of the Economic Council of Canada from its inception to 1972.

The people of the territories would have met Mrs. Plumptre earlier if she had had her way. You will remember one of our former Ministers, the late Senator Arthur Laing, in the 1960's invited the members of the Economic Council of Canada to come to what was then a relatively new part of Canada, the Canadian Arctic, to see the Arctic for themselves, the people, the land and to come to have a better understanding of the northern part of our country.

Unfortunately, in those days the territories were not established as it is today with accommodations available in most of the communities. So the minister thought that there would be a lot of roughing it on the road, they might have to work long hours and certainly they would not have all the comfort of home. As a matter of fact, they might have to bring along their sleeping bags. As a result of this, he decided that maybe it should be a men only tour. The hard work did not deter Mrs. Plumptre. Neither did the harsh conditions she might have encountered and she already was a possessor of a sleeping bag, but that did not qualify her. I suggested that in a short ten years that excuse would never hold true any more anywhere in Canada, let alone for that matter, in the world.

So, I hope that we can right that wrong today by extending to our guest the hospitality of the North. She was the former director of the Canada Welfare Council, national president of the Consumers' Association of Canada from 1961 to 1966 and president of the Vanier Institute of

the Family from 1969 to 1973. She was the chairman of the Food Prices Review Board from 1973 to 1975 and I suppose it was in this role that she won the hearts of the "little people" across the country. She may have upset some of the "bigger people" and even some of the politicians, but I think that she demonstrated her courage, her capability and more than anything else her concern for people such as you, the Members of the Council and your constituents and others.

In 1975 in October when the Government of Canada decided to set up the Anti-Inflation Board she was a natural choice to hold one of the high offices in that board. So, Mr. Speaker and Members of Council, it is indeed a great pleasure -- with a little apology that she was not here before, but that was our fault and not hers -- I now take great pleasure in introducing Mrs. Beryl Plumptre, the vice-chairman of the Anti-Inflation Board.

---Applause

MR. SPEAKER: Members of Council, I would propose a motion to resolve into committee of the whole to consider the anti-inflation program and ask Mr. Stewart to resume the chair, at which time he could invite Mrs. Plumptre to come to the witness table and to address this house. Is it agreed?

---Agreed

May I therefore have a motion to go into committee of the whole to consider the anti-inflation program? Moved by Mr. McCallum, seconded by Mr. Butters. Discussion?

SOME HONOURABLE MEMBERS: The question.

MR. SPEAKER: All in favour? Contrary? Carried.

---Carried

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

Council will resolve into committee of the whole to consider the anti-inflation program with Mr. Stewart in the chair.

---Council resolved into Committee of the Whole for consideration of the Anti-Inflation Program with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER THE ANTI-INFLATION PROGRAM

THE CHAIRMAN (Mr. Stewart): The committee will come to order. It is with a great deal of pleasure as chairman that I invite Mrs. Plumptre to attend the table with us. Welcome, Mrs. Plumptre to north of 60. We are quite proud of our Northwest Territories and proud to have you with us and particularly pleased to have you within our chambers today. We are having a little difficulty on two counts that I would like to explain to you, and one is that we have a translation service into Eskimo that will be simultaneous with your talk to us today, and for this reason we would ask you to speak as slowly as you can. Secondly, the microphone pick-up at that particular table is not very good. I am not sure if this is on purpose on the part of politicians here or not, but you have to stay fairly close to that microphone. Thank you, Mrs. Plumptre.

#### Mrs. Plumptre Brings Greetings From Chairman Of The Board

MRS. PLUMPTRE: Thank you, Mr. Chairman. Mr. Chairman, Mr. Speaker, Mr. Commissioner, Members of the Council. May I say what an honour it is to be here today and I thank you very much for your kind invitation to the Anti-Inflation Board which resulted in my visit here today. I bring you greetings from the Honourable Jean-Luc Pepin, the chairman of the Anti-Inflation Board. I am sure he would much rather be here and presiding here, but with his duties in Ottawa, we have board meetings in the middle of the week, each week, and he knew he had to be in Ottawa. However, I am selfish enough to be grateful for that because it does mean that I have the privilege of being with you and enjoying my first visit to north of 60.

Now, with your permission, Mr. Chairman, I would like to read a short statement on the general attitude of the Anti-Inflation Board to our program, and I do hope that you will allow me afterwards to answer questions from any Members of the Council on any matter they would like to raise. I can not undertake, or be absolutely sure I can answer every technical detail, I do not have my technical experts with me here today, but if I can not answer them I will assure you we will be sure that you get any answers you need.

#### Inflation No Stranger To Northerners

I know that people who live in the North do not need visitors from the outside to explain inflation to them, to tell them what escalating costs do to the lives of people and the health of business. Inflation is no stranger in these parts; it has been in permanent and conspicuous residence here for a long time.

People in this part of Canada probably understand better than most that, in economics as in ecology, everything eventually connects with everything else. In the North the linkages are out in the open for everyone to see. No one is in much doubt about what trucking rates in Alberta have to do with the price of coffee in Yellowknife. They understand generally how energy costs influence the costs of storing perishable foods between freezeup and breakup and how these costs are translated on price tags at the grocery store.

I am sure too that northerners sense that inflation is indivisible, that the fight against it must be a national fight. Although the North has suffered more from inflation than it has contributed to it, it still has a part to play, and it has a tremendous stake in the outcome.

Although inflation, even superinflation, is a familiar feature of northern life, there is, nevertheless, important work to be done. The dangers of letting it run out of control are very great. Some of the inflation in the territories is controllable; things can get much better or much worse depending on the quality of our response.

#### Burden Of Fighting Inflation Must Be Evenly Distributed

A common Canadian interest in beating inflation is our best reason for confidence that the anti-inflation program will work. Canadians understand that getting inflation out of our system is necessary to our continued prosperity. The basis for united effort is there and we in the Anti-Inflation Board believe that to maintain this unity we must fulfil two basic conditions: First, the ground rules must be basically equitable. The burden of fighting inflation must be distributed evenly and must be seen to be that way. Business, labour, farmers, professional people and government, all must pull their weight.

Secondly, the strategy itself must be convincing; the rules must be reasonable, the plan must make sense. There are two considerations that apply here. Making sense in this context means, on the one hand, that the administration of the regulations must be tough enough and enforced firmly enough to have a real, moderating impact on earnings of many types including profits, salaries, wages and professional incomes.

But on the other hand, the administration, in addition to being firm must be flexible enough to allow us to deal, not with a monolith that does not exist in the real world, but with the complexities and variations of economic reality, including variations in the problems of different regions. Regulations for regulations' sake is not the point of the program. The point is the maintenance of economic health; to make the economy work more smoothly and offer its rewards more reliably and more equitably than it can when distorted by inflation.

There is another dimension to making sense; the public must understand what is going on. Unless people have a clear comprehension of what our objectives are, how can they have check points by which to judge our success or failure? In a program aimed specifically at the re-establishment of public confidence, such check points are essential.

#### Vocabulary Of Program

In this respect, we have not had much help from the vocabulary of the program. The word "controls", with its overtone of arbitrary compulsion, is used very frequently to describe it. But the fact is that the program provides for the restraint of profit margins, prices, dividends and compensation -- not for rigidity and not for control in the literal sense of the word. This is not just hair splitting. Failure to make the distinction seems to be causing some confusion and has led some people to expect the wrong kind of results. This is particularly true of those consumers who are disturbed by the fact that some prices continue to rise.

The fact is that this program is not intended to bring all increases to an abrupt halt regardless of the realities. There have been and undoubtedly there will continue to be, increases based on tangible uncontrollable factors and it is necessary to accept these as facts of life. No amount of restraint, no publishing of regulations, can deal with price increases still stemming from the quadrupling in cost of a barrel of crude oil.

What this program can do and will do, however, is deal with the kind of stampede inflation caused by unreasonable demands and counterdemands -- inflation caused by fear of inflation. Once you have this objective in mind, it is easier to understand some of the fine print of the regulations; why, for instance, in the case of compensation, the regulations allow incomes to keep up with real increases in the cost of living; why profit margins can keep up with operating costs; and why the program necessarily allows for exemptions relating to both costs and prices.

#### Basic Components Of Program

The anti-inflation program is made up of four basic components: restraints on prices and profits, restraints on dividends, restraints on professional fees, and restraints on other forms of compensation. There is an additional component not written into the regulations; this is the element of co-operation. The enlistment of Canada-wide support is an unwritten ingredient; a determination to manage the program so as to get this support in an unwritten guideline.

Although there is the power of law in the regulations -- although the program has a good set of teeth and the board has the will to use them where necessary -- its success depends on co-operation. This means that success will depend on people looking beyond the fine print and living by the spirit of the guidelines, on the extent to which people approach these regulations, not as alien intrusions to be put up with or if possible circumvented, but as a plan for the intelligent protection of our own self-interest.

#### Onus To Behave Reasonably

This puts a particular onus on all concerned to behave reasonably even when no one is watching. There is a tradition about government regulations, for instance income tax regulations, that anything not covered by them is fair game, and as time goes by, regulators learn about the loopholes and plug them, and no great harm is done. This kind of approach is inappropriate here. The anti-inflation regulations are not income tax regulations. They are not the product of years of experience. There is not all the time in the world to refine them and make them watertight.

For this reason, the board has been given a considerable amount of leeway in how it interprets the regulations. This cuts two ways. The board can be flexible and accommodating; it can do what seems to make economic sense in any given situation. It can recognize, for instance, regional differences; differences in the difficulty of recruiting labour, differences in historical relationships between various groups. It can manoeuvre with an eye on the main



objective. But the other side of the coin is that the board can also recognize and deal firmly with those who look for loopholes. Loophole seeking is not good enough in this situation. The country can not afford it.

It is also important to understand that although there is a final equity, a sort of "bottom line" balance in the program, there will be some apparent inconsistencies when the regulations are looked at in too narrow a perspective. They will appear to bear down, for instance, more heavily on some companies than others. But the board knows very well that an overly rigid application of the letter of the law would serve no good purpose. It would hurt not only business and labour, but the program itself, because it would erode support and willingness to comply.

#### Decisions Must Not Curb Economic Drive

We keep in mind, in making decisions, that the aim is to curb inflation without damaging the nation's economic drive. The cure must not be worse than the illness. Given such terms of reference, the board will not intervene in each and every case in which the arithmetic of the regulations throws up an apparent revenue. The regulations must work not as a counter-productivity force but as an anti-inflationary force, two very different, indeed diametrically opposed things.

I hope, too, that everyone understands that the regulations themselves are not chiselled into imperishable tablets of stone. The Anti-Inflation Act allows the board to learn by experience, we can recommend changes to the government as we move ahead. One way we will learn is by feedback; the board wants to know how the program fits the realities, about any anomalies, for example, which may get in the way of compliance.

Another way to miss the point of the program is to look at it in too narrow a time frame. One of the inherent communications problems that we have to deal with in maintaining wide support arises from the leads and lags between movements of prices, profits and compensation. The board gets involved with wage settlements as they come up and its action is immediately visible. But its action on prices and profits is just as sure and to some extent it is retro-active. In regard to prices, the board is setting up an early warning, pre-notification system, which will narrow the time gap. Under this system, a number of companies producing economically strategic goods and services must give the board 30 days notice before raising prices.

#### Proposed Price Increases Headed Off

In spite of the differences in the time frames, there are encouraging signs. Actual accomplishments will do much to remove some of the skepticism of the program's critics. Some proposed price increases have been headed off after consultation with the board by the organizations concerned. There was a roll back of projected telephone rate increases in British Columbia, attributed by the Canadian Transport Commission to the anti-inflation regulations; Bell Canada was required to revise its projected rate increases downward in December to stay within the guidelines. Many suppliers of goods and services have had to pull back announced price increases to revise them in light of the regulations; insurance companies, for example.

The board has also made, without receiving much publicity on the subject, rulings concerning some 50 requests from firms concerning dividend payments. The result has been to restrict about half of these firms to payment of 25 per cent of their after tax earnings for the last fiscal year ending before the program began. Other companies have been told to reduce proposed dividend payments.

People in the Northwest Territories have their own priorities of interest, their own questions about the program. You want to know what will be done about the costs of services and commodities. Transportation costs, I know from my Food Prices Review Board experience, are a source of continuing irritation and anxiety here. In the course of making our study of food prices in the North, everywhere we went, we heard that prices were high because of trucking rates, barge rates, air freight rates.

The program can not cure this problem at its roots but it can protect the North from a further deterioration due to inflationary tendencies. The Anti-Inflation Board does not directly control transportation costs in cases where regulatory bodies set up by governments have the responsibility. Nevertheless, the regulatory bodies themselves are required to live by our guidelines. The board will work closely with them. We will even be looking over their shoulders and we will, of course, rely heavily on the co-operation of the provinces in this matter.

#### N.C.P.C. Rates Direct Responsibility Of Board

We are, as you may know, directly involved in the matter of the proposed increase in rates by the Northern Canada Power Commission. In this case, we do have direct responsibility. We have received from Mrs. Sorensen and Mrs. Laing the complaint about the proposed increase; we have asked the commission how it justifies it and we are now studying the information it supplied to us.

#### Special Division For Food And Agriculture

Food is, in my view, the make or break part of the anti-inflation program. It is the one area of the program in which everybody is involved and where everybody is an expert. The price tags may be more spectacular up here than in Edmonton or in Montreal, but interest in them is intense and universal. Because of the importance of the food sector, the board recently set up a special division to focus exclusively on food and agriculture.

The board has kept up the surveillance which was begun by the Food Prices Review Board. We make weekly checks of the prices of approximately 90 food items in a minimum of five supermarkets in each of the 13 Canadian cities. These checks are made here in Yellowknife in three supermarkets and two convenience stores. We use the country-wide information from these sample studies to maintain an up-to-date picture of how food prices change from week to week across the country. We also use the information to check individual changes in prices in each of these stores. We link this monitoring with an analysis of complaints coming in from consumers right across the country, and in this way we are able to spot price increases which need to be looked at more searchingly.

As I see it, there are two dimensions to the problem of food price inflation in the North. One is the subject of this talk; the immediate task of bringing runaway inflation under control within the framework of the anti-inflation program. But this inflation is an overlay, an exacerbation of a longer-term and deep-seated malaise peculiar, in significant respects, to the North. Up here, your price structure and your price investments respond to unique influences particularly reflecting lack of competition over great distances and a sparse population. The resulting problems will only yield, in my view, to systematic, innovative and imaginative action on the part of the federal government.

Appropriate action will stem only out of a recognition of the many complicating factors; for instance, the effect of the relatively non-competitive situation in the wholesale sector that channels food to this area; also the difficulty of assessing the actual impact of food prices on northerners because of the various forms of compensation paid in these parts. Northern salary allowances, housing and utilities subsidies, for instance, help some residents, but not all residents, to cope with the high cost of being northern Canadians.

#### Studies By Nutrition Canada

A comprehensive assessment would have to cover both food supply sources and their relative importance among different communities, and the adequacy of income and/or assistance levels relative to food costs in northern settlements. We also know from the recent studies made by Nutrition Canada that health and life itself is threatened by serious deficiencies in the nourishment of Eskimo and Indian populations.

This is as good a place as any to repeat an earlier recommendation of the Food Prices Review Board. We recommended that the federal government should subsidize the cost of transporting some specific foods to help fill these nutritional gaps, to put them within reach of all northerners at reasonable cost. I say this not only in my capacity as ex-chairman of the Food Prices Review Board, but also as vice-chairman of the Anti-Inflation Board. Malnutrition is a form of waste -- a waste of human resources. All waste is inflationary.

Program To Be Administered Through Regional Offices

Before closing, I would like to stress that the program is designed to provide, in addition to the kind of balance I have been talking about, close attention to the needs of different regions. The program will be administered not solely from Ottawa but through five regional offices. The Winnipeg office will be your contact point for the program as it affects the Northwest Territories.

The board will be doing everything in its power to make the program work efficiently and to reduce complexities to an absolute minimum. You can help us too, by letting us know your thinking about the regulations, particularly, as I said earlier, about the anomalies which suggest the need for changes, about aspects which do not fit in with the ultimate objective -- the improvement of our economy. Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you, Mrs. Plumptre. I am sure that the interpreters are sweating in there. I do not know if they will catch up to you for half an hour, but they are doing their best.

MRS. PLUMPTRE: I am sorry.

THE CHAIRMAN (Mr. Stewart): I would ask you in reply to the questions, which will be a direct translation, to slow down. Can we open the forum? Councillor Searle.

MR. SEARLE: Mr. Chairman, I am wondering if I could raise a couple of matters with Mrs. Plumptre. I might say that I have watched Mrs. Plumptre often on the television and have seen how well she handles interviews and questions and each time there have been a couple that came to my mind that I wished I could have asked her.

The first one, I am just wondering how much of a problem the board foresees in curbing inflation domestically when obviously we are in the international market and when we buy things abroad, things like oil from Arab countries. We are just going to have to pass those costs on, whatever they are. Is there, therefore, a substantial uncontrollable factor that we are going to have to just accept?

#### Controls On Imported Commodities

MRS. PLUMPTRE: To a certain extent that is true, with regard to imported commodities. You are quite right. We must pay the international price if we want those goods. On the other hand, there is always a certain amount of control we can exert on the costs which result from, for example, oil from the refining, from the distribution, both at the wholesale and retail level and this is where the control can come in on the domestic side. You are quite right. When we import foods we must pay the international price for these, but we can then look to the costs which do result from our own refining or manufacturing of any product, and this, of course, the board is well aware of and will be watching it.

MR. SEARLE: The matter of wage settlements has always concerned me. I have been listening, Mr. Chairman, recently to settlements that are made; I think, for instance, this morning the pulp and paper industry on the east coast has been on strike for some time and apparently arrived at a settlement, a package over a period of time coming to some 30 some per cent -- I can not remember -- over a period of two or three years.

#### Question On Compulsory Arbitration

What I am wondering is how the wage settlement could be subject to review by the board if you do not have compulsory arbitration in the end? Let me rephrase that. There is a situation that worries me: What if an industry and an employer come to an agreement which is in excess of the guidelines and the board says, as I think they did with Ontario teachers, "Sorry, but we do not care that you have agreed to that. You can not pay it because it is in excess of the guidelines"? What if the labour side says, "Well, we are just going to stay out on strike"? The employer says, "We are happy to pay it because we have agreed." How do you in the end resolve that, unless the board has power finally to say, "All right, you are not going to pay it. This is what you are going to pay and you are going back to work."

MRS. PLUMPTRE: As you rightly point out, it is a very complicated matter. First let me just correct you slightly because, with regard to the Ontario teachers you referred to, I think you were referring to the Metropolitan Toronto ones and we never really came into that agreement. We do not come into the agreement. They had reached an impasse and asked for clarification. The board does not take part in any negotiations. What we prefer is for both parties to have reached a settlement and signed the agreement and then the matter comes to us for review, but if two parties have reached an impasse and both agree to come to the board for clarification, we will give clarification, but we will then say, "Go back and negotiate again." It is a very complicated situation when we get such situations as you have mentioned which, quite frankly, has not come up yet.

If, for example -- we have had one instance where there was an agreement made and I refer to one of the pulp and paper instances on the east coast and the employer was prepared to pay the amount and unions had agreed to accept it and we said that this was too high. It was a

matter of over 20 per cent and we said that the settlement should be 14 per cent. They said that they would not accept this and our responsibility then is to refer that to an administrator.

#### Board Has No Power Of Enforcement

The board itself does not have any powers of enforcement. We have powers of persuasion. In some regards it is rather like the Food Prices Review Board. We did not have power but we have the power of persuasion, the power of making reports to the public and the Anti-Inflation Board has the same powers, except that we now have the power to refer a matter to the administrator who has further enforcement powers and, in addition, has the right to levy penalties, fines mostly, he can levy fines and he can force, for example, if an employer pays too much over and above what the Anti-Inflation Board has ruled, he can order the employer to pay back so much into Her Majesty's treasury. If by any chance the parties still do not agree to that, they have the right then to appeal to a tribunal. They can not appeal the Anti-Inflation Board ruling, but they can appeal from the administrator's ruling. That tribunal is now in the process of being set up. The government has not yet announced it. Then, of course, they can even go further and appeal to the exchequer court -- to the federal court and then the power of that court can not only levy fines but can even go as far as jail sentences. The final recourse is to the federal government cabinet.

THE CHAIRMAN (Mr. Stewart): Councillor Nickerson.

#### Concerning Personal Income Tax Exemptions

MR. NICKERSON: Mr. Chairman, I think what Mrs. Plumptre said in respect to prices in the Northwest Territories is very true and well known to all of us here in that they are substantially in excess of what they are in southern Canada. That means that the value of the dollar is less here than it would be in Montreal or Toronto. If somebody in Toronto is earning a salary of \$15,000 a year, to be just as well off here he would probably have to make \$20,000 or \$25,000 a year. Therefore, what I would like to ask is, Mr. Chairman, does not Mrs. Plumptre agree that this makes an excellent case for an increase in basic personal income tax exemptions for residents of the Northwest Territories, and would she take it upon herself to recommend to the cabinet that these exemptions be increased for us in the Northwest Territories.

THE CHAIRMAN (Mr. Stewart): That is a dandy, Mrs. Plumptre.

MRS. PLUMPTRE: That is a dandy and I am sorry to have to tell the speaker it is outside our mandate. That is not our mandate. What we are led to do, our job is to administer the Anti-Inflation Act, to restrain profits and prices, etc. I assume that we could, as citizens, make this recommendation but, quite frankly, it is not within the mandate of the board. I am sorry to have to tell you that but that is true.

THE CHAIRMAN (Mr. Stewart): I am sorry, Mr. Searle. I understand you are not finished. Please proceed now.

MR. SEARLE: Mr. Chairman, I would like to go back to the example I gave, if I might, because I would like to be sure on this. In the case where you had a wage settlement agreed upon, it was referred to the board and they were told, as the one example Mrs. Plumptre gave, that no, only 14 per cent is as much as we will allow. "Go back and negotiate." Let us assume they could not come to an agreement because the one side believes they should have 22 per cent, etc. You say that there is an administrator. Does the administrator have power to, in effect, direct that person to go back to work at 14 per cent? Let us assume the company is the defender for the moment.

Government Must Force Strikers Back To Work

MRS. PLUMPTRE: I am sorry, I did not finish the answer to your question. I realized when the other question came up. You asked what would happen when and if people were on strike. I do not think the administrator has the power to force them to go back to work. He may levy fines and that sort of thing, but he can not -- the matter of forcing people to go back to work would be brought to the government. I think the government would have to do that in that regard. He has the power to make rulings, investigate our rulings, he may not necessarily agree with them and he may agree with them and he may then make a ruling and he can fine people in certain degrees but he could not force them back to work. That would have to be the government.

MR. SEARLE: Just continuing on, Mr. Chairman, I take it he could fine the union as individuals, could he?

MRS. PLUMPTRE: There seems to be some doubt about that. This has come up for discussion. Of course this is outside our bailiwick really. We have discussed this and there has been some interpretation -- you being a lawyer would know this -- but you can be called an individual for purposes of the law. Whether this is true under this, I am sorry, I can not tell you that.

MR. SEARLE: Mr. Chairman, the last area that I would like to have some information on, I think I heard Mrs. Plumtre say that the board was recommending a subsidy of certain foods in the Northwest Territories, did I?

Subsidies For Foods In North

MRS. PLUMPTRE: No. That was my old board, that was the Food Prices Review Board and we did recommend to the federal government that to try and overcome the nutritional gap which had been brought out by the nutrition survey done by Health and Welfare of Canada, that with the advice from, I think in the wording of our report, if I recall, we said that with the advice of people in the North who understood the needs, the health needs of the people here, that the federal government should give some subsidy to bring certain foods, such as I think we mentioned, but it was subject to the people knowing better, things like oranges and cabbages and onions and some meats, skim milk powder, etc., that should be made available through subsidy at more reasonable prices throughout the territories.

MR. SEARLE: I think the last thing that I might say -- and not by way of question but rather by comment -- I think that we are all very happy to see the board involved in the matter of a review of the proposed power increases by the Northern Canada Power Commission. We have been attempting to get that federal crown corporation to be subject to the utilities board, established pursuant to our ordinances and although I understand they have agreed to voluntarily appear they, of course, do not agree to being subjected to the directions of that board. You, however, are a federal agency to whom they would be subject and I think we are all pleased to see there is someone they have to answer to.

MRS. PLUMPTRE: As a matter of fact as I said earlier, we asked for information to justify their proposed increases and you are quite right in assuming that they do come under our jurisdiction. If there was any suggestion that they do not give us all the information we need of course we have the power under the Inquiries Act.

THE CHAIRMAN (Mr. Stewart): Councillor Wah-Shee.

MR. WAH-SHEE: Mr. Chairman, I would like to ask two questions and the first one is, I would like to know why domestic gas and oil is not part of the restraining program?

The second question is whether the fur prices are part of the restraint program and if there is a possibility of having that particular industry subsidized since I would say that still the majority of native people are living off the land and this is one area that I do not think requires restraint. I think this particular program should be subsidized. Thank you.

Gasoline Prices Monitored At Wholesale And Retail Levels

MRS. PLUMPTRE: If I may reply with regard to gasoline, as I think probably you are aware the basic price, the crude oil price is under the authority of the government, the provincial and federal governments, and it does not come under the Anti-Inflation Board until it starts to be refined and then when it goes into distribution. We are checking and monitoring that industry. We are doing that in conjunction with the Energy Supply Allocation Board, so it is monitored both at wholesale and retail levels and that does come under, and will be restrained by our program.

Fur Industry

With regard to the fur industry, I am afraid that it comes under our jurisdiction but this will be an interesting point which has not come up yet because I do not suppose you could say it is at the farm gate but it certainly seems to be on the same level. Certainly I think that is a matter we should bring into consideration. This has not been raised yet and I think that is an interesting point and thank you for bringing it to our attention.

THE CHAIRMAN (Mr. Stewart): Councillor Lyall.

MR. LYALL: Does the Anti-Inflation Board have any observers in the northern settlements, where the landed groceries were there before the Anti-Inflation Board was formed? Do you have any observers observing the grocery stores in that part of the country?

MRS. PLUMPTRE: The answer is no, we do not have any. We do not have any observers. We do have some part time people, as I mentioned, in a number of cities and we have one here in Yellowknife but we do not have people out in the northern areas, the northern settlements and I do not know that there is any monitoring of those actual prices in the stores. Of course, monitoring will affect those stores because a large company, such as the Hudson's Bay Company is under the jurisdiction of the Anti-Inflation Board, and of course there the control will come through operations which will be reported quarterly. Now, from my previous experience with the food situation here in the North, we do know that there is not enough competition in many of the settlements and that some of the prices to us seem extremely high and I am hoping that we will be able to get companies, say the Hudson's Bay Company, to give us more information on their food operations than they were able to give us at the time of the Food Prices Review Board, as they did not have the power that the Anti-Inflation Board now has.

MR. LYALL: Thank you very much.

THE CHAIRMAN (Mr. Stewart): Councillor Pearson.

MR. PEARSON: Mr. Chairman, I would like to ask Mrs. Plumptre a general question regarding the formation of the Anti-Inflation Board. I am an old dyed-in-the-wool Conservative and I think I should make that clear before I start and I can not, for the life of me, see that this approach by the present federal government is going to have any real effect other than cause even more inflation by trying to control and restrict private enterprise and the natural course of events that has been taking place in Canada over the past few years.

#### Regional Offices Require Specialists

I am rather surprised -- not "surprised" -- dismayed to find out that you plan to set up five regional offices and these will require the services of trained highly paid specialists, scads of bureaucrats sitting there writing letters to each other, running around the country spending money, trying to keep tabs on people who are legitimately developing and trying to develop this country.

The whole aspect of controls on an economy has not worked in the past, and we heard a very fiery speech from one of our members a few weeks ago here on this whole matter and I think he said that controls have not worked since the Greeks were around, 4000 years ago and here we find this present administration trying to impose this harness on the Canadian economy. Do you, an economist, obviously a highly competent person and trained from Cambridge, do you really feel that you can come to grips with this in a limited period of time as the Trudeau administration has said they will? Do you really feel that pulling the reins on private industry and removing the profit incentive is good for the development of the economy of Canada?

#### Program Of Restraint Not Control

MRS. PLUMPTRE: Mr. Chairman, I would take a great deal of pleasure in replying to this because I think the Member perhaps has a rather exaggerated idea of the amount of control that is coming under this program and, first of all, let me say it is not a program of control, it is a program of restraint. I would also agree with you entirely, I have on occasion been noted as saying quite strongly that I am not in favour of over-all controls over a long period because they just distort the economy.

This is not the same, this is a temporary restraint program and we simply had to do something to restrain the rate of inflation in this country. I do not regard it as putting on great control and curbing investment, but I am concerned and this is one of my major concerns with the whole program. If it went on too long, and I think we have to watch very carefully to make sure that we do not curb investment unduly in this country because this is one of the things we are trying to do very much, to ensure this is continued. We are going to need more and more jobs, but it is no good having -- if we do not have a policy which will make sure that we will keep our costs within control to the effect that we will be able to sell our goods in the export markets, if we can not sell our goods in export markets, we will just have more and more unemployment.

The point was that this is a policy where all Canadians are asked to restrain. Restraint is what we have been asking for from our economy and we all have been asking for too much and the economy could not afford it and this is a drawing in of the reins. It is like when you have had enough to eat you get up from the table and do not have dessert but take a walk instead. We have all been very well fed and perhaps too well fed and have become demanding too much from our economy.

#### Regional Offices Will Not Involve A Great Bureaucracy

Let me also say that I think you are wrong about the five regional offices. These are offices which are manned by the five commissioners and consist at the moment, I think, of an executive



assistant to each man who is there when he is in Ottawa at the meetings and I think they have a secretary and information officer. It is not going to involve a great bureaucracy. It is really to have an office where people can ring up and report to us what they are finding in the economy which they think needs attention and also to ask for information regarding the filing of forms and what they are expected to do.

MR. PEARSON: So, how long do you think this program is likely to last then?

MRS. PLUMPTRE: The Prime Minister and the government have said that the program is for three years. My feeling is that if the board does a really good job and if we get the co-operation of the people here and everybody, people in business, in labour, professionals and the ordinary average citizens and if we get restraint, I would like to think that the Anti-Inflation Board would go out of existence before three years. It really depends upon what happens to inflation.

THE CHAIRMAN (Mr. Stewart): Councillor Nickerson.

MR. NICKERSON: Mr. Chairman, it is pretty obvious that if your profits are restricted nobody in their right mind is going to make an investment in Canada. Now, this is a natural route leading to restriction on profits and therefore what people will do with their money is invest it abroad. It would seem to me that such would necessitate the Government of Canada putting an even greater infringement than ever on the liberty of Canadians in some ways, as they must restrict investment of capital in countries abroad and I wonder if you could tell me what restrictions have already been put on and what restrictions the Government of Canada is thinking of putting on?

MRS. PLUMPTRE: I can not give you the detailed answer to that question, but let me say at the present time our interest rates in Canada are much higher than they are in the United States and even in other countries and we are therefore having an inflow of capital, we are not having an outflow of capital. I would not like to think that Canadians would lose so much confidence in their country that they, in a temporary period of restraint would immediately start running investment in other countries.

#### Restraint On Profit

The restraint on the profit side is, generally speaking, 95 per cent of the net profit over the previous five years to the introduction of the program. That, however, is not actually the end-all, it does not necessarily apply in every case and I want to stress that the board is given a great deal of discretion and quite frankly if a company came to us and said, "Look, in the last five years we have had losses in three years and have had only profits in the last two and if you take an average of that it means that we have a very low rate of profit allowable in this year," we would look at that and say what we think, "What do you think is reasonable?" This is the board's attitude to all the decisions it makes, whether it be income from dividends, whether it be profits, income from dividends or whether it be compensation cases. We do try and look at each case, and if a person knows that he is actually within the guidelines and does not have to come to us, but every case that comes to us for a decision is looked at with a regard to what is reasonable in the circumstances. I do not think that profit restraint is so great under the present guidelines that we are going to see a great exodus of capital. I certainly would be very disturbed by this, just as you are.

THE CHAIRMAN (Mr. Stewart): Councillor Steen.

MR. STEEN: Thank you, Mr. Chairman. I would like to ask one question on travel in the North, pertaining to air travel. Travelling in the North, as you might have found out now, costs very, very dearly and I would certainly like to see the cost of travel in the North versus the cost of travel in the South comparable, travelling the same distance between two points. I am led to believe that you can charter an aircraft from here to overseas for the same cost as to travel on Pacific Western Airlines to Edmonton.

As you know, travelling in the North, the only people who can afford that are government people who get northern allowance and the small people are unable to travel at the present rate that they are being paid or at the present income they are receiving. I was wondering if it might be a thought to take a look at this?

Air Fares In The North

MRS. PLUMPTRE: Mr. Chairman, air fares do not come directly under the mandate of the Anti-Inflation Board. They are, as you probably know, under the control of the Canadian Transport Commission, but that commission has been instructed by the government that any of its decisions must be within the guidelines. The Anti-Inflation Board is working very closely with the Canadian Transport Commission and really ensuring to make sure that its decisions are within the guidelines. Just before I left I was in touch with the officials there and they assure me that they are enforcing these guidelines with relation to air fares in the North and that they will be issuing a directive to all the smaller airlines which serve all the more distant points, informing them that they must keep their rates within the guidelines. I must point out that we are not in a position to deal with what is really the underlying factor that you raised, that is, why does it cost so much more to travel by air in the North than it does in the South. This board I am now a member of is ready to make sure that the costs of the air rates, both for personnel and cargo do not go up more than they are allowed under the guidelines during the next period.

THE CHAIRMAN (Mr. Stewart): Councillor Wah-Shee.

Fur Industry Subsidy

MR. WAH-SHEE: Mr. Chairman, does the Anti-Inflation Board make any recommendations to cabinet to subsidize certain areas of the economy? For example, the fur industry, can your board recommend that this particular industry be subsidized particularly because the majority of the people are still living off the land and it seems to me that the Anti-Inflation Board deals basically in other areas of the industry. For example, transportation was brought up, distribution of certain goods, and I would like to have an answer to that.

MRS. PLUMPTRE: No, I do not think that we actually do have the authority to recommend the payment of subsidies to an industry. I think that probably the part of the work of the board that might be of use to the industry would be, rather, the restraint of any costs involved to the people involved in that industry. In other words, we are at the other end of the line, but I think that the point you brought up earlier about do these restrictions apply to the prices of furs of people from the North, I think it is a very important point which as I indicated earlier had not been raised. Nobody had brought it to our attention and in my own mind I equate it with a farm price for a farming product which is not under the guidelines and not restricted. That would be a matter that I would have to bring to the attention of the board and ask for a ruling.

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

THE COMMISSIONER: Mrs. Plumtre, probably what one of the Members might have been saying a few minutes ago or getting at is the fact that we have the annual sealift, the annual supply and in 80 per cent of the communities the goods come in in August or September and the people in the communities sometimes find it hard to understand how the price went up perhaps in the following January when there were no further supplies in. I think this is the point that was being spoken to.

Allowable Costs

MRS. PLUMPTRE: It would certainly seem to be that it would be a matter to be brought to the attention of the board if that were to happen. The only thing I can say, not being as familiar with all the settlements, but if, for example, a man had brought in a lot of supplies and had to store them for a number of months and if the electricity rates went up a great deal or the oil rates, whatever he was using to heat, then, of course, there would be an increased cost in his operation. That, I would think, would be what we would call an allowable cost which could be passed on; he would have paid for the goods but he has to store them for a certain time, maybe for a number of months. If that happened and if that were brought to

our attention, we would then want to know to what extent he was justified in raising the prices and was it because of increased electricity costs or some increased labour costs and then, if we found that that was justified, then we would say that he would be allowed to increase it, but if there was no such increase in costs, then of course, the prices do not go up.

THE CHAIRMAN (Mr. Stewart): Councillor Nickerson.

#### Profits On Exports

MR. NICKERSON: I wonder, Mr. Chairman, if it would be possible for Mrs. Plumptre to outline the restrictions and controls as they apply to profits from goods and services exported abroad? It would seem to me that this is something you would want to encourage, people to sell more goods abroad. I would not like to see restrictions on profits from sales of goods abroad, although if we have restrictions on sales here and we do not have them abroad, nobody is going to sell them here, they are all going to sell them abroad, so how do you reconcile the two?

MRS. PLUMPTRE: Perhaps you are not aware of the legislation regarding the control of exports that has not yet been brought into the house. There was a ways and means motion introduced into the House of Commons, I think, on December 18, indicating what the government intended to do which at that time was to allow the people who were exporting, profits to the same extent as they were allowing the domestic people, that is, 95 per cent of the then profits for the average of the previous five years, but in addition to that, any profits from exporting in excess of that amount were to be taken away by a levy of 100 per cent, 100 per cent levy. An amount of 90 per cent of that could be restored to the firm if he could indicate that he was going to invest this for further employment.

#### Serious Balance Of Payments Problem

There were several points actually laid down in the motion; if two ministers of the crown, I think it was the Minister of Mines and Resources and the Minister of Industry, Trade and Commerce, I think, if they approved, he would then be within three and five years given back 90 per cent of that. If there was no investment which was approved, they could have back 75 per cent after five and ten years. I might say personally I did not like this at all. I agree with you that we have a very serious balance of payments problem. We have a great amount of people unemployed. We need more goods. We need to foster our export industries. I am very pleased to say -- whether this is telling or not -- but anyway, at the last meeting this last week of the finance ministers of the provinces and the federal government there was a great objection raised to this proposal and I understand that the federal government is now giving this matter second thought. The bill, of course, had not been finally drafted, but I gather the whole matter is now under reconsideration.

THE CHAIRMAN (Mr. Stewart): Councillor McCallum.

MR. McCALLUM: Mr. Chairman, I wonder if I may refer back to an earlier question posed by another Councillor with reference particularly to teachers. Mrs. Plumptre, in the highlights of the anti-inflation regulations, the regulations do apply to professional fees and income and you list ten categories but not included is the nursing profession or the teaching profession. Do I infer from your previous remarks that these groups, upon agreement concerning salaries or incomes, go to your board for ratification of those agreements? You simply review them and the recommendations, you make recommendations as to the legitimacy of their contracts?

#### Position Of Teachers

MRS. PLUMPTRE: It is a little more complicated than that, I am afraid. Actually the teachers come under what is known as the public sector and, therefore, the teachers of any province

would not come under the jurisdiction of the board until the provincial government had given the federal government the right to include this under the anti-inflation program. When we were dealing in the very early days with the teachers in the various parts of Ontario, we did not make rulings, we did not even give clarification to the people in Metropolitan Toronto until the minister of education in Ontario made the announcement that the Ontario government wanted to fully support the anti-inflation program.

With regard to nurses, you are quite right. They are not listed there. As a matter of fact, there are a number of professions I do not think are listed and we did raise these with the people -- you see, these are not our regulations, these are government regulations, but we did ask for clarification on that point.

While, of course, the ones that are not listed are expected to abide by the guidelines, this being a voluntary program, the actual answer we received was that they really felt that if they listed every small profession -- for example, I do not think osteopaths are included -- the difficulty of the administration would be extremely great. With regard to the professions basically, for a general answer, if a professional person or a group of professional people do not raise their fees, they are allowed to have an increase in income of \$2400 a year on average, if it is a group that can be on the average. So if it was a medical clinic, for example, one doctor might get a little more and another a little less, but that would be a matter of the group's decision, but the average could not be more than that, provided they did not raise their fees. If they raise their fees they are under another section of the act which becomes very complicated.

THE CHAIRMAN (Mr. Stewart): Thank you. Is it the desire of this committee that I report back to the Speaker on this matter, on the anti-inflation program?

---Agreed

Mrs. Plumptre, I request that you remain seated for a few more minutes while we go back into formal session.

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

Report of the Committee of the Whole of the Anti-Inflation Program

MR. STEWART: Mr. Speaker, your committee has been sitting studying the anti-inflation program and we wish to report this matter is now concluded.

Presentations To Mrs. Plumptre

MR. SPEAKER: Mr. Stewart, I wonder if I could ask you to please escort Mrs. Plumptre up here? I have the very pleasant duty to make a presentation to her on behalf of this house.

Mrs. Plumptre, may I on behalf of this house present to you something which I think stands for wisdom and we know that you represent that, and we hope that you and this bird will get along just fine. It is in two pieces so be very careful. Perhaps I could have the Sergeant-at-Arms take it away for you.

MRS. PLUMPTRE: Thank you very much.

MR. SPEAKER: As well, something smaller that you can wear, a little silver polar bear pin which I can give to you and let you put it on whatever garment you wish to put it on.

MRS. PLUMPTRE: Thank you very much indeed, and may I thank you again for your kindness in inviting me, Mr. Speaker, to come here and speak to your Council. It has been a great privilege to do this and it has been a very great pleasure for me to have my first visit and I hope it is only one of many. I want to say one thing more and that is how pleased we at

the Anti-Inflation Board are to know that the people of the North are so interested in the program. I understand they have really decided that they are going to do their best to try and make it a success. Thank you very much indeed.

THE SPEAKER: Come back very soon.

MRS. PLUMPTRE: Thank you.

---Applause

MR. SPEAKER: Council stands recessed for 15 minutes for coffee.

---SHORT RECESS

MR. SPEAKER: Council will come to order.

Returning to the order paper, Item 10, consideration in committee of the whole of bills and other matters. Is it your wish, Mr. Parker, to go back into committee of the whole to consider Bill 4-58?

DEPUTY COMMISSIONER PARKER: Yes.

MR. SPEAKER: Mr. Stewart, are you ready to continue in the chair?

MR. STEWART: Yes, Mr. Speaker.

Time Of Council Sittings

MR. SPEAKER: Before we go back, gentlemen, I draw your attention to those two lists that we circulated yesterday which indicated the work to be done and the work that was left yet to do. It is my considered opinion that unless we come back tonight we will not probably have a very good chance of finishing up, but before I suggest that, I want to make sure that it would not seriously impair anyone's plans if we were to come back and work this evening. Is there anyone who has plans which would be seriously impaired?

MR. WAH-SHEE: I do not know if it is a serious impairment or not, but I just object to it, that is all.

MR. SPEAKER: Are there any other serious objections? Mr. Stewart.

MR. STEWART: Mr. Speaker, my experience on the matter of sitting prolonged hours, not so much in this particular house but certainly in municipal affairs, is that one of two things happen. People who have worked hard all day, either push things through to get rid of it or because they are cranky and tired they prolong unnecessarily debate and usually wind up in a great deal of trouble. I was hoping that because of this factor that this Council might consider one of two things, either sitting beyond the weekend or, if that is not practical that we agree to go through the rest of the budget as a matter of fact, without debate, leaving the option open on a gentleman's agreement that any of the sections in the estimates would go into committee of the whole on our May session.

I do not think working beyond a full days work does justice to the things at hand and I do not think that proper decisions are made when we have sat that length of time.

MR. SPEAKER: Mr. Nickerson.

MR. NICKERSON: I wholeheartedly concur with Mr. Stewart's suggestion.

MR. SPEAKER: Mr. Ernerk.

MR. ERNERK: Thank you, Mr. Speaker. I am happy to be ahead of Mr. Pearson for a change. Mr. Chairman, I fully agree with Mr. Stewart and I myself get very cranky at night, especially in the evenings, and so forth. I have a couple of commitments to meet tonight so I for one would not agree to meet in the evening.

MR. NICKERSON: He does not want to keep a young lady waiting.

MR. SPEAKER: Try again, Mr. Pearson.

MR. PEARSON: Up and down like a yo-yo. Mr. Speaker, I would just like to point out to my colleagues that putting this stuff aside would pose a tremendous burden upon the administration because they would not be able to function unless we give our golden stamp of approval to their budget. I for one do not wish to come back here in May and argue the same damned stuff over and over again because there are other more important and more pressing matters to be dealt with in May. I do think that it might be a little much to ask Members to come back tonight without giving them some time to think about it, but perhaps I would suggest tomorrow night and Thursday night.

SOME HONOURABLE MEMBERS: No.

MR. PEARSON: Impossible? Some committee meetings? Well, I do not know. I will leave it to you, Mr. Speaker, to figure out, but I do think we have to get this stuff finished and we all have to make sacrifices.

MR. SPEAKER: Mr. Pearson, that is a strange comment coming from you. Mr. Barnaby.

MR. BARNABY: It seems to me that there are a few departments where we really start getting into debate and those are the ones which concern the people the most. Now, the one we did this morning on finance seemed to go through without much debate but I wonder if we could just stick to the programs which seem to affect people the most and the others we can just approve anyway. That seems to be what we will end up doing.

MR. SPEAKER: Mr. Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, speaking from a point of experience in dealing with the budget, I do believe that it is of absolutely prime importance that the budget debate be concluded during this session of Council and I personally think that with one or two night sittings this can be accomplished with a reasonable level of study by the committee.

I think, if I could offer this suggestion, the chairman might if he feels there is no progress being made, simply call it a day, but I would think that an hour or two work in the evening would put you in far better shape for concluding the budget debate this week and I would recommend that to you.

MR. SPEAKER: If I might be able to offer my opinion from the chair it might be that we are grinding down on the budget because we have had nothing but that and it might not have hurt after putting in more than a half a day at it, to have spent an hour or two doing some of the other bills, just to get a change from it. Mr. Ernerk.

MR. ERNERK: On a point of privilege, Mr. Speaker. When we look at the business which is dealt with we have only done four items so far. I understand that this house has been known to sit for at least six weeks at one time, of course before my time, and is it not possible to think about meeting for another week, say next week?

SOME HONOURABLE MEMBERS: Nay.

MR. SPEAKER: I do not want to carry the debate on here as to when we sit if you do not mind because I think we could better spend our time doing the work. I would like to suggest that we consider Thursday and Friday evenings. Now, there was a committee meeting scheduled one night but what night was that? Is tomorrow Wednesday? Well, let us plan on sitting tomorrow evening and Saturday if we have to. I would not want to extend it into next week because I think there a lot of people who have made plans to go and will be gone. Mr. Lyall.

MR. LYALL: I would like to make a suggestion too. If we are going to have a committee meeting, perhaps we could cancel the meal at the Yellowknife Correctional Centre and have our committee meeting then and then just go on with the budget whenever we can and sit at night.



MR. ERNERK: Mr. Speaker, we have to eat.

MR. SPEAKER: Mr. Lyall, I know what your suggestion was, that you eat and have a committee meeting rather than eat and visit the Correctional Centre.

MR. LYALL: Yes.

MR. SPEAKER: Well, this discussion is not getting the work done. So I am going to suggest that we sit one night this week and it will obviously have to be tomorrow night since Thursday night is a committee night. Mr. Nickerson.

MR. NICKERSON: Mr. Speaker, there is a good possibility of there not being a committee meeting necessary for Thursday night. The committee meeting had been called to discuss the rather lengthy rent control bill which would probably take more than one sitting of the legislation committee because it is such a lengthy and complicated bill. As you are aware, sir, it is my intention to move for deferral of this bill tomorrow and should that be successful, then of course the committee can deal with its remaining business within maybe an hour or so.

Secondly, on Wednesday night there is a meeting to which myself and the Member for Great Slave Lake and possibly other Members will be attending and it would be very difficult for us to be both at that meeting and here at the same time.

MR. SPEAKER: Gentlemen, I am not a magician. You do not want to meet tonight, you can not meet Wednesday and you can not meet Thursday. You do not want to meet next week. I am in a dilemma to understand when else we can meet unless you want to come earlier in the morning.

SOME HONOURABLE MEMBERS: Hear, hear!

MR. NICKERSON: How about 5:00 o'clock?

MR. SPEAKER: Mr. Pearson.

MR. PEARSON: I was just going to suggest exactly that. On our trip to Alaska we had on one occasion a very informative and interesting and worth-while meeting with the Alaskan Anchorage Chamber of Commerce, who have their breakfast meetings, and it is amazing what they can accomplish at 7:50 o'clock in the morning, sitting around a breakfast table doing their business. It is very successful indeed and it might be a way of us having our committee meetings.

MR. SPEAKER: Mr. Stewart, you are the only one who I think is seriously affected by this evening. I think we had better take this evening. Agreed? Mr. Lafferty.

MR. LAFFERTY: Mr. Speaker, on a point of order. I have been trying to catch your attention three times.

MR. SPEAKER: I will not even hear you if you do not stand up.

MR. LAFFERTY: I am sorry, Mr. Speaker. I got sort of chair bound in committee too long. I personally think that if we must, we should be prepared to extend our meeting into next week.

MR. PEARSON: Hear, hear!

MR. LAFFERTY: We can not cram this thing right down our throats. I think there are some important matters coming up. I for one have been working until 12:00 o'clock midnight practically every night with all the correspondence I am receiving and getting on my desk lately. I think that we have to pay certain respects to the privileges of other Members. There is a lot of work to be done and I think there are some important bills coming through such as Mr. Barnaby raised, programs dealing with people. I am prepared to sit an extra few days if we must.

MR. SPEAKER: Mr. Evaluarjuk?

MR. EVALUARJUK: Mr. Speaker, we have been here already a long time, for two weeks, and if you are going to add an extra week to it, next week, we have already done a lot of work. I have not seen any change yet and some of the Members who are here are short of money and some people have to go out. The things we are going to read about and talk about, we should stop fooling around and get right down to it. Let us see what we can get done in three days. Thank you.

---Applause

MR. SPEAKER: I sincerely hope you are right, Mr. Evaluarjuk. Gentlemen, in view of the comments stated, I suggest we work from 9:00 o'clock in the morning until 5:30 p.m. our regular hours from now until Friday and, if we have not finished, we will then have to consider what we shall do, but it seems to me that you are just unprepared to work any evening, so we will just have to go along and see if we get done. If we do not, then there is nothing I can do about it.

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

Council will resolve into committee of the whole for continuing consideration of Bill 4-58 with Mr. Stewart in the chair.

--- Council resolved into Committee of the Whole for consideration of Bill 4-58, Appropriations Ordinance, 1976-77, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER, BILL 4-58, APPROPRIATIONS ORDINANCE, 1976-77

THE CHAIRMAN (Mr. Stewart): I call the committee to order. We were on page 15.02, amortization. We had an explanation by the Deputy Commissioner. Any discussion of a general nature? Councillor Nickerson.

MR. NICKERSON: I wonder if we could be told what is the average rate of interest we are paying on our loans from the federal government?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we pay the federal prime rate. Our loans vary from years ago when it was perhaps down at about five per cent to about eight and one-half per cent now.

Amortization, Activity Memorandum - Activity 1880, Principal

THE CHAIRMAN (Mr. Stewart): Activity 1880, principal in the amount of \$897,100, agreed?

---Agreed

Activity Memorandum - Activity 1881, Interest

Activity 1881, interest in the amount of \$646,500, agreed?

---Agreed

Revert To Finance, Activity Memorandum, O And M - Activity 5055, N.W.T. Liquor Control System Aqreed

I turn your attention back to Finance on page 10.06, activity 5055, Northwest Territories Liquor Control System in the amount of \$413,000. I understand some agreement has been made with Mr. Pearson relative to the information you wish on this?

MR. PEARSON: Mr. Chairman, with regard to the earlier discussion on speeding things up, I would be willing to forego any further discussion on this matter and reserve my comments until May on the understanding that the liquor board, the administration, members of this department produce all the necessary views and comments and complete in detail so that we can discuss at once and try to come to grips with this dreadful problem of alcohol that is killing many people across the Northwest Territories. I am prepared to leave it until then, but I have to put that to Members, if they agree. I still have a motion on the matter tomorrow.

THE CHAIRMAN (Mr. Stewart): Do the Members agree to this proposition?

---Agreed

The administration will be able to live with this?

DEPUTY COMMISSIONER PARKER: Yes.

THE CHAIRMAN (Mr. Stewart): Activity 5055 in the amount of \$413,000, are we agreed?

---Agreed

I am sorry, Mr. Steen, I forgot your motion.

MR. STEEN: I just wondered if this is the appropriate time now to bring it forth with the amendments.

THE CHAIRMAN (Mr. Stewart): Yes, I presume it is. You have a motion and you wish to amend it slightly, I understand?

MR. STEEN: Yes. Shall I read the whole thing again?

THE CHAIRMAN (Mr. Stewart): I think everybody has a copy of it if you would just indicate your amendment.

Motion To Provide Compulsory Jail Sentences For Bootlegging, As Amended, Carried

MR. STEEN: Yes. I will just read the resolution part: "Now therefore I move that the administration bring forth an appropriate amendment to the Liquor Ordinance at the May, 1976 session of this Council to provide for compulsory jail sentences on second and subsequent offences for bootlegging convictions." I have removed the word "all" and the amendment is just after "sentences". So what in effect it means is that on second offences and other offences thereafter it is a compulsory jail sentence.

THE CHAIRMAN (Mr. Stewart): You have heard the amendment to that motion. Because it is the originator's amendment, I will conclude that is the motion rather than getting into amendments again.

MR. PEARSON: Question.

THE CHAIRMAN (Mr. Stewart): Basically the motion you have has been amended by the mover, that this compulsory jail sentence would be only on second and subsequent convictions, not on the first conviction. The question was being called. All those in favour? Please leave your hands up, 11. Opposed? The motion is carried.

---Carried

MR. SEARLE: Mr. Chairman, I would like to say that I abstained because some of my best clients are bootleggers. (laughter)

THE CHAIRMAN (Mr. Stewart): Mr. Deputy Commissioner, where do we go from here?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I would like to turn to the Department of Planning and Program Evaluation, the reason being that the director of that department can not avoid being away from Yellowknife from late tomorrow afternoon for a day, so if we could do that department now, I would appreciate it, Planning and Program Evaluation.

Planning And Program Evaluation, Program Memorandum

THE CHAIRMAN (Mr. Stewart): That is on page 3.01, Department of Planning and Program Evaluation, program memorandum. Deputy Commissioner, would you give us a rundown, please?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, in line with the reassignment of certain responsibilities this department is one of the ones most affected. I believe that we went into this at some length last June, so I will not repeat myself. Suffice to say that the operating aspect of this department, that is, the budget control aspects and the personnel responsibilities were taken from the department and other responsibilities added to make it very much what its title implies, a department of planning and program evaluation. The department did not have a full complement of officers necessary to carry out either of those functions, so one of the thrusts in this budget is to provide us with these people. We feel that this department forms a cornerstone for the work that the territorial government must do. Mr. Elkin and his people are charged with the responsibility of looking ahead into the future and discerning trends, keeping us abreast of what is being done in other jurisdictions, as well as evaluating the programs which we ourselves carry out. This latter function has not really ever been carried out by the territorial government and, therefore, it is something that we are just getting into now.

THE CHAIRMAN (Mr. Stewart): Thank you. Comments of a general nature? If there are no comments -- Councillor Pearson.

MR. PEARSON: The comments of the Deputy Commissioner were all very nice but I found them to be rather vague. This department looks forward into the future, so how does that relate to the proposed \$7 million expenditure? Just flipping through it here I see in the personnel,

the bodies, that it has gone from -- I seem to recall this department when it was first created with about four or five people and here under proposed on page 3.09 we have 55 bodies and that is, to put it mildly, amazing. This is utterly amazing. This department did not exist three years ago, four years ago, and now we are giving them seven million bucks!

Strathcona Sound Special Project.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, before Mr. Bryan Pearson carries on, I must point out that there is one element to this department that looks after special projects that have not as yet been assigned to the regular flow of the territorial government. In this case I refer to the Strathcona Sound development in which we are partners with the federal government and the company itself and that accounts for practically all of the capital, in excess of \$4 million, and that forms a part of the operating expenditures and more than one-third of the staff that we are talking about.

It is just about impossible to draw close comparisons with past years with this department because it is carrying out a function which was not carried out previously, but which we have determined as vital to our government. The sub-objectives on page 3.01 outline rather well the functions of the department.

THE CHAIRMAN (Mr. Stewart): Mr. Pearson, my suggestion previously to the Speaker, I do not think you fully understood it. My suggestion at that time was that we go through these estimates now, provide the possibility of debate at the May session on the subjects, just as we have done on the liquor question and I would hope that if we are going to get through these that this is the only manner we are going to be able to do them unless we plan on sitting beyond the weekend. So, with that in mind, if you would make that request I am sure that this committee would grant it and it could be debated in May.

MR. PEARSON: My only comment to that, Mr. Chairman, is the new philosophy that is obviously being enunciated which is: "Strike while the iron is cold."

THE CHAIRMAN (Mr. Stewart): I am just going on past performances of Councils as they have never failed to pass a budget yet. So, let us get on with the damn thing and debate the thing in May if you like.

MR. PEARSON: I will remain my usual passive self and will hear what other Members have to say.

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

MR. BARNABY: I agree with you. No matter how much we debate anything I do not think we are going to turn anything down. Rather than going through this again next year, we should look towards getting the budget from the communities instead of getting it from the government.

Capital - Activity 1220, Directorate

THE CHAIRMAN (Mr. Stewart): Any other comments of a general nature? If not I will direct your attention to page 3.02, the detail of capital, directorate, activity 1220 in the amount of \$4000. Is it agreed?

---Agreed

Capital - Activity 1226, Special Projects And Development

Page 3.03, special projects and development, activity 1226, capital, in the amount of \$4,294,000. This is for the townsite development at Strathcona Sound. Councillor Barnaby.

MR. BARNABY: No, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Is it agreed? Councillor Nickerson.

MR. NICKERSON: I wonder if we could have a very brief description about what all of this is about. Is this money that is to be spent by the territorial government or is it money that is to be loaned to a third party?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I could quickly run through the items, or slowly if you wish. The projects are as follows: nursing station, \$725,000; and in addition to that the company is putting up \$250,000 which is not budgeted here, of course; two classroom school, \$300,000; federal and territorial offices, \$565,000; a fire hall, \$220,000; a garage, \$240,000; commercial space, \$550,000. In the case of the commercial space the territorial government becomes the landlord and of course recovers the cost of that commercial space over the life of the project. Federal and territorial housing, \$640,000; townsite development, \$400,000; project management, \$132,000 and municipal services, \$280,000; gravel pads, \$150,000; territorial share of the water treatment plant, \$200,000; sanitary waste treatment plant, \$130,000; the sewage outfall line, \$175,000. Then there are a number of miscellaneous items including furnishing for the school, and office and house furnishings.

MR. NICKERSON: Presumably this money has been loaned by the federal government to the territorial government in order to undertake these projects. Is this correct, and if so how are we obliged to pay this money back to the federal government?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, there are two elements to this, one which consists of the Central Mortgage and Housing Corporation loans and that is a relatively small amount, and there is a separate bill on that, and the other is a direct grant, part of our deficit grant for capital expenditures.

THE CHAIRMAN (Mr. Stewart): Councillor Steen.

MR. STEEN: Mr. Chairman, I would like to ask just a short question. What is the anticipated life or the length of the mine or the project?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, 13 years.

THE CHAIRMAN (Mr. Stewart): Councillor Pearson.

Conditions In Arctic Bay

MR. PEARSON: I understood there was to be no debate on these matters but since Mr. Nickerson kindly started things off I would like to make one comment. It is unfortunate that we should be here voting vast sums of money for this project situated some 17 miles from a community, to wit, Arctic Bay, that does not have running water, that has severe sewage problems, honey-bags all over the place, and many other problems within that community, dreadful housing conditions. We were there just recently and saw it ourselves on the tour and yet 17 miles away we are blowing millions of dollars on a project that may last 13 years providing the price of ore remains stable and providing the present government does not screw up the mining business completely. However, that is just a comment.

THE CHAIRMAN (Mr. Stewart): Thank you. Councillor Searle.

MR. SEARLE: Mr. Chairman, really we had that debate. There was a vote taken on it and there is no point rehashing these things.

THE CHAIRMAN (Mr. Stewart): Councillor Barnaby.

MR. BARNABY: Were not the people there against them building a townsite at the mine? I believe all they wanted was bunk arrangements or something?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the people as of this date are opposed to themselves occupying a townsite at the mine, and I think that that problem has been resolved, but the townsite that is necessary is to service the rest of the workers who will be there, and to handle those who will be living there and commuting back and forth. I must say that through a series of meetings and consultations that the people of Arctic Bay and surrounding communities seem to agree with the project as it is now being carried out. In addition, we have received support from the Inuit Tapirisat of Canada.



Capital - Activity 1226, Special Projects And Development Agreed

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 1226, in the amount of \$4,294,000, is it agreed?

MR. PEARSON: Nay.

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

---Agreed

Activity Memorandum, O And M - Activity 1220, Directorate

Page 3.04, the Department of Planning and Program Evaluation, activity memorandum, operation and maintenance. Activity 1220, directorate in the amount of \$89,800.

MR. PEARSON: Could we have an interpretation?

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

MR. PEARSON: Could we have an interpretation into English of that statement, please.

DEPUTY COMMISSIONER PARKER: This means that Mr. Elkin will do what he is supposed to do as a director.

MR. PEARSON: I see.

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

---Agreed

O And M - Activity 1221, Planning

Activity 1221, planning, in the amount of \$331,200. Councillor Nickerson.

MR. NICKERSON: Why has this amount more than doubled from last year?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, this amount has increased because the function in previous years was simply not being carried out and therefore to some extent it is a new function. It also includes the regional planning funds for whatever efforts this government makes in the Mackenzie Delta regional plan.

MR. PEARSON: Are there other regions besides the Mackenzie Delta regional plan, are there no other regional plans?

DEPUTY COMMISSIONER PARKER: The Mackenzie Delta is the first area which has been handled or which is being handled in this fashion. It is necessary for us to start somewhere and we think that this is the area most demanding of attention at this time, that is attention in the area of over-all planning, both social and economic planning. Certainly it is our intention to use the regional planning concept and the consultation that goes along with it in other areas as it becomes important that this be done.

THE CHAIRMAN (Mr. Stewart): Councillor Wah-Shee.

MR. WAH-SHEE: I would like to ask a question of the administration. How did they carry out this Mackenzie Delta plan on social and economic development, do they have some sort of a committee and if so who sits on it and what is their mandate?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I had hoped that Members would have read the information item, and I believe it has been circulated, yes it has been circulated, which gives an answer to this question in detail. I could either refer you to that information item or go into the details now should you so wish.

THE CHAIRMAN (Mr. Stewart): Would it be satisfactory to the Member to have this information turned over to you?

MR. WAH-SHEE: I would just like to know who sits on this committee and if they do have a committee, and how they were appointed and that is all. I do not require anything further than that.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, there is a committee structure which runs something like this: the major committee is a federal-territorial committee, and it is co-chaired by Mr. Elkin and Mr. Barry Yates who is a director of one of the divisions of the Department of Indian and Northern Affairs, and that particular committee has on it the appropriate directors of the territorial government that are involved in program activities as well as representation from the federal Ministry of Transport, and departments of Manpower and Immigration, and Regional Economic Expansion. On the ground, as it were, there is an advisory committee in the Mackenzie Delta which has, as members, a representative from each of the communities concerned, chosen by their settlement or municipal councils.

In addition, it has as non-voting members the president of Committee for Original Peoples' Entitlement, a representative from the Indian Brotherhood and the two territorial Council Members. A great deal of consultation has been carried out in the Mackenzie Delta on the subject of representation and I believe that the final word has not yet been said. Perhaps I could just say, though, that each of those persons or groups that I have named is able to attend all meetings and is aware fully of the information that is available and the discussions that take place.

0 And M - Activity 1221, Planning

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 1221, planning in the amount of \$331,200, agreed?

---Agreed

MR. PEARSON: Nay.

0 And M - Activity 1222, Program Evaluation

THE CHAIRMAN (Mr. Stewart): The "nay" is noted. Activity 1222, program evaluation in the amount of \$138,800. Agreed?

---Agreed

0 And M - Activity 1223, Science And Statistics

Activity 1223, science and statistics in the amount of \$135,300. Councillor Barnaby.

MR. BARNABY: I just want to make a comment on the last one there. It states that "carries out studies which assess effectiveness, efficiency of territorial government programs." As far as the people are concerned, there is no efficiency or effectiveness. There is hardly anything they want in there and I do not see having a department looking after it when they can get everything they want in the community.

THE CHAIRMAN (Mr. Stewart): Thank you for your comments. Activity 1223, \$135,300, agreed?

---Agreed

MR. WAH-SHEE: I just want to concur with the Honourable Member. The other thing I would suggest is that if they are going to do an assessment of their efficiency and effectiveness, maybe they should have an outside evaluator do that rather than having the territorial government evaluate themselves, because I think they do not want to bring out certain things.

THE CHAIRMAN (Mr. Stewart): Thank you. Councillor Pearson.

MR. PEARSON: Just along the same lines, who evaluates the evaluators?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the people who evaluate the evaluators are the two elected representatives from this Council.

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

---Agreed

O And M - Activity 1224, Audit Bureau

Page 3.05, activity 1224, audit bureau, \$486,100, agreed? Councillor Pearson.

MR. PEARSON: What happened in the case of the report we just read from the Auditor General of the difficulty expressed by him in this administration being able to get its accounts receivable straightened out, particularly with reference to the associations and housing authorities? This Department of Planning and Program Evaluation, could it not have done that? Could it not have pointed that out? I mean, more to the point, will this Council receive the evaluations that this Department of Planning and Program Evaluation makes when it evaluates one of the departments? I mean, do they keep these things to themselves?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the purpose of the audit bureau is twofold. First of all, it is a unit which is there for the service of management, that is, to serve management, to serve the Executive. They advise us on a day to day basis, and perform audits as an internal auditor on a day to day basis, keep management informed as to the correctness and accuracy of the work that is being done. In addition, our audit bureau undertakes audits for a number of agencies, such as the Housing Corporation, such as the hamlets, and so forth. These functions are not carried out by the Auditor General of Canada. Neither of these functions are. The depth to which the audit bureau goes is different in depth and different in nature to that carried out by the Auditor General. The one audit function complements the other audit function.

The audit bureau is very helpful to organizations. In addition to its auditing role, it does indeed instruct and assist and in fact in many cases it is forced to actually do the accounting. The audit bureau itself can not ensure that the Housing Corporation or any other agency is always going to pay its bills and is always going to make its collections on time, nor can this government assure itself in many of those areas, but it is a vital function to management.

THE CHAIRMAN (Mr. Stewart): Councillor Pearson.

MR. PEARSON: In the recent fiasco in the Frobisher Bay village the audits there, I understood, were carried out and perpetrated by a private company and were brought to the attention of the administration by the Department of Local Government. If your department has its auditors, then why would it then be necessary to bring in a private firm of auditors to audit the books of the Frobisher Bay village council?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the role of the audit bureau -- I should not say the role -- the task of the audit bureau is a very, very broad task and in order to carry out the functions that are necessary, the bureau would probably have to come close to doubling in size. Therefore, we retain the federal bureau of management consultants to do some audits for us and some of the municipalities have their audits carried out by private firms. The Auditor General, who is not known for giving out compliments, conducted an indepth review at our request of our audit bureau and the gist of his report which we received in the early fall indicated that our audit bureau was doing an excellent job. It was maintaining a very high standard of work and the individuals involved were to be complimented on the volume of work which they were handling.

THE CHAIRMAN (Mr. Stewart): Activity 1224, agreed?

---Agreed

O And M - Activity 1226, Special Projects And Development

Activity 1226, special projects and development, \$1,261,800. Mr. Nickerson.

MR. NICKERSON: I wonder if we can be told why the number of employees in this activity has increased from two to 12?

DEPUTY COMMISSIONER PARKER: Yes, certainly, Mr. Chairman. The increase in staff here, with the exception of one clerk-typist to serve the unit in headquarters here, the remaining nine persons are all for Strathcona Sound. These people work in a variety of areas, but for this particular year they are all accounted for here. I will list them off for you: economic development officer, social worker, two teachers, classroom assistant, adult educator, home management officer, maintenance supervisor and a clerk-typist. Those are all for Strathcona Sound.

THE CHAIRMAN (Mr. Stewart): Councillor Pudluk.

MR. PUDLUK: Mr. Chairman, are they getting home management this year, how soon?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the amount of funds in this vote has not covered quite a full year, I believe. I beg your pardon. The funds are for a full year, but some of these programs, or the people involved probably will not be recruited until toward the end of the summer and I would think the home management person would be on staff by that time.

THE CHAIRMAN (Mr. Stewart): Councillor Nickerson.

MR. NICKERSON: Mr. Chairman, it sounds rather peculiar that home economists and social workers should be hired for work at Strathcona Sound. Are these people to be employed at Strathcona Sound which is, hopefully, an economically viable mining operation? I hope we are not going to get into social problems right off the bat, or are they, rather, to be employed in the surrounding settlements, in which case should they not really come under the votes for Social Development and health and this type of thing? I mean, are we fooling ourselves by putting it under this?

Home Management Consultant For Arctic Bay

DEPUTY COMMISSIONER PARKER: Mr. Chairman, certainly there was no intention to do that. In this coming forecast these positions will all be divided off and appear in the regular stream of their own proper departments. They are, in fact, there to service a new area of responsibility. For instance, the home management consultant will work primarily in Arctic Bay and in surrounding communities. The social impact of the starting up of a major mine of this nature is quite great. We would like to think that it will be a very positive impact but in any event there will be an impact because people will have much more money to spend and, as someone pointed out in this chamber the other day, having additional money creates requirements, that is, how to handle households. There will be social problems created and we want to try and anticipate these problems as best we can and be of assistance to the people as they transfer from their present life to a wage economy.

THE CHAIRMAN (Mr. Stewart): Thank you. Councillor Pudluk.

MR. PUDLUK: Mr. Chairman, about the social worker, if they are not going to get a social worker in Arctic Bay in a few years, I would like to see that social worker located in Arctic Bay first and explain it.

MR. PEARSON: Hear, hear!

DEPUTY COMMISSIONER PARKER: That is a possibility that we could examine. Certainly the social worker, while being based at the mine site is there primarily to work with the workers and their families and I would think that that person would be spending a considerable amount of time in Arctic Bay, perhaps some time in Pond Inlet and Clyde River. One of the difficulties in locating the worker in Arctic Bay is the lack of housing and I think, as you will understand, a growing lack of space for further expansion in Arctic Bay. However, I do not mean to suggest that one more position would create that much of a difficulty and we can certainly look at the possibility of basing the person in Arctic Bay, if that is your recommendation.

THE CHAIRMAN (Mr. Stewart): Councillor Nickerson.

Social Worker Should Be Local Person

MR. NICKERSON: I concur with what the Honourable Member for the High Arctic just said. I do not like the idea of a social worker being hired and then they send him into a settlement and he gets a house which in Arctic Bay would probably cost \$100,000 to build and this social worker is not himself or herself living under the same condition and with the same type of income and, in fact is entirely or has an entirely different mode of life than the people they are supposed to serve. I would rather have it that the social worker who goes in there should be preferably, a local person anyway, and secondly, that they would be obliged to live in the same kind of housing and under the same kind of conditions as the people they are supposed to be serving. That is not a question, that is a statement.

O And M - Activity 1226, Special Projects And Development Agreed

THE CHAIRMAN (Mr. Stewart): Thank you. Is there any further comment on activity 1226? Are we agreed?

---Agreed

MR. PEARSON: Nay.

THE CHAIRMAN (Mr. Stewart): The "nay" vote is noted. Due to the hour, rather than starting a new section, is it your direction that I report progress?

MR. NICKERSON: Would I not be correct in bringing your attention to page 3.10 under the special projects and development division there is a subject headed "loans" and would it not be necessary for us to vote on this particular subject too?

THE CHAIRMAN (Mr. Stewart): I am sorry, it would appear that it would be. I direct your attention to page 3.10.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I am sorry, but that item is there by mistake and it has been moved into capital now.

THE CHAIRMAN (Mr. Stewart): Then we can just destroy that sheet, is that correct?

DEPUTY COMMISSIONER PARKER: Yes, that is correct.

THE CHAIRMAN (Mr. Stewart): Thank you. Are we agreed then to report progress?

---Agreed

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

Report of the Committee of the Whole of Bill 4-58, Appropriations Ordinance, 1976-77

MR. STEWART: Mr. Speaker, your committee has been studying Bill 4-58 and begs to report progress.

MR. SPEAKER: Turning to the orders of the day. Are there any announcements, Mr. Clerk?

ITEM NO. 11: ORDERS OF THE DAY

THE CLERK OF THE COUNCIL: Orders of the day, February 11th, 9:00 o'clock a.m.

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: Bill 11-58, Bill 13-58, Bill 14-58
10. Consideration in Committee of the Whole of Bills and Other Matters: Bill 4-58, Bill 3-58, Bill 2-58, Bill 9-58, Bill 12-58, Report of Task Force on Great Slave Lake Fisheries, Federal Government Anti-Inflation Program, Bill 10-58, Bill 13-58, Bill 11-58, Bill 14-58, Proposed RCM Police Agreement, Bill 8-58, Bill 1-58, Bill 7-58, Bill 5-58, Bill 6-58, Motion 6-58, Proposed Amendments to the Rules of Council, and Information Items 8-58 and 14-58
11. Orders of the Day

MR. SPEAKER: Mr. Stewart.

MR. STEWART: I have been requested by Councillor Wah-Shee as to whether or not the motion regarding Fort Rae could be put into committee of the whole tomorrow afternoon as he apparently wishes to ask for some witnesses to appear.

MR. SPEAKER: It is on the order paper and Mr. Clerk, did you speak to the Deputy Commissioner? Mr. Parker, the request was made by Mr. Wah-Shee to deal in committee of the whole tomorrow with the motion with respect to Fort Rae. The comment I had, asking the Clerk to check with you, was whether that would upset the scheduling of your witnesses or any witnesses you may have if we dealt with the Fort Rae motion tomorrow.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I do not think it would cause any difficulty whatsoever.

MR. SPEAKER: Might we therefore, since you want to have some people come from Fort Rae, Mr. Wah-Shee, might we therefore have a time suggested? What about 2:30 o'clock in the afternoon?

MR. WAH-SHEE: Yes, Mr. Speaker.

MR. SPEAKER: Does that give the Executive any problem? No? Fine.

Council stands adjourned until 9:00 o'clock a.m., the 11th of February, 1976, at the Explorer Hotel.

---ADJOURNMENT

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