

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES DEBATES

60th Session

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Official Report

MONDAY, OCTOBER 25, 1976

Speaker The Honourable David H. Searle, Q.C.

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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RANKIN INLET, NORTHWEST TERRITORIES MONDAY, OCTOBER 25, 1976

MEMBERS PRESENT

Hon. David Searle, Mr. Steen, Mr. Stewart, Mr. Lafferty, Mr. Lyall, Mr. Butters, Mr. Fraser, Hon. Arnold McCallum, Hon. Peter Ernerk, Mr. Pearson, Mr. Kilabuk, Mr. Pudluk, Mr. Whitford, Mr. Nickerson.

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. David Searle): Turning to the order paper, Item 2, questions and returns, are there any returns? Deputy Commissioner Parker.

ITEM NO. 2: QUESTIONS AND RETURNS

DEPUTY COMMISSIONER PARKER: No, Mr. Speaker.

MR. SPEAKER: Are there any written questions? Mr. Whitford.

Question W23-60: Commissioner And Ministers To Meet With Fort Rae Community

MR. WHITFORD: Mr. Speaker, because of the concerns and wishes of the people of Fort Rae in various areas, I would like to know if the Commissioner could come to meet the hamlet band council and members of the community in the very near future along with the three Ministers, Hon. Arnold McCallum, Mr. Nickerson and Hon. Peter Ernerk.

MR. SPEAKER: Mr. Commissioner.

Return To Question W23-60: Commissioner And Ministers To Meet With Fort Rae Community

COMMISSIONER (Mr. Hodgson): Yes, Mr. Speaker, I would propose to meet before the next Council meeting with the band council and the hamlet council as requested by the Member.

MR. SPEAKER: Are there any further written questions? Mr. Stewart.

Question W24-60: New School, Hay River

MR. STEWART: Mr. Speaker, could I be advised when the school slated for Hay River will be tendered?

MR. SPEAKER: Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, I do not have the forecasts with me. I would take the question as notice and reply at a later date. I will take the question as notice, Mr. Speaker.

MR. SPEAKER: Thank you. Any further written questions? Mr. Butters.

Question W25-60: Designation Of Dolomite Lake Channel Under N.W.T. Parks Ordinance

MR. BUTTERS: By letter dated December 7, 1972, I asked Commissioner Hodgson to consider the general area southeast of Inuvik, "bounded by Dolomite Lake channel Dolomite Lake, the Dempster highway proceeding south to Arctic Red River to a point south of Campbell Lake, all the south shore of Campbell Lake including the lake and the high promontory, the low marshy lands and shallow water of the southwest corner of the lake, Gull River, and the east branch back to Dolomite Lake channel", for designation as a park under the Northwest Territories Parks Ordinance. May I be advised of progress being made toward that end?

MR. SPEAKER: Commissioner Hodgson.

THE COMMISSIONER: Mr. Speaker, I honestly do not know. I would have to take the question as notice and table a reply later in the session.

MR. SPEAKER: Any further written questions? Mr. Lyall.

Question W26-60: Musk-ox Quota, Cambridge Bay

MR. LYALL: Mr. Speaker, does the administration know as yet if and when they will be announcing the extra musk-ox quota for Cambridge Bay area, and have they decided yet about giving Holman and Bay Chimo areas quotas for these areas, and also Holman and Spence Bay have asked for extra quotas on polar bear. Are they going to get those extra quotas?

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I will take the Member's question as notice and file a return.

MR. SPEAKER: Any further written questions? Mr. Lafferty.

Question W27-60: Proposed Jean Marie River All-weather Road

It is common knowledge to the Indian people that there is going to be an all-weather road built to Jean Marie River. However, there has not been any commitment by the government to my knowledge.

Now therefore, will the administration provide to myself and the people concerned, that is, Jean Marie River people, the village council, band council, all information relative to the actual construction date.

Return To Question W27-60: Proposed Jean Marie River All-weather Road

DEPUTY COMMISSIONER PARKER: Mr. Speaker, the proposal to build a road to connect Jean Marie River to the Mackenzie highway has been discussed. First it was brought up by the local people, and it has been discussed with them from time to time over the past year. We have a proposal in our financial plan for next year, and a proposal which is in the form of a Treasury Board submission to carry out that construction over the next two or three years. I do not as yet know whether we will receive approval from the federal government to fund that, but we put that construction at a very high priority and we have high expectations that we will receive the funds and that the work can be commenced next year. Further to that, the manner in which the work will be carried out will be very much in conjunction with the local people and according to their wishes.

MR. SPEAKER: Are there any further written questions?

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

Item 4, petitions.

Item 5, reports of standing and special committees.

Item 6, notices of motions. Mr. Butters.

ITEM NO. 6: NOTICES OF MOTIONS

Notice Of Motion 14-60: Future Development In The N.W.T.

MR. BUTTERS: Mr. Speaker, I wish to give notice, and I will read the resolved part:

NOW THEREFORE, I move that 1) this Legislature undertake a review of the future social, economic and political development of the Northwest Territories; 2) in order to prepare for such a major review and, even pending its implementation, in order that we can seek independent advice and information to better prepare ourselves for adequate and meaningful participation in the decision-making that is now proceeding with respect to resource development, transportation and transmission construction, and settlement of the claims of our native peoples, we request approval in principle of sufficient funding in order to start and carry out the research and study that is now necessary; 3) a committee of this house be formed to provide recommendations and direction respecting the foregoing, including a budget.

MR. SPEAKER: Thank you, Mr. Butters. Are there any further notices of motions? Mr. Clerk. what number would you give to Mr. Butters' motion?

CLERK OF THE HOUSE (Mr. Remnant): Number 14-60.

MR. SPEAKER: Mr. Nickerson.

Notice Of Motion 15-60: Appointment Of Committee Pursuant To Motion 14-60

MR. NICKERSON: Mr. Speaker, I give notice of the following motion which with the unanimous consent of this house I would probably move this afternoon. It is a motion to appoint the Members of the committee established pursuant to Motion 14-60.

I MOVE that the committee of this house established pursuant to clause 3 of Motion 14-60 comprise the following Members: Mr. T. Butters, chairman, Hon. Peter Ernerk, Mr. W. Lyall, Hon. David Searle, Mr. R. Whitford and that the said committee be instructed to develop terms of reference not inconsistent with the objectives outlined in Motion 14-60 and adopt such rules and procedures for the carrying out of such objectives as they deem suitable for that purpose.

 $\mbox{MR. SPEAKER: }$ Thank you, $\mbox{Mr. Nickerson.}$ Any further notices of motions? $\mbox{Mr. Nickerson.}$

Notice Of Motion 16-60: Appointment Of Next Commissioner

MR. NICKERSON: Mr. Speaker, I give notice that on Tuesday, the 26th of October, I will move a motion, the resolved clause of which I shall now read out:

NOW THEREFORE, I move that the responsible federal authorities be requested to consult with and solicit the recommendations of the Legislative Assembly of the Northwest Territories before appointing the next Commissioner or Lieutenant Governor, as the case may be, of the Northwest Territories.

MR. SPEAKER: Any further notices of motions? Mr. Pudluk.

Notice Of Motion 17-60: Preparation And Payment Of Fuel Invoices

MR. PUDLUK: Mr. Speaker, I would like to give notice of motion to be moved on Tuesday, the 26th of October, 1976, concerning the fuel bills in the settlements, it should be decided in the settlements by the government, the government in the settlement. I have not got this written out yet, but that is what it will be about.

MR. SPEAKER: Mr. Kilabuk.

Notice Of Motion 18-60: Broughton Island Gymnasium

MR. KILABUK: On October 26th I would like to make a motion:

WHEREAS the present gymnasium in Broughton Island is too small;

AND WHEREAS it is also used at various different times as a classroom, a workshop, a sewing centre and a gymnasium;

NOW THEREFORE, I move that this Assembly request the administration to give consideration to providing funds for and building a gymnasium addition on the Broughton Island school in 1977.

MR. SPEAKER: Any further notices of motions? Mr. Kilabuk.

Notice Of Motion 19-60: Land For Housing In Pangnirtung

MR. KILABUK: Also I would like to move another motion on the 26th of October where there would be some land for housing in my home town, in Pangnirtung.

WHEREAS there is an urgent need for additional houses in Pangnirtung and no houses were built in 1976 because no land was available to build them on;

AND WHEREAS the only suitable building land in the hamlet is owned by the Hudson's Bay Company, the Royal Canadian Mounted Police and the Anglican mission;

AND WHEREAS the hamlet has been informed that $18\ \text{houses}$ are to be shipped in, in $1977\ \text{;}$

NOW THEREFORE, I move that this Assembly request the Commissioner to undertake the action necessary to make land available so that these houses may be built when they arrive in 1977.

MR. SPEAKER: Any further notices of motions?

Item 7, motions for the production of papers.

Item 8, motions. Mr. Butters.

ITEM NO. 8: MOTIONS

MR. BUTTERS: I would seek unanimous consent of the house to move the motion I gave notice of a few moments previously.

MR. SPEAKER: Unanimous consent is being requested to Motion 14-60. Is it agreed?

---Agreed

Motion 14-60: Future Development In The N.W.T.

MR. BUTTERS: Mr. Speaker, I wish to advise that I make this motion as chairman of the caucus, and the whereas clauses are as follows:

WHEREAS the advisory commission on the development of government in the Northwest Territories, the Carrothers Commission, after a detailed study and extensive local consultation, put forth a plan for political evolution, included in which were some 26 principal recommendations, about six of which have not yet been implemented, and a suggestion that another review be conducted in about ten years, that is, 1976-77;

AND WHEREAS as part of the implementation, the Legislative Assembly of the Northwest Territories has become a wholly elected institution, based upon universal adult suffrage, representing all the people through constituencies in all parts of the territory, and is thus, as the Minister stated at the opening of this session, "the first completely elected Legislature in the Northwest Territories since ...1905.";

AND WHEREAS the extensive resource development which has been undertaken or proposed, and the major construction projects which have been proposed and are being studied, have already had a most disruptive effect on our social and economic life and would massively affect the economic, social and political fabric of the Northwest Territories if decisions are reached to proceed with these proposals;

AND WHEREAS as we have urged in the past, and as the Government of Canada appears to have accepted, proposals have been and are being made, and some negotiations have commenced, towards the early and equitable settlement of the legitimate claims of the native residents of the Northwest Territories, and until now, these discussions have proceeded solely between the representatives of the various native peoples and the Department of Indian and Northern Affairs;

AND WHEREAS although the Government of the Northwest Territories has been granted some consultative status, the Legislative Assembly has not been involved despite the acknowledgement of the Minister of our "success in making the institutions of government... more truly representative of the social and cultural composition" of our society;

AND WHEREAS although we recognize that the claims will have to be settled by agreement between the Government of Canada and the native peoples, it is clear that these settlements will alter the economic and social lives of many of the people we represent politically, and will thus at least indirectly affect political development here;

AND WHEREAS some of these proposals directly include political readjustments which would determine either our future government, or at least the territory over which it will have jurisdiction, or both;

AND WHEREAS large money grants have been made to cover the costs of the preparatory and exploratory studies being carried out in preparation both for the resource developments referred to earlier, and the settlement of native claims, while no resources have been made available to the Legislative Assembly of the Northwest Territories, subject to its direction and control, in order better to prepare this Assembly to discharge its duties as the representative of all the peoples who live within this territory;

NOW THEREFORE, I move that: 1) this Legislature undertake a review of the future social, economic and political development of the Northwest Territories; 2) In order to prepare for such a major review and, even pending its implementation, in order that we can seek independent advice and information to better prepare ourselves for adequate and meaningful participation in the decision-making that is now proceeding with respect to resource development, transportation and transmission construction, and settlement of the claims of our native peoples, we request approval in principle of sufficient funding in order to start and carry out the research and study that is now necessary; 3) A committee of this house be formed to provide recommendations and direction respecting the foregoing, including a budget.

MR. SPEAKER: Is there a seconder?

HON. PETER ERNERK: Excuse me, Mr. Speaker, but I wondered if the Honourable Member from Inuvik could remind himself next time that what he read was fine but it was too fast for the translators.

MR. SPEAKER: Is there a seconder? Mr. Fraser. Any discussion? Mr. Butters, have you any discussion?

MR. BUTTERS: I apologize. I thought the translation in syllabics had been made during lunch and was before the Members and that is why I read at the speed I did. There is no discussion as far as I am concerned, sir, the matter is all in the whereas clauses and is self-explanatory.

MR. SPEAKER: Any further discussion.

SOME HON. MEMBERS: The question.

Motion 14-60, Carried

 $\mbox{MR. SPEAKER:}\ \mbox{The question being called.}\ \mbox{All in favour?}\ \mbox{The motion is carried unanimously.}$

---Carried

Are there any further motions? Mr. Nickerson.

MR. NICKERSON: Mr. Speaker ...

MR. WHITFORD: Contrary, Mr. Speaker.

MR. SPEAKER: Did you not vote, Mr. Whitford?

MR. WHITFORD: Yes, sir.

MR. SPEAKER: When I said unanimously did I say it wrong?

MR. WHITFORD: No, sir.

MR. NICKERSON: I would request the unanimous consent of the house to move Motion 15-60 concerned with appointments to the committee.

MR. SPEAKER: Unanimous consent being requested to move a motion concerning the appointment to that committee indicated in Motion 14-60 we just dealt with. Is it agreed?

---Agreed

Please proceed.

Motion 15-60: Appointment Of Committee Pursuant To Motion 14-60

MR. NICKERSON: Mr. Speaker:

I MOVE that the committee of this house established pursuant to clause 3 of Motion 14-60 be comprised of the following Members: Mr. Butters as chairman, Hon. Peter Ernerk, Mr. W. Lyall, Hon. David Searle and Mr. R. Whitford, and that the said committee be instructed to develop terms of reference not inconsistent with the objectives outlined in Motion 14-60 and adopt such rules and procedures for the carrying out of such objectives as they deem suitable for that purpose.

MR. SPEAKER: I think we probably had trouble again interpreting that. The indication is yes. Possibly, Mr. Nickerson, if you do not mind, since we do not have that one reproduced, would you mind repeating it slowly so that it can be interpreted?

MR. NICKERSON: The motion, sir, appoints the following Members to the committee established just a moment ago by Mr. Butters' motion. The Members of the committee are to be Mr. Butters as chairman, Hon. Peter Ernerk, Mr. Lyall, Hon. David Searle, and Mr. Whitford, and the balance of the motion, sir, concerns the terms of reference, rules and procedures which this motion would allow the committee to develop on its own initiative so long as such rules, procedures and terms of reference are not inconsistent with the objectives as stated in Mr. Butters' motion. Is that slow enough?

MR. SPEAKER: Thank you. Is there a seconder? Mr. Steen. Any discussion?

SOME HON. MEMBERS: The question.

Motion 15-60, Carried

 $\mbox{MR. SPEAKER:}\ \mbox{The question.}\ \mbox{The question being called.}\ \mbox{All in favour?}$ The motion is carried unanimously.

---Carried

Are there any other motions? Motions 12-60 and 13-60. Motion 12-60, Water Supply, Rae. Mr. Whitford.

Motion 12-60: Water Supply, Rae

MR. WHITFORD: Mr. Speaker,

WHEREAS the community of Rae has incurred a considerable population growth;

AND WHEREAS by resolution of the fifty-ninth session of the Legislative Assembly the Government of the Northwest Territories agreed to lift the construction freeze in the community to permit the further development of Rae;

AND WHEREAS Rae is one of the few remaining communities in the Northwest Territories which depends in large measure on dog teams for transportation and as a result the population of working dogs chained in the boundaries could total some 500 dogs;

AND WHEREAS the rock formation underlying the community at this time precludes any type of sewage disposal system, other than chemical toilets, the waste from which is removed by truck, and home domestic water must be spilled out on to the ground outside people's residences, which results in a build-up and recycling of contaminated water and disease carrying bacteria;

AND WHEREAS there has been a great deal of hardship and suffering as a result of dysentery occurring in the Rae community for the past two years, culminating in the deaths of two young people from the settlement since this Assembly last convened in Yellowknife in May of this year;

AND WHEREAS the results of the coroner's inquest into the deaths of the two young people determined that the deaths were in part attributable to the fact that the youngsters drank untreated water taken from Marion Lake which borders this community;

NOW THEREFORE, I move that: (a) The Commissioner, the Executive and senior departmental officials give immediate consideration to the development of a source of emergency funding to provide residents of Rae with a safe and uncontaminated supply of potable water in the community; (b) Consideration be given to resolving the current concern of the Rae community with the provision during this fiscal year of a water system including a filtering facility capable of serving 800 people and an associated settling tank and purifying arrangement; and (c) When a solution has been developed that the Commissioner be invited to come to Rae to discuss the proposed solution with the residents.

MR. SPEAKER: Is there a seconder? Mr. Pearson. Discussion, Mr. Whitford.

MR. WHITFORD: Mr. Speaker, I have brought this subject up to the house, this being the second time, because it is very important to us in the community. I mentioned the deaths, but I failed to mention in the text the amount of children who have been taken consistently to the hospital in Edzo. The water is contaminated by the sewage, raw sewage from the homes. We are on honeybag system that are broken or busted on the ground, as well as the overflowing of the sewage tanks in the community.

I also failed to mention here that we have children in the community who sometimes break these bags and that this amount of sewage that is going on to the streets is somewhere in the neighbourhood of 10,000 or 11,000 gallons per year that pours back into the creek alongside it and into the water plant. By the water plant in Rae there is also a sewage line that has broken continuously over the last two years and a large gallonage of sewage water has poured again into the lake, this being drained into the holding reservoir and later drawn up to the water plant.

My concern is that these problems will be rectified and it would only help the people in the community by having a settling tank that would put down the dirt, filter it out through a proper filtering system into a tank now there in existence which would give the water a cleaner and better product for the people to live with. The water at present is a grayish colour. You can not see the bottom of your teacup with the colour of the water presently even if you drank it out of the water barrel.

Suffering And Hardships

I stress the importance of the concern in terms of suffering and hardship because a lot of us people in the community in the last year have taken ill or have lost someone because of the lack of co-operation with the government in terms of putting such a facility in. The facilities that we were discussing here in large part are not very much money considering the large budget that the territorial government has got to deal with. I do not think that this subject has been brought out as strongly as I have today about the importance of the dysentery because the people depended upon the government to come up with some kind of a solution but that particular solution has not been heeded.

I know there are other communities in the Northwest Territories which have much the same kind of a problem and I understand the problem being equally severe as this, but at the same time I think that we have paid an extremely high price with two lives to be able to warrant a correction at least in our community.

MR. SPEAKER: Further discussion? Mr. Pearson.

MR. PEARSON: Mr. Speaker, I rise to support this motion in the strongest possible way that I can. I have for years been concerned with the very same problems that Mr. Whitford is talking about and have brought those problems before the house. We have discussed it ever since I have been on this Legislative Assembly, some six years, not specifically the community of Rae-Edzo but many communities across the North. We have discussed the sewage policy, water and sewage policy, we have asked that one be carried out. I think this request was met by the administration, but the effects of it, the time it will take to implement some of those recommendations is going to take years unless someone realizes the tremendous and special need of the North. This administration has inherited in many cases these dreadful problems from the administration that was there before it, the federal government, who established the groundwork, who established these communities, who allowed this type of thing to go unchecked at that time.

Infectious Hepatitis

I know that there has been an outbreak of infectious hepatitis in Coppermine, some 50 or 60 cases of it, a severe and debilitating disease. There was an outbreak of infectious hepatitis in Igloolik, there was an outbreak of infectious hepatitis in Hall Beach. Yesterday we visited Whale Cove and visited the water supply and saw the water supply in that community and within a couple of hundred yards of the water supply are honeybuckets, plastic bags strewn all over the place. The dump on the same road to the water supply, the community littered with plastic bags. The Deputy Commissioner shakes his head but I was there and I saw it, plastic bags full of crap lying around the community. That is not unique. There are many communities like that.

Now, sooner or later this kind of thing has a habit of catching up with us when we leave our sewage and garbage lying around unchecked allowing it to contaminate our communities, allowing it to spread disease of every kind around the place. Frobisher Bay has had this problem for years. We are still trying to come to grips with sewage problems. It seems to me that it has to be, you know, the problems of Rae are one thing but it is a problem that affects practically every community across the Northwest Territories and somehow we have got to convince the people who hold the purse strings that we need a tremendous amount more money to be able to come to grips with this sewage and garbage. We are burying ourselves in our own garbage in many of these communities. The dump in Frobisher Bay is full. There is no more room in the dump. It now goes straight into the sea and in order to rectify that it will cost a lot of money. The trucks bulldoze it straight into the sea, and I do not think we can allow this to go on but where the hell so we get the money to do anything about it? Can we make a special plea to Ottawa that the North is being polluted and the municipalities are unable to come to grips with it?

MR. SPEAKER: Further discussion? Mr. Nickerson.

A Quick Solution Is Needed

MR. NICKERSON: Mr. Speaker, I was most disappointed when Mr. Whitford earlier tried to bring up this subject and arrange for it to be discussed in committee of the whole. I think he was accorded very shabby treatment by this house by people who probably do not realize the seriousness of this question in Rae. I think it is a very important question. I certainly support this motion and hope that something will be able to be done to put these things to rights.

I know at one time last summer at the time of the treaty days, I made several inquiries at that time and there were no less than 50 children in hospital at that time or in a very short time previous to it who had been affected by drinking contaminated water. I think it is a problem we have to address very quickly and we have to find a solution to it.

MR. SPEAKER: Mr. Stewart.

MR. STEWART: Mr. Speaker, I stand to support this motion and I take this opportunity of pointing out to the house that it was the Legislative Assembly which voted for the establishment of Rae-Edzo, a motion that I strongly opposed. I felt the money should have been spent in Rae to develop that area. We now have Rae-Edzo and we have Aklavik and I hope this house would take heed of these two instances of our own creation.

MR. SPEAKER: Mr. Lafferty.

MR. LAFFERTY: Mr. Speaker, I rise in support of this motion. I am familiar with the problems of the Rae people as I visit there quite often. On several occasions last spring and summer and this fall I have noticed that walking around the community and watching the ditches around there, the honeybags that people are talking about scattered around in the community and the contaminants going into these ditches which drain out in two ways, one into the very immediate bay and one into the surrounding brooks. Looking at the children, the facilities that they have, housing conditions are very, very poor. The water supply and water delivery is very, very poor in that there is no way to take precautionary measures against bringing any form of contamination in, with these types of systems.

Going back to my honourable colleague Mr. Stewart's comment, it is a problem for which we are responsible and maybe it is part of our failure. Maybe we did create a monster in a sense, but nevertheless there is a need for immediate attention into the health hazards of those people in Rae and, of course, this may be just a stepping stone toward looking at other communities in similar conditions.

MR. SPEAKER: Any further discussion?

SOME HON. MEMBERS: Question.

MR. SPEAKER: Mr. Whitford has the right to wind up the debate if he wishes.

MR. WHITFORD: Mr. Speaker, all I can say is I hope the Honourable Members would vote in support of this motion because it is very crucial to us in our community.

Motion 12-60, Carried

 $\mbox{MR. SPEAKER:}\ \mbox{Question being called.}\ \mbox{All in favour?}\ \mbox{Down.}\ \mbox{Contrary?}\ \mbox{The motion is carried.}$

---Carried

Motion 13-60, Mr. Butters.

MR. BUTTERS: With the permission of the house, sir, may I defer this until tomorrow?

MR. SPEAKER: Thank you, Mr. Butters. Are there any further motions?

Turning to the orders of the day, Item 9, tabling of documents. Hon. Arnold McCallum.

ITEM NO 9-60: TABLING OF DOCUMENTS

HON. ARNOLD McCALLUM: Mr. Speaker, I would like to table, Tabled Document 11-60, Report of the Ecumenical Task Force on Education in the Northwest Territories.

 $\mathsf{MR.}$ SPEAKER: Thank you, Hon. Arnold McCallum. Are there any further documents to be tabled?

Item 10, consideration in committee of the whole of bills, recommendations, other matters and information items. Is it the wish of the Executive that we continue with the Education Ordinance?

HON. ARNOLD McCALLUM: Yes, Mr. Speaker.

ITEM NO. 10: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS, RECOMMENDATIONS, OTHER MATTERS AND INFORMATION ITEMS

MR. SPEAKER: Thank you, Hon. Arnold McCallum. This house will resolve into committee of the whole for continuing consideration of Bill 1-60, the Education Ordinance, with Mr. Butters in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Bill 1-60, Education Ordinance with Mr. Butters in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 1-60, EDUCATION ORDINANCE

THE CHAIRMAN (Mr. Butters): Committee will come to order. I believe we had approved or agreed to clause 43, we had agreed to clause 44 and we were on clause 45, is that correct?

MR. NICKERSON: On a point of order, Mr. Chairman.

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

MR. NICKERSON: I notice that yesterday we had handed to us a two page document of amendments which we requested be drafted up. Today, we have a second sheet before us and would it not be possible to deal with these now, otherwise we will wind up losing them.

THE CHAIRMAN (Mr. Butters): In view of that, I thought possibly we could complete the section on school boards and then we could go back to the beginning and pick up the ones that had been stood down.

MR. NICKERSON: Okay.

THE CHAIRMAN (Mr. Butters): If it is satisfactory then I will not get lost. So, if committee Members would agree, we are discussing clause 45. Mr. Minister, do you wish to make any comment on this?

HON. ARNOLD McCALLUM: No, Mr. Chairman, but I would ask your permission to have the departmental advisers enter the ropes.

THE CHAIRMAN (Mr. Butters): Yes. My apologies, would Mr. Rongve and Mr. Blewett please come forward. Now, clause 45, I repeat, when we have completed clause 53 we will return and pick up the clauses that were stood down on our previous sitting and examine the amendments, the drafts. Is clause 45, issue of debenture agreed?

---Agreed

Clause 46, record of debenture on page 41. Mr. Pudluk.

Syllabic Translations

MR. PUDLUK: I would like to ask, on these papers that were just handed out, this one here and here I have it in Inuit, and this one is from clause 23 to clause 53, the pages, this one here and there is the translation to Eskimo. Now, they have translated it into English and this is all we have and we wonder if we could go and deal with this, from clause 23 to clause 53.

THE CHAIRMAN (Mr. Butters): I understand that the material you have been provided in syllabics \dots

MR. PUDLUK: I will speak in English or rather in Eskimo. Now, these were just given to us and they are written in English and on the one side we have it in Inuktitut and I wonder if we could finish this first, so we can get involved in these things also. We are always lost in these pages, not only myself, but also Mr. Evaluarjuk and Mr. Kilabuk, we were on page 14 while you were on the third page. The people who are translating these, we do not blame them, but if you can not do this, if you can not do a proper job on these papers I will not sit in this Legislative Assembly. Thank you very much.

THE CHAIRMAN (Mr. Butters): Thank you, Mr. Pudluk. Do you wish to consider the amendments that were given to you in syllabics now, is that your point?

MR. PUDLUK: What we have in the book, in the ordinance, the basic ordinance, this one here, that is what we are dealing with now, in the book and so I have taken it off and translated it to English and this is what I have here. So, why do we not deal with the paper instead of the book?

THE CHAIRMAN (Mr. Butters): I understand. Perhaps it is a fault of mine. I thought to keep ourselves on track, I would go through to the end of the school boards and then come back to amendments, but if Members wish to go back to the amendments that were discussed yesterday, that is fine, it does not matter to me.

MR. PUDLUK: We are not following you yet.

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

MR. WHITFORD: Mr. Chairman, I think the Honourable Member Mr. Pudluk is saying that clauses 23 to 53 in our books, where we have lots of information and where we are reading clause after clause out, in the Inuit language, all they have is just a short piece. His point is this, he feels that this is inadequate information for them to make a decision on any part of the clauses 23 to 53 with the little bit of information they have there. So we do not recognize their position of trying to understand this Education Ordinance, but rather we pursue to go on on our own and then he, Mr. Pudluk, and I assume other Members would rather not be part of this Legislative Assembly.

THE CHAIRMAN (Mr. Butters): I should not allow you to translate, I did not hear that myself.

MR. WHITFORD: That is what Mr. Pudluk said.

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

MR. PUDLUK: Thank you very much. That is exactly what I meant.

THE CHAIRMAN (Mr. Butters): That is exactly what you meant.

MR. PUDLUK: Yes.

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

Concerning Basic Points

MR. STEWART: Basically I was a little jealous. I hoped that we would be able to put this ordinance into as many words as the Eskimo translation had done because basically all of the points are covered in the short translation and eliminates all the technical language of how they go about doing it, it is all covered by the five points you have listed and all the other words are of a technical nature. However, I checked the ordinance and there is one error I would think possibly on the translation and that would be in your second paragraph, on your sheet it says "even if there is a school board". I do not think the word "even" should be there as I think it should be "if there is a school board". Now, the rest of it shows the basic facts and when you go into the technicalities of how they do these things I understand they do have a problem on this type of legislation, communicating that into syllabics. I do not know whether we are at fault or if they have done as good a job as they can, but the basic points are there because I did make a point of reviewing them.

THE CHAIRMAN (Mr. Butters): I have just received a copy of the document that Mr. Pudluk is referring to and does everyone have a copy? All Members have. Fine. I recognize the Member from Foxe Basin, Mr. Evaluarjuk, and then Mr. Kilabuk.

MR. EVALUARJUK: As I said yesterday or rather the other day I could not vote for this ordinance and if they do vote I would not even vote for it. The translations in Inuktitut I understand them fully, and if the interpreters, what they are saying I understand, but as I said before, if we do them in a rush, in order to translate them into Inuktitut, and I know they were in a rush to give them to the interpreters also, like I said I would not vote and now I am not voting at all. These are very short, in Inuktitut, and I think if you are going to do debating on them, I would like to ask several questions. For instance, perhaps we should quit on this right now and then the people in the settlements, perhaps they would leave the settlements and they would just close the schools if we do this right now. For instance, if we say that they should understand these things -- if we quit right now maybe the teachers would go south because of this ordinance and that is the question I am asking. Thank you very much.

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

Clauses Not Understood

MR. KILABUK: Clauses 23 and 53, are the main concern, and this is the worst page and it is really shortened in Inuktitut. This whole thing has been reduced to 45 words and I am completely lost on this ordinance and they are not even numbered, some of them. I truly do not understand it at all, in the Inuktitut version, but I might be able to understand parts of it in English but I can not understand the Inuktitut. Now, the problem when they are translated, when they are shortened, we can not understand it at all and we get lost. I wonder what you fellows would think as this is the first chance we have had to talk about it, or are you going to go ahead with this debate or will you slow down on it? We are concerned for the Inuit people just as you are concerned with the white population, but you can go ahead and do it. We are concerned for our constituents and we want to stop this. So, I think they should be written better, in the translation, but I would like to hear your opinion.

THE CHAIRMAN (Mr. Butters): Thank you very much and I think we all recall your remarks when we went into first reading and your remarks at that time. Mr. Commissioner. I recognize the Commissioner.

Interpreters And Translators

THE COMMISSIONER: Mr. Chairman, it is very difficult for the interpreters, for the translators to translate something of the magnitude of this. Now, you must appreciate that interpreters in the United Nations, in the International Labour Organization, in Habitat, in the House of Commons, most of them have spent a lifetime at it. These kids here have only been at it for a couple of years.

The second point is what you are asking the administration to do is to make a summary, which was done, and then to translate the summary into Inuktitut which was done. Now, if this is not satisfactory then the only suggestion I can make, and it is painful, if the Council Members do not understand from clauses 23 to 52, those are the clauses, and if they will be very patient to sit here for an hour, we could have the interpreters read out in Inuktitut from clause 23 to 52 and explain what it means as they go through it. When they catch up to where you are then I think -- I think that is the only way you can proceed, that is, to read each clause before you proceed, ask them to read it as best they can in Inuktitut and then I think that would be it. I know of no other way out of it.

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

MR. LAFFERTY: Mr. Chairman, I think that if we are to go back on the experience of this Legislative Assembly and the types of problems we have found in our experience, in the life of this Legislative Assembly we will see that the interpreters have told us, or did tell us some time ago, that they can only interpret the main points on certain debates. With that view, and looking at the paper that was circulated before us, I think that these points have been very clearly brought out. I take a great pride in our interpreter corps in their ability to bring to us the main points and, to reiterate the comments made by Mr. Stewart, I am somewhat jealous of them because we are discussing technicalities which they have been able to understand and cope with, and have brought us the main points that are black and white on a piece of paper.

I am in sympathy with all interest groups, and I am in sympathy with my honourable colleagues from the Inuit people, I know the difficulties they are having, but I also feel that we should examine this ordinance very carefully, even if it takes a lot of effort on our part to understand, so that when we go home to our people, all people of the Northwest Territories will know that we did not just pack up somewhere in the middle of the job and run home for some fatherly advice, but rather we could go home with pride and say we came to some kind of a conclusion. I do not mean we have to vote for the bill or against it, that is the final decision, but the fact remains that we should examine this Education Ordinance which is the future of our children, very carefully and give it all the time, consideration and sacrifice that it needs.

THE CHAIRMAN (Mr. Butters): Thank you very much, Mr. Lafferty. I have on the list Mr. Pudluk.

Rushed Translations

MR. PUDLUK: I would like to go back to what the Commissioner has just finished saying. He mentioned something about the interpreters in the House of Commons. We know we are not talking about the interpreters here. I am talking about the people who are asking the interpreters to put this into syllabics. I feel the interpreters are not given enough time to translate these documents. I am not saying the interpreters are not doing their jobs well. I feel that they can do their jobs very well. I feel that they are being rushed to do translations.

You have to read it a little bit at a time and if you want to have something to say in a meeting like this, they are being read by the interpreters and just listening to them it is very hard to find something to say. When we can read it right from syllabics it would be a lot easier. Thank you.

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

MR. NICKERSON: Mr. Chairman, I can fully well understand the predicament that the Inuit speaking Members find themselves in. It must be terrible when somebody says "clause 46, agreed, agreed, agreed," and they have no idea what clause 46 is all about. Even though it would mean that we would proceed at a much slower rate, I think that the way of approaching this might be for each clause to be read out slowly in full and the interpretation of that clause made concurrently or simultaneously so that the Inuit speaking Members would know what each particular clause was about and they would then, if they had any questions on that particular issue, would know when to bring them up.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, just along the line that Mr. Nickerson has spoken, could I suggest that it might be more useful and more meaningful if the chairman were to describe as briefly as possible the sense of the clause, and that would be translated? I suspect that would be a job much more easily done and also a job that would have much better results because I think, as we all know, the Inuit language does not really contain the necessary words for many of the legal terms and many of the approaches that the English language have through legislation. As a means of doing that I would suggest that this could be achieved more readily by us putting together as an administration, immediately, a group of three or four people who would go through and write out English summaries of each clause which would then be used at the chairman's discretion to assist him. The chairman then, instead of having to stop, read the clause and think about it can say "This is a short form of it." We could, if we go to work ourselves right away, I think, keep ahead of you in producing short summaries of each clause.

THE CHAIRMAN (Mr. Butters): I thank you very much. I thought I did understand Mr. Pudluk to say that he did prefer or would prefer to take it from syllabics if possible, but if this is what the Members suggest I do, this would be fine with me. Possibly we could proceed with our Legal Advisor putting into English the sense, the intent of the various clauses because I certainly would hesitate to attempt to do that. Mr. Pearson.

Questioning The Summarizing

MR. PEARSON: Mr. Chairman, the process that the Deputy Commissioner has just enunciated is in fact the process that was performed by the educators earlier this year at the request of the Assembly. The Department of Education undoubtedly found someone to summarize the Ordinance. The summary was taken to the interpreters and the interpreters interpreted that summary. The interpreters interpreted it competently and thoroughly but of course they are only able to interpret what they have before them. If the information that the interpreter receives needs to be interpreted and is a capsulated one sentence at a time, that is exactly what they interpret. Mr. Pudluk is not questioning the interpretation. Mr. Pudluk is questioning the summarizing and the skimpy way in which it was done. It should be also pointed out at this stage that the clauses in the interpreted version do not all coincide with the same numbered clause in the English version. There is a discrepancy between clauses in English and clauses in syllabics. I think if you are going to look at it, then it should be looked at thoroughly and not piecemeal.

I appreciate and sympathize with the administration having this tremendous task to do, to try to summarize something and still have it make sense, but we are not dealing with a thing that is unimportant. We are dealing with something that is vitally important to the residents of this country and a large group, a large percentage of the residents of the Northwest Territories happen to be Eskimo people, who, incidentally, are quite capable of reading and writing their own language. Whilst I admit it is a very difficult thing to do, it is possible to do it and where it is possible say it shall be done or should be done and that is what this Assembly instructed the administration to do.

THE CHAIRMAN (Mr. Butters): Members of the committee, as your chairman I feel very helpless and very bewildered by the suggestions put to me. I do not know how to proceed. I am wondering if maybe Members would suggest I report progress on this particular bill to the Speaker and that would give us time to work out a proper procedure which would allow us to meet the concerns that have been raised by our Members from the High Arctic. I do not know. Hon. David Searle.

An Impossible Task

HON. DAVID SEARLE: Mr. Chairman, the thing that bothers me, of course, is that this is raised at page 42 or 43 or whatever page we are at, after we have gone along more than half of the way through the bill and having spent now more than a full week on it. It just does not seem to be physically possible for us to interpret the thing, the ordinance in its entirety here now and put forward a syllabic version. It has not been done and I do not think that there is the means to do it. That being so, the question appears to be how do we complete the balance of the work on this particular bill in the time that is available to us?

It seems to me that the important sections that deal with the setting up of, particularly, those education committees and societies that the Members in question would be concerned about, those were discussed last week and the powers and authorities, though they may not have been accurately reflected in syllabic written translations, so they had to have come through loud and clear as a result of the tremendous discussion which we had on the differences between these bodies and their powers, all of that discussion having been translated verbally simultaneously. It is strange to me that now that we are dealing with school districts, and there are only two of those, both in Yellowknife, that this would suddenly become of paramount concern. Not that you should not be concerned with the whole of the bill, but if there were some difficulty understanding, I would have thought it might have occurred back when we were discussing those things of particular interest to each of

the Members' constituencies, the school committees and school societies.

Now, if there had been some problem, I am prepared to see each and every section, first be translated literally, if the interpreters are able to do so, then I am prepared to see the chairman and/or the Legal Advisor give a description of what it says. In other words, not using legal phrases, but doing so in the simplest and plainest English and have that translated and I am prepared then to see each and every non-English speaking Member ask if there are any questions about that subsection or section. I am prepared to sit here for another month to do it, if that is what we have to do. That seems to be the only course left open to us.

THE CHAIRMAN (Mr. Butters): Thank you.

 $\ensuremath{\mathsf{HON}}$. DAVID SEARLE: If that is the only course left open to us, let us start on it. That is my suggestion.

THE CHAIRMAN (Mr. Butters): Thank you very much. I would say I was just looking at the first day of this session and the concerns that were raised by Mr. Evaluarjuk, Mr. Pudluk and Mr. Kilabuk were raised in that opening session, saying, "For this reason I want to delay the Education Ordinance". This concern was reflected in each of the Members' remarks. I do not think the concern is just being brought before the Assembly at this time.

You have heard Hon. David Searle's suggestion and comments. Do Members wish to say anything?

It Will Take Time

HON. ARNOLD McCALLUM: Mr. Chairman, I would first simply want to say that when the Education Ordinance was first proposed to this Assembly and this problem came up about translations and then interpretations at the last session it was suggested that we do not a clause by clause translation but a summary of the various parts of it. While these summaries, as has been said, are inadquate, too short, to various Members, it was felt that outside of the existing two school boards there would not be a rush toward this kind of local education authority. I am prepared as well to go through the process the Hon. David Searle has suggested. I would further say to the Members of the Assembly that if the clauses concerning the local education authorities, specifically the boards of education, pose a difficulty, that we would attempt to make a concentrated effort to have these clauses translated, if it is possible with the technical language in it, and the interpretation of it made available in terms of the boards of education. That, as you can appreciate, will take some time. It would be very difficult to do that at this particular session, or right within the immediate, but we could certainly make an effort to do that if we could follow Hon. David Searle's suggestion for the present time.

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

MR. STEWART: Mr. Chairman, we have been operating as a Legislative Assembly for some time and have not really run into this particular difficulty before. Now, I had the feeling from the remarks made that the Eastern and particularly the High Arctic do not want the Education Ordinance at this time. Now, if that is the case, it would appear to me that a motion should have been brought out earlier to have it shelved and we could have voted on it and then gone about our business one way or the other, depending upon the outcome of that vote. It is still not too late to make such a motion, but be careful of what you do today because what you do today might assign, or tie up this Legislative Assembly to a position that you can not operate because of the variances of the languages. There are certain English words that there are no Eskimo words for, and who is to determine whether an interpretation is correct or not correct?

If you are going to use just English as the reason, be careful, because you could bring this whole Legislature to its knees if you wanted to do that, that is possible by this move, because it is not possible to do what is asked. Who is going to agree necessarily that any given interpretation is the correct one if it is not exact? I think it is agreed that it can not be exact. However, if you do not want the Education Ordinance, then the proper procedure is to move that it be set down and defeated now, but do not use other excuses to bring it down, bring it down on the merits that you do not want it.

A Technical Situation

THE CHAIRMAN (Mr. Butters): With respect, I thought the main concern raised was the very skimpy amount of syllabic material in contrast to the large amount of material that is written in English. Mr. Stewart.

MR. STEWART: That has been done in previous legislation when it did not deal particularly with a subject that was not of concern to the districts, but these are school boards that in the foreseeable future will never be found in the Eastern or High Arctic, because there are only two of them in existence. It is quite probable, when this legislation, if it is approved, goes into force, that those two will disappear. So it is not something that really directly affects the people in the constituencies involved at all.

Now, as far as I know, the only reason it is put in here is because we happen to have two school boards in existence and it is to allow them to stay in existence if they wish, but I would be very surprised if they do not opt out of the school board and drop down into -- I have forgotten the term -- the school society, because they will save money. I would think that that would be the route they would go. So this is really a technical section that just has to do with Yellowknife. That is my opinion.

THE CHAIRMAN (Mr. Butters): Thank you very much, sir. I will take one more speaker before coffee. Mr. Steen.

MR. STEEN: Thank you, Mr. Chairman. When I got elected I did not even think I would be able to understand all the ordinances. I knew that I would not be able to understand them all, but I felt that I could possibly help change some of the ordinances that come before us now and then. I feel that this particular section, the education boards, as Mr. Stewart said, does not affect my constituency because there are not enough people there, or the communities are not big enough for an education board. This will affect us more so in the community education committees. This board, the education board, is for big places like Yellowknife, and I personally feel that it does not affect the people directly from my constituency. I feel that we must go back to our community and tell them that on this section, it does not affect us today and we will let it stand or do what corrections should be made at this time. At a later date when we have education before us we can make changes as we go, as we grow large enough to have an education board, as then it would be part of my constituency or the constituencies of other smaller communities, or communities of other constituencies.

Leave To The Lawyers

So I feel the same as the people, the Inuit sections, I did not understand it either. Even some of the teachers do not understand it all because you have to go to people who understand the law, but that is not my job, I am not a lawyer, and many people are not lawyers. That is when you get into trouble understanding how you can make a law or if you can make a law it must be understood, but it is only understood by lawyers, it is not understood by us. So my personal opinion is leave it to the lawyers. If we wanted to make some changes, we will make them a little bit at a time, but I do not feel that that is a reason to offer your resignation because you do not understand it. I do not think that is a reason to resign. I think you have to take a little bit and you can come back to it at a later date and change it if you like.

THE CHAIRMAN (Mr. Butters): Mr. Pearson, the last speaker before coffee break. $\,$

MR. PEARSON: I just wanted to say that this is one clause that has been translated back into English, and it is one of many that are grossly inadequate. It is not just simply the education board section that is badly done, it is all the others too, and in fact it is not only badly done but misnumbered. Further, I do not think it should be up to the lawyers. After all, if it were their job then this chamber would be full of lawyers and not lay people who should at least have an opportunity to be able to try and understand what the thing is all about, and to try and decipher it and then vote intelligently on it. I am sure you can appreciate, I am sure you can appreciate that when the Education Ordinance in a summarized version was circulated to the Members in Inuktitut that all they had to go on was

the Inuktitut version, and this is one example of the quality of that version, and the plain fact of the matter is in communities like Pangnirtung and Igloolik, or wherever, there are no lawyers.

THE CHAIRMAN (Mr. Butters): Thank you. Are Members agreed that we should break now for coffee?

- ---Agreed
- ---SHORT RECESS

THE CHAIRMAN (Mr. Butters): Would the committee please come to order? I was going to correct any thought, if such thought exists, that the preceding discussion of the past 45 minutes has in any way been a criticism of the excellent interpretation and translation that is being provided to this chamber by the people who serve us. I know that all Members feel the same as I do, and on many occasions have benefited from and valued the excellent service that is provided to us by the interpreter-translators of the Government of the Northwest Territories. Mr. Pearson, did I see your hand up?

MR. PEARSON: Mr. Chairman, I wanted to again make a similar point very clear. I understand that I am alleged to have said that the interpretation was badly done, when in fact what I meant, if I did not say it, was that the summary was a very skimpy summary but it was translated as it was presented to the interpreters and in no way do I wish to cast any doubt on the matter as to the ability of the interpreters. The record may show that, but that is the point, the summary was badly done, or was too small, or too short, but it was translated adequately by the interpreters.

THE CHAIRMAN (Mr. Butters): Thank you very much, Mr. Pearson, for that clarifying statement. Is there any further discussion?

HON. ARNOLD McCALLUM: Mr. Chairman, I would like to suggest, sir, that this house report progress on this bill until we sit in session tomorrow, so that the administration can come to grips with the difficulty, as I understand it now, with the use of two languages and translation. So I would suggest, sir, that we ask for you, as chairman of the committee of the whole, to report progress on the bill until we sit tomorrow morning.

MR. CHAIRMAN (Mr. Butters): Your wise counsel has lifted a great weight off my shoulders, and with the concurrence of the Members, I will report progress to the Speaker. Is it agreed?

---Agreed

Thank you very much.

MR. SPEAKER: The house will come to order. Mr. Butters.

Report of the Committee of the Whole of Bill 1-60, Education Ordinance

MR. BUTTERS: Mr. Speaker, your committee has been considering Bill 1-60, the Education Ordinance, and wishes to report progress.

MR. SPEAKER: That is a strange expression, is it not, in the circumstances?

Item 10, further consideration in committee of the whole of bills, recommendations, other matters and information items. What is the wish of the Executive at this point?

HON. ARNOLD McCALLUM: If we could go into the Supplementary Appropriations, Mr. Speaker. I am sorry, Bill 6-60.

MR. SPEAKER: Bill 6-60, the Supplementary Appropriations. Mr. Stewart.

MR. STEWART: Mr. Speaker, are we going to arrive at the same position on this bill relative to translations in the other language? We are at a point now where we have a question in front of this house and I do think,

until it has been dealt with, we should not proceed any further with legislation until we are absolutely sure that we have the ground rules laid down so we do not get ourselves in another predicament like the one we are in at the moment.

MR. SPEAKER: My suggestion would be let us not anticipate the problem. Let us go into committee of the whole for consideration of the appropriations, which are essentially numbers, not legislation, and if the problem arises then we will have to deal with it then.

This house will resolve into committee of the whole for consideration of Bill 6-60, the Supplementary Appropriation Ordinance, No. 2, 1976-77, with Mr. Stewart in the chair. I beg your pardon, Mr. Butters in the chair. Who?

MR. BUTTERS: I will, sir.

MR. STEWART: If it pleases you, sir.

MR. SPEAKER: Thank you.

---Legislative Assembly resolved into Committee of the Whole for consideration of Bill 6-60, Supplementary Appropriation Ordinance, No. 2, 1976-77, with Mr. Butters in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 6-60, SUPPLEMENTARY APPROPRIATION ORDINANCE, NO. 2, 1976-77

THE CHAIRMAN (Mr. Butters): The committee will come to order to examine Supplementary Appropriation Ordinance, No. 2, 1976-77, contained in the book here. I am advised by the Deputy Commissioner that as a result, or rather subsequent to the finance committee meeting some changes were made and the Deputy Commissioner will advise the committee as these items appear. So if we may proceed to page one, just to determine where we are, this, I understand, is the summary of the expenditures that are being made. The first item I would suggest would be page two, which is a capital item, relative to -- no, I beg your pardon, the first capital item for discussion, which is the usual procedure of discussing, the capital first and then the operation and maintenance second, is found on page six, executive. The subject that is being referred to here is the funds required for the necessary repairs and reconstruction as a result of the Pangnirtung wind storm.

You will notice that in the main estimates in January an amount of \$50,000 was voted. An additional \$311,400 will be required to make good the damage that occurred at Pangnirtung. Is there any discussion on this item? I wonder if the Member from Central Baffin has the book there, sir? Thank you very much, Mr. Pudluk. The item then is \$311,400. Any comment on this? Any comment? Do Members approve the \$311,400 required? Probably most of these expenditures have already been made. The items have already been set to rights, Mr. Deputy Commissioner?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman. This gives us authorization but the work has all been done.

THE CHAIRMAN (Mr. Butters): I thank you. Mr. Deputy Commissioner?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, perhaps I could be permitted to remind you that the standing committee has gone through this work and you may well wish to hear from the chairman.

THE CHAIRMAN (Mr. Butters): An excellent observation and my apologies to Mr. Lafferty for not asking for his report first. An oversight. Mr. Lafferty, do you wish to report on the work of your committee on this bill?

Report Of The Committee On Finance

MR. LAFFERTY: Yes, Mr. Chairman. The finance committee has met and gone through the Supplementary Appropriation Ordinance and approved it in principle.

THE CHAIRMAN (Mr. Butters): Thank you.

MR. LAFFERTY: I do here make recommendation for the passage of the bill.

Executive, Capital - Activity 1012, Regional Administration

THE CHAIRMAN (Mr. Butters): Thank you, sir. If there is any particular reference you wish to make, please interrupt during the debate. Is page six, regional administration, activity 1012, agreed?

---Agreed

Local Government, Capital - Activity 2022, Municipal Affairs

Capital on page seven, local government. Mr. Deputy Commissioner, do you have a short correction or addition here?

DEPUTY COMMISSIONER PARKER: Thank you, Mr. Chairman, yes. We have reviewed the question of requirement for mobile equipment and have found that it is indeed very great, the requirement for a bulldozer at Rae, and, therefore, we wish to increase this supplementary estimate number two by \$75,000. The new total would be \$508,900.

THE CHAIRMAN (Mr. Butters): Thank you, sir. That is a bulldozer at Rae.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, that changes the total for supplementary estimate number two in total, that is, for this page to \$1,128,800.

THE CHAIRMAN (Mr. Butters): That is \$1,128,800. Thank you, sir. Those are all the corrections or additions. May we then go through the capital item by item? At the top of the page, page seven, \$183,200 to provide funding for the construction of the Hay River reserve access road. Agreed?

---Agreed

To provide additional funding required to complete the installation of water settling ponds in the town of Fort Smith, \$32,000. Agreed? That is on page seven, Mr. Whitford, the second item.

---Agreed

The third item, \$32,000 to provide funding to purchase water delivery and sewer pick-up equipment from the estate of Fort Franklin enterprises to enable the hamlet to provide essential services.

Services Contracted Out Locally

MR. NICKERSON: Mr. Chairman, as a general comment, not specifically on what is going on in Fort Franklin, am I to understand that it is now the policy of the administration to purchase vehicles for hamlets to carry out these services? I was always under the understanding that wherever possible the policy would be to contract out the services to local contractors to get people involved in small business.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, that is in fact the very option that we find most attractive. However, we do leave it up to the decision, wherever possible, of the hamlet. Why I say "wherever possible" is because in some circumstances at the time of takeover there simply is not a local contractor available and in this situation this is the case.

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

MR. NICKERSON: One thing that bothers me on that is that if the Government of the Northwest Territories pays the full cost of the capital expenditures involved in purchasing this equipment, obviously it would be a lot cheaper for the hamlet to provide the services because they would only have to pay the labour and maintenance expenses for these vehicles, but were they to contract it out, obviously the contractor would have to charge a price in order to amortize his equipment. Therefore, if the territories starts giving money to the municipalities, granting them outright the money required to buy these vehicles, etc., you never will get private enterprise developing in the settlements because it will obviously be there for the hamlet to operate.

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

Hamlet Council Only Contractor

MR. FRASER: I had better talk for Fort Franklin. There are no contractors in Fort Franklin but the hamlet council. Fort Franklin enterprises moved right out of the country and have now moved into Fort McPherson. This equipment was there with no private contractor there at all to do the work and I think the equipment was turned over to the territorial government so the hamlet could operate and have water and sewage delivery without any further fuss.

THE CHAIRMAN (Mr. Butters): Did you wish to reply to the question, Mr. Deputy Commissioner, or was your earlier answer sufficient?

DEPUTY COMMISSIONER PARKER: I understand what Mr. Nickerson is getting at and it is true. However, we can have it one of two ways. We can assist the hamlets by providing the equipment which indeed permits them to operate at a lower operational cost than if they had to pay a contractor to amortize the cost. However, if it is the hamlet's choice and if there is a contractor or contractors available in the community, then we are prepared to pay the higher operating cost to use those contractors and not purchase equipment. The difficulty comes, as he has pointed out, if the hamlet decides that it wishes to go from doing the work itself to hiring a contractor, we would still be prepared at that time to absorb the higher maintenance cost or the higher operational cost after a review with the hamlet officers.

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

Fort Franklin Equipment Justified

MR. FRASER: I would just like to question Mr. Nickerson once more here on this. The Fort Franklin hamlet is doing a pretty good job of operating this equipment. They have purchased it. Another question arises about a tractor for Fort Rae. They are in a position that they could contract out to Yellowknife and they still want a new tractor in Fort Rae. This is another thing when it comes up, but I think Fort Franklin is definitely justified in getting this equipment and keeping the town going.

THE CHAIRMAN (Mr. Butters): Thank you very much. May I have approval of this item of \$32,000?

---Agreed

It has been suggested it might be just as easy if I read out the amount and the item and then the total and unless there was a Member who wished to comment, I will just ask for approval on the total. Does that meet with the agreement of the committee? Thank you.

---Agreed

Then I will proceed in this manner henceforth. To provide funding to Pine Point for installation of a water pump in the water well, \$26,700. To provide additional funding required to complete the Nipisar line in Rankin Inlet, \$145,000. To provide funding for relocation of natural gas line in Norman Wells, \$15,000, and \$75,000 to provide a bulldozer at the settlement of Fort Rae. Mr. Stewart.

Hay River Reserve Access Road

MR. STEWART: Mr. Chairman, just for information from the Deputy Commissioner, the \$183,200 with regard to the Hay River reserve access road, inasmuch as this road is totally within the reserve, I thought there would probably be federal funding or are you just acting as agent for the funding of that for the federal government?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we have avoided the pursuit of specially identified funds for the reserve because we would like to continue, as a territorial administration, to deliver services to all people in the territories regardless of race or other identification and for that reason

we would treat this simply as a community or local road which we rather than the town of Hay River are building. The other direction, were we to take it, would lead us into this very grave likelihood of additional reserves being created.

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

MR. STEWART: I have no objection to this and I am not objecting to the road. I just wanted an explanation. Thank you.

THE CHAIRMAN (Mr. Butters): Thank you, sir. Any comment on the five items I read out? Mr. Nickerson.

MR. NICKERSON: Yes, Mr. Chairman. What is the Nipisar line? Is that a gas line or a water line or any other kind of line?

DEPUTY COMMISSIONER PARKER: Every time you go to the airport you drive over it. It is the water line from Nipisar Lake.

THE CHAIRMAN (Mr. Butters): Thank you, sir. Do I have approval then for the total capital item which with the addition of the bulldozer now amounts to \$508,900? Is that item agreed? Mr. Fraser.

Tractor For Fort Rae

MR. FRASER: I would like to question this tractor for Fort Rae. Have they got any Cats in there now? Are there any contractors in there now who have tractors?

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

MR. WHITFORD: No, Mr. Chairman, we have no Cats there at all. We had one and it was a used Cat that broke down. It is in pieces. It was an old army-type Cat and the parts can not be acquired because it is outdated and we have to bring in a Cat from Yellowknife. We are very limited in the amounts of money that we have available to bring in the Cat on a highboy from Yellowknife and to send it back again so that the people in the communities do not really have the proper use of the vehicle. If I may, I do not know if it would be agreeable with the Deputy Commissioner, but I could show you some costs that the Cat is next to paying for itself.

THE CHAIRMAN (Mr. Butters): I think your answer has been sufficient for Mr. Fraser's question. Is that correct, Mr. Fraser?

MR. FRASER: Yes.

THE CHAIRMAN (Mr. Butters): May I have agreement for the total as approved, \$508,900?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, if I could just make a procedural suggestion, on pages seven and eight you will find that all of these amounts are contained under activity 2022 which is the number at the top of each of the two pages. That is the one that we ordinarily would call for approval on.

THE CHAIRMAN (Mr. Butters): Yes.

DEPUTY COMMISSIONER PARKER: With regard to the remaining items on pages seven and eight, these are projects which were earlier approved, that is, approved last year for which the work was not finished at the end of the fiscal year and the work has been completed or is in the process of being completed in this fiscal year and so we were asking in effect a revote of money carried over from last year.

THE CHAIRMAN (Mr. Butters): I had asked the vote previously because I thought there was a difference there and what we discussed needed new money and this is approving a carryover of old money. The remainder of the items on pages seven, eight in the book that is in English, are all carryover items, they are not new items. So, are there any comments by Members on these carryover items? Mr. Nickerson.

MR. NICKERSON: One question. Where it says "sea wall project at Tuktoyaktuk", is it what is meant here, this idea of putting sand filled pipes out or are you actually about to construct what would normally be called a sea wall?

THE CHAIRMAN (Mr. Butters): Mr. Steen, could you reply on that?

Erosion At Tuktoyaktuk

MR. STEEN: Mr. Chairman, over the past couple of years we have been trying a number of different ways to prevent the erosjon of the shoreline next to the school and this year I think for the first time they tried a different scheme by putting in those sand filled bags along the shoreline. I think this is the first time they have made these sandbags and they are not actually building a sea wall, this is just prevention for erosion and they are trying out different schemes.

THE CHAIRMAN (Mr. Butters): Is that satisfactory? Thank you. Mr. Lafferty.

MR. LAFFERTY: I have a question here of the Deputy Commissioner. I see in one part of the funding on page eight, the amount of \$17,900 for Edzo and we just recently heard an argument on \$75,000 for a tractor for Fort Rae. What I would like to know is, are Fort Rae and Edzo two separate communities dealt with by the government or is it one capital budget item? Are they both the same community to which moneys are appropriated as one community or are they two separate communities with two separate budgets?

Accounting For Fort Rae And Edzo

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we treat grants and expenditures to the hamlet of Rae-Edzo as one subject, but when we do work ourselves we account for the work done in each of the two settlements separately.

MR. LAFFERTY: My question is that in this instance then the \$75,000 we are granting for the tractor will be of no benefit to Edzo.

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

MR. WHITFORD: Yes, Mr. Chairman, in reply to the Honourable Member, the work that was carried out in Edzo is done and that was last year and we had to get a tractor and trucks from Yellowknife to do the work but once we get the tractor we can go over to Edzo and do our own work for the dumping ground, for the streets and everything. Right now for the two communities we have to bring the tractor in from Yellowknife.

MR. LAFFERTY: But what I am getting at is that this would result in a drain on the capital of Edzo rather than into Fort Rae or which other way could you justify it?

THE CHAIRMAN (Mr. Butters): Did you explain that, Mr. Deputy Commissioner?

DEPUTY COMMISSIONER PARKER: I did not hear the last few words.

THE CHAIRMAN (Mr. Butters): Would you clarify your statement, please?

MR. LAFFERTY: Yes. Since the tractor is charged to the community of Fort Rae and they would carry out the work and service at Edzo, if there is only one capital item for both the towns that would result in Rae-Edzo getting nothing and we may end up with someone saying they want extra equipment.

DEPUTY COMMISSIONER PARKER: We will not duplicate the equipment. The tractor we are proposing to buy for the hamlet is something they desperately need, they need the vehicle out there to do work, both in Rae and at Edzo and the choice of where it works will be very much the choice of the hamlet council. This \$17,900 is undoubtedly already spent and it would have been for either roads or other development work which has been carried out in Edzo.

Activity 2022, Municipal Affairs, Agreed

THE CHAIRMAN (Mr. Butters): Thank you very much. Now, the carryover items completing activity 2022, is it agreed?

---Agreed

Capital - Activity 2023, Northern Airports And Facilities Program

Page nine, capital, Local Government, activity 2023, northern airports and facilities program. In the main estimates in January we approved \$1,188,000 and the supplementary under this bill is \$165,000. It is required variously to provide funding for airstrip improvements at Rae Lakes and \$150,000 to provide funding for parking garage facilities in Rankin Inlet as part of the northern airports program. The total cost of the Rankin Inlet program is to be \$300,000. Mr. Nickerson.

MR. NICKERSON: I wonder if we could be advised whether part of the cost of expenditures made as a result of the northern airports program are recoverable from the federal government? Is that a cost sharing program?

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

DEPUTY COMMISSIONER PARKER: Our share of the cost for the northern airports program, the territorial share is achieved through the regular negotiation process and assigning to the capital items in question a certain level of priority. It is not necessarily especially identified in our negotiations as an item over and above what had previously been the funding levels. Depending upon how successful we are in our negotiations it may result in an increase from one year to another or we may have to live with the size of an increase that does not take into consideration all of the new projects. Do you follow me?

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

MR. NICKERSON: That was really not the question. The question was whether or not it is a program such as the Royal Canadian Mounted Police where we pay I think it is 60 per cent of the cost and the federal government pays 40 per cent of the cost, and I wondered whether it was a similar type of program.

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman, it is rather similar to that. Under the northern airports program the Ministry of Transport constructs the airport and puts in the aids to navigation. The territorial government shares with the Ministry of Transport on a fifty-fifty basis the cost of parking garages. By the same token we share the cost -- no, pardon me, they put in equipment necessary for the maintenance of the airport unless that equipment is not necessary for full time use, and if it can be used in the community then we designate it as shared-cost equipment and we share the cost, I think it is on a fifty-fifty basis. It is a program which has gone through the federal cabinet and Treasury Board and the funding levels, and how they are reached, are mutually agreed upon.

Activity 2023, Northern Airports And Facilities Program

THE CHAIRMAN (Mr. Butters): Thank you very much, sir. Are there any further questions on the northern airports and facilities program, on this item specifically? If there are no questions or comments may I have the agreement of Members to approve this item? Is it agreed?

---Agreed

Thank you.

Activity 2024, Town Planning And Lands

Page ten in the English version, town planning and lands, activity 2024, an amount of \$14,000 for projects completed in 1975-76, but final billings not received until 1976-77. These funds lapsed and must be voted as a carryover. So, this is another carryover item and the projects occurred in Aklavik and Norman Wells. \$14,000, is it agreed?

---Agreed

Finance, Capital - Activity 5052, Finance And Office Services

Page 11, capital, finance and office services, activity 5052, the supplementary estimate required is \$50,000, to authorize additional funding to purchase replacement furniture for the regional office in Rankin Inlet in the amount of \$42,000 and the purchase of typewriters for the interpreter corps, a matter of \$8000. Is it agreed? Mr. Steen.

MR. STEEN: That is a pretty expensive furnace is it not, \$42,000?

THE CHAIRMAN (Mr. Butters): No, furniture, that is my pronunciation. Is it agreed?

---Agreed

Activity 5053 - Supply Services, Agreed

The item on the same page, supply services, activity 5053, in the amount of 1,167,000 to authorize the funding of 200,000 to purchase tank farms from

Shell Canada at Cape Dorset and at Lake Harbour and to authorize revotes for projects approved and initiated in 1975-76 which are incomplete. These funds have been lapsed and are requested as a carryover. So, the bulk of the item is carryover and the \$200,000 is to purchase the tank farms at Cape Dorset and Lake Harbour. Mr. Nickerson.

MR. NICKERSON: How was the figure of \$200,000 for the purchase of the tank farms from Shell Canada arrived at? How was it negotiated?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, they asked for a higher figure and we beat them down.

THE CHAIRMAN (Mr. Butters): Negotiation, is that a sufficient answer?

MR. NICKERSON: I guess there were no other buyers except ourselves so perhaps we could have beat them down a little lower.

THE CHAIRMAN (Mr. Butters): Thank you very much. Are there any other comments on this item? May I have the approval of the committee for the amount of 1,167,000? Is it agreed?

---Agreed

Thank you.

Education, Capital - Activity 7071, Schools

Page 12, Mr. Deputy Commissioner, do you have something to add here?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman, the figure at the bottom of the page of \$225,000 at Yellowknife, Sir John Franklin school addition, is to be cancelled because we find that we made an error, we already had sought and received approval for this sum at an earlier time. That changes the total then for the vote on the first line to \$546,200, it reduces it by the \$225,000. I apologize for the mistake.

THE CHAIRMAN (Mr. Butters): Would you please repeat the new amount? You are reducing \$771,200 by \$225,000 and what is the new total?

DEPUTY COMMISSIONER PARKER: The new total is \$546,200.

THE CHAIRMAN (Mr. Butters): Have Members made that correction? Mr. Pearson.

MR. PEARSON: I wonder, at the risk of being hooted at, I wonder if we could just hop back a section to an item I barely missed under activity 5053, Yellowknife, central warehouse, \$927,000.

Revert To Activity 5053 - Supply Services

THE CHAIRMAN (Mr. Butters): You are incorrect, I do not think we have covered that yet, have we? I am sorry, would Members permit Mr. Pearson to return to that item? Is it agreed?

---Agreed

Warehouse In Yellowknife

MR. PEARSON: Mr. Chairman, just the item, I recall long discussions about this one some time ago in Yellowknife and a guarantee of \$1,100,000 I think was the amount recommended that the warehouse would cost. The question we raised at the time, or at least I pointed out, the complete lack of necessity of such a facility considering they have nothing to put into it because we went and looked at what was around the warehouse and there were scruffy old mattresses and 8000 tons of tea from Bathurst Inlet Co-op that had gone defunct. Some mattresses you would not allow your dog to sleep on, let alone a civil servant. Crappy old beds, broken mirrors, busted up chairs and a dead file system that was so dead it was lying all over the floor in a small room and for this you need \$1,100,000 ...

THE CHAIRMAN (Mr. Butters): Mr. Pearson, I think the item has already been approved by the Legislative Assembly and the funding has lapsed so I do not think that your discussion is relevant. I will let the Deputy Commissioner answer it.

MR. PEARSON: I think we would be better off and then we would know what he is talking about.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, you are absolutely right. Council debated this matter hotly on a number of other occasions. The conclusion of the debate was that the administration was supported very strongly in its desire to have good warehousing practices and the proper buildings and we received a thunderous ovation of Council and were permitted to go ahead. The only problem was that we could not get the job done before the end of the fiscal year.

THE CHAIRMAN (Mr. Butters): I can see you have the use of hyperbole too. Mr. Pearson.

 $\operatorname{MR.}$ PEARSON: Maybe you should build a warehouse with some of those things! It would be cheaper.

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

Additional Funds

MR. NICKERSON: Mr. Chairman, in January when this item was discussed before, when these funds were in fact voted, we were given the estimate at that time that additional funds of approximately \$200,000 would be needed at some future time for the completion of this warehouse. I wonder if the estimates for these additional funds still stand at \$200,000 or whether they have been upgraded so to speak, whether or not next January we will be called upon to vote for maybe \$400,000 instead of the \$200,000 over budget which we are already?

THE CHAIRMAN (Mr. Butters): I think that is a very fair question, Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman. I believe that the work we were talking about was possible future yard work around the warehouse including fencing of the yard and so forth. I do not think that the cost of that work has escalated substantially. We are very pleased in fact that we were able to bring the warehouse in on target, some small feat in these days. I am not just sure but I rather doubt it will be coming forward that soon for the additional work. It is not likely that we will be contemplating that yard work in the next budget.

THE CHAIRMAN (Mr. Butters): Thank you very much, sir. With the explanations we have received is the item satisfactory to Members? We have already approved it anyway, yes. We will proceed to page 12. On page 12 it authorizes funding in the amount of \$466,200 to provide additional funding necessary to complete the Gjoa Haven school, \$36,000 to provide additional funding for the purchase of an emergency school generator for Igloolik, \$24,000 to provide additional funding for the purchase of emergency school generator for Coral Harbour and \$20,000 for the completion of the new school, a carryover item, at Spence Bay. Mr. Nickerson.

Escalation For Cost Of School At Gjoa Haven

MR. NICKERSON: Mr. Chairman, I notice on several occasions we have dealt

with the new school in Gjoa Haven and I forget off hand how much the anticipated total cost was that was given to us in the first place, but it is my recollection, if it is right, an additional half million dollars would be a very substantial increase in the funding required for this project. I do not think we can let this one go without some serious explanation as to why these costs have escalated so greatly or, as the case might be, underestimated so much in the first instance.

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

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman. I have the serious explanation here somewhere. If I do not find it, I can still tell you what it is. The project is going to total about \$2.7 million. We did not vote the full estimated amount of the project when we went through it the first time, so what is represented here by the \$466,200 is an increase, if memory serves me correctly, of about half that. The overrun, the changes that are necessary or have been made necessary, additional costs, particularly for the moving of the beacon station there and some other changes to the site and to the building itself, have run to something between \$200,000 and \$300,000 on the \$2.7 million project.

Activity 7071 - Schools, Agreed

THE CHAIRMAN (Mr. Butters): Thank you very much, Mr. Deputy Commissioner. Any comments or questions on the items found on page 12? May I have agreement?

---Agreed

Public Services, Capital-Activity 8084, Registries

Thank you. Page 13, activity 8084 required by supplementary estimates an additional \$170,000 to authorize funding for the construction of a weigh station at Enterprise which is required to replace the present temporary accommodation. Are Members agreed? Mr. Nickerson.

MR. NICKERSON: You did not see my hand stuck up. The only thing that I want to bring up in relation to this is that when we were discussing this approximately a year ago the administration agreed to write a personal letter, so to speak, to the people who were employed at the Enterprise weigh station explaining to them what was to be done and the reasons for the delay in constructing this new weigh station. I just wonder whether in fact this letter had been sent.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I remember very well our commitment to do that and I am quite sure it was done. I know that the discussions have been held with the people themselves on the job there. I can not absolutely guarantee without checking whether it was put in writing or not. I will have to find that out but certainly I remember well the request and I know that explanations were made.

THE CHAIRMAN (Mr. Butters): Are the Deputy Commissioner's assurances satisfactory?

MR. NICKERSON: Yes.

THE CHAIRMAN (Mr. Butters): Agreed?

---Agreed

Finance, Revolving Funds, Agreed

Page 14, revolving funds. I wonder, Mr. Deputy Commissioner, could you explain the reason for this item and its inclusion here?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, in the operation of our stores accounts I think it is understood by Members that we maintain a certain level of working capital. I think the best way to look at it is as working capital and we buy a stock of goods and then we resell them internally to our various operations. For instance, the Department of Finance in fact charges out to Public Works the building materials that they need and the money, when we have a revolving fund, the money can then be returned to the stores people so that they can replace those materials that have already been used. That saves us coming back to Council all the time and bothering Council for the replenishment of these stores, because they are being used, revolved at all times. We found that the levels of working capital with the increase in prices, inflation and so forth, and to some extent increased activity are inadequate. When we establish revolving funds, we always have to make an estimate of the amount of money that we need as working capital so there are really the three elements: the experience that we need to establish the figure, the fact of inflation and the fact that the size of operations has increased. Therefore, this does not constitute new money to be spent but it gives us discretion in using it for revolving stores. You will note that we are asking for an increase of \$250,000.

THE CHAIRMAN (Mr. Butters): Thank you.

DEPUTY COMMISSIONER PARKER: On page 14, under the petroleum, oil and lubricants revolving fund, which is a separate revolving fund, we want to increase that by \$2 million.

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

MR. STEWART: I was one page ahead and I was on page 15. When that arises, I would like to speak.

THE CHAIRMAN (Mr. Butters): The two items are the same in that they only require the increased upper limit of the funds and there is no new money being voted. Any questions on this page 14? We approve the increase of the upper limit of the funds, agreed?

---Agreed

Revolving Public Stores Funds

Page 15, the funding for the revolving public stores funds. Mr. Stewart.

MR. STEWART: With regard to the inventory held at Fort Smith, could I be told what -- to get at my question more directly -- do they supply Fort Providence or Fort Resolution, Pine Point, Hay River, Fort Simpson and Kakisa Lake?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman.

MR. STEWART: Why would they go as far south as they possibly can on the road system and have to haul it all that way and haul it all the way back? Why is not a more central location used for stores than Fort Smith? Possibly Enterprise.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, as you will note, we maintain revolving stores at Enterprise as well as Fort Smith.

MR. STEWART: That is mostly for heavy duty equipment and the other stores come from Fort Smith. The point still remains that it seems ridiculous to haul it all the way by road and have to haul it all the way back. That is all. I am not questioning the amount of money.

MR. WHITFORD: Mr. Chairman, I thought there were also stores in Hay River as well. The transit unit, as it was called, was in the government yard or the government compound there. Am I wrong that there are no more stores in Hay River?

THE CHAIRMAN (Mr. Butters): Mr. Deputy Commissioner, did you hear that question?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, yes. I do not think we operate a revolving store at Hay River. There may be some things stored there and I am sure there are but it is not operated as a manned stores operation.

MR. WHITFORD: Mr. Chairman, they had a supply, or a purchasing agency in there a couple of years ago.

Revolving Public Stores Funds, Agreed

THE CHAIRMAN (Mr. Butters): Any further questions? Are you agreed to page 15?

---Agreed

Could we then return to page two, and I will just get the corrected total of all the capital items we have approved. If I can write it down we can get approval on the total of all the capital items. Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: The figure that has to be changed, total appropriations on the line in the middle of the page, the new figure is \$5,442,000 and that replaces the figure \$5,592,000.

THE CHAIRMAN (Mr. Butters): Do Members have that? Do you approve the total?

---Agreed

Executive, 0 and M - Activity 1010, Executive Offices

Thank you. If we could turn the page to page three, which is the beginning of the operation and maintenance aspect of the supplementary estimates, activity 1010, the Executive offices, and we approved in January an amount of \$875,900 and there is a request for an additional \$165,000 under the supplementary estimates for additional funds required to provide for increased travel and operating costs for the Executive office, and to cover increased security service fees. Is it agreed?

---Agreed

Activity 1014, Public Functions

Activity 1014, public functions, an amount of \$80,000 required and the additional funds are required as a result of the increased visits by dignitaries and the necessary functions associated with these visits. Mr. Nickerson.

MR. NICKERSON: I wonder if we could have some explanation as to why the initial estimate was so low, relative to the final amount of money that is involved? Would I be correct in thinking that most of these are for holding dinners and this type of thing? It would seem to me that we are spending an awful lot of money for these kinds of functions, and I do not really know if they are really that effective, if we really get that much out of them. Maybe we should kind of moderate things a little when we are dealing with VIP's visiting Yellowknife or visiting the territories.

THE CHAIRMAN (Mr. Butters): Thank you very much. Mr. Deputy Commissioner, do you wish to reply?

Costs Of Functions

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the problem, I guess, is that over the years we have made very great efforts to keep these expenditures in line and they have increased because costs have increased, but we have not increased the number of functions and, in fact, if anything, they tended to decrease a bit over the years. However, the costs of functions have gone up very, very substantially along with other things, and we have not really

faced facts and budgeted accurately for the last three or four years. We have held this at an artificially low figure for about that period of time. So we are really just recognizing facts now by asking you for this increase.

THE CHAIRMAN (Mr. Butters): There was a second part to Mr. Nickerson's question, whether or not you felt you were getting value for money spent or some such words to that effect.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, that is a subjective view, it is very difficult to say. Many of the things we do feel we must do and frankly I think we do get pretty good mileage. The maintaining of good working relationships can be pretty important, especially when we are dealing with a budget that is now running in excess of \$200 million.

Activity 1014, Public Functions, Agreed

THE CHAIRMAN (Mr. Butters): Thank you, sir. Are Members agreed to activity 1014, public functions?

---Agreed

Activity 1015 - Clerk Of The Council

Activity 1015, the office of Clerk of the Council. The supplementary estimate is \$175,000, to provide additional funds to cover increased Legislative Assembly costs as a result of the Rankin Inlet session and increased travel costs of Legislative Assembly Members. Is it agreed?

MR. NICKERSON: I do not know if it would be fair to ask us if we are getting value for the money in this case, Mr. Chairman.

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

---Agreed

Local Government, O and M - Activity 2022, Municipal Affairs

Thank you. Now, page four, Local Government, operation and maintenance, activity 2022, items for an amount of \$1,334,600 which consists of items as follows: \$260,000 to provide additional funding to supplement hamlet operating grants as a result of hamlet status being established for the communities of Sanikiluaq, Whale Cove, Igloolik and Arctic Bay; \$42,000 to provide funding for mucicipal services to be delivered to the Hay River Indian reserve; \$65,000 additional funding for road maintenance in Resolute Bay as snow clearing is a problem which was not anticipated and a supplement was required in 1975-76 and will continue until capital equipment is acquired; an item of \$450,000 to provide additional funding for municipal services as a result of increased cost of services and population growth. This supplement was voted in 1975-76 and will properly adjust the main estimates to reflect actual required expenditures. The total is \$817,000. The remainder of the money in this vote is not new money required but the transfer of money already approved by the Assembly to other programs. Any comments?

MR. NICKERSON: I have one question regarding the first item, the \$260,000. I presume this to be money which is now to be granted to the hamlets so that they can go about performing those services which, prior to the granting of hamlet status, would have been carried out by the territorial government. If this is in fact the case, I would imagine there would be no real increase in costs of running the settlement because, after all, it is the same size and very much the same services are being provided. So should not this \$260,000 show up as a credit item somewhere else?

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

DEPUTY COMMISSIONER PARKER: That is the case with the items on the bottom half of the page, these in fact could show up as a credit item in other departments. In past years we have generally voted them as a decrease, if you can vote a decrease in a budget to accommodate transfers. I am advised this year, by Assistant Commissioner Mullins, that that procedure gains us little and so for accounting reasons we are not reducing the votes in other areas. You know, it is just an internal matter whether we do or do not do that.

However, with regard to this first item, this is an enrichment of service to these hamlets in the neighbourhood, as you can see, of about \$14,000 apiece. We find that they are simply underfunded to carry out their responsibilities. I suppose this comes about in two ways. It is probably a little more expensive to do the work through the hamlets in the initial year because undoubtedly there are some things that the government has been doing for the hamlets that they have not really been able to identify, certain things by some officers whose time is charged to something else. So there is that side of it, and the other side is that again with inflation we think that we have underestimated the costs of running these hamlets and they can not exist on what we are prepared to transfer them at this time, particularly when it occurs part way through the fiscal year.

Activity 2022 - Municipal Affairs, Agreed

THE CHAIRMAN (Mr. Butters): Are there any further questions or comments on this sum? This is on page four, activity 2022 and the transfer of money. Are there any comments on any of the items under activity 2022? Do I have approval? Is it agreed.

---Agreed

Activity 2024 - Town Planning And Lands

One more page, with your patience, page five, activity 2024, town planning and lands, an item in the amount of \$135,000 of which \$20,000 is to provide funding to complete the Arctic Bay planning study which was initiated in 1975-76, and the remaining \$115,000 of the vote is for additional funding to enable town planning to implement a general development plan for communities in the territories with direct community involvement. This would initially be in the communities of Coppermine, Eskimo Point, Pangnirtung, Pond Inlet, Frobisher Bay and Fort Rae.

Mr. Nickerson.

MR. NICKERSON: Mr. Chairman, what is a general development plan? Would this be a separate plan for each community or is it some overriding regional type of plan?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, it is in fact a separate plan for each community. It refers to a general development plan for each community.

MR. NICKERSON: Oh.

THE CHAIRMAN (Mr. Butters): Thank you. Mr. Nickerson, is that satisfactory?

MR. NICKERSON: That is fair enough.

THE CHAIRMAN (Mr. Butters): If there are no further comments on this activity 2024, \$135,000, may I have agreement?

---Agreed

That completes the operation and maintenance part of the supplementary estimates, and the total for that is an additional -- I understand it would be the total of those items which we approved under operation and maintenance and that is shown on page one in the centre of the page, \$1,889,600. Is that correct, Mr. Deputy Commissioner?

DEPUTY COMMISSIONER PARKER: That is correct, Mr. Chairman. I misled you a few minutes ago when you asked me for the total on page two for all capital items. I am sorry, I gave you the total for all items, the corrected total for all capital and operation and maintenance items which was \$5,442,000. Mr. Chairman, the total for all capital items is \$3,552,400.

THE CHAIRMAN (Mr. Butters): It is \$3,552,400?

DEPUTY COMMISSIONER PARKER: Yes, \$3,552,400.

THE CHAIRMAN (Mr. Butters): Thank you, sir. May we have approval for the total of the operation and maintenance aspect which we just discussed, the \$1,889,600? Is it approved?

---∧greed

If we could then go to the part of the bill, and I do not wish to be caught as I was before with a blank in clause 2, Mr. Deputy Commissioner, I shall then put in the total which you gave me, which was \$5,442,000. Is that correct?

DEPUTY COMMISSIONER PARKER: That is correct.

Clause 2, Amount Granted For 1976-77, Agreed

THE CHAIRMAN (Mr. Butters): Thank you, sir. Then on the first page on the bill, we go to clause 2, and this is the usual form of our appropriations and budget clauses, it is very complicated, and clause 2 just indicates the amount that will be paid under supplementary estimates as we have approved of \$5,442,000. Is clause 2, amount granted for 1976-77, agreed?

---Agreed

The remaining clauses in the bill are exactly the same as we approved with each budget item. Clause 3, purpose and effect of each item, retroactive, agreed?

---Agreed

Clause 4, lapsing of appropriations, agreed?

---Agreed

Clause 5, transfer of moneys and accountable advances, agreed?

---Agreed

Clause 1, short title, agreed?

---Agreed

The Bill 6-60 as a whole?

---Agreed

May I report Bill 6-60 ready for third reading to the Speaker?

---Agreed

MR. SPEAKER: Mr. Butters.

Report of the Committee of the Whole of Bill 6-60, Supplementary Appropriation Ordinance, No. 2, 1976-77

MR. BUTTERS: Mr. Speaker, your committee has discussed Bill 6-60, Supplementary Appropriation Ordinance, No. 2, and it is ready for third reading.

MR. SPEAKER: Thank you.

Members, you will recall that you gave the Speaker discretion to extend or alter the sittings. Is it your wish that we do anything else this evening? Mr. Whitford.

MR. WHITFORD: Mr. Speaker, I believe the chairman of the finance committee has called a meeting this evening. Do I stand to be corrected?

MR. LAFFERTY: Yes.

MR. SPEAKER: Mr. Lafferty, do you have a meeting with your finance committee this evening?

 $\mbox{MR. LAFFERTY:} \mbox{ I just sent a note to the Clerk of the House that I cancelled that one until tomorrow evening.}$

MR. SPEAKER: Cancelled it until tomorrow evening, so there is no finance committee meeting this evening?

MR. LAFFERTY: Not this evening.

MR. SPEAKER: There is a rules committee meeting, Hon. Arnold McCallum, but there are so few involved in that that we can get the Members when convenient. Mr. Butters.

MR. BUTTERS: Mr. Speaker, possibly as we have time until 7:00 o'clock p.m., at which time there is an engagement for all of us, we might continue with the business of the house. We can proceed with the orders of the day. Possibly the matters arising out of the recent tour of the Legislative Assembly to the State of Alaska.

MR. SPEAKER: If you want to proceed for a short while, gentlemen, I was going to suggest we deal with the matter of -- we do not even have it on the orders of the day. I was thinking of the matter of the legislation affecting the imposition of the hotel tax in that we do have someone here from Yellowknife who has travel arrangements to get back, and we have tried to accommodate the Bell Canada people and -- who were the others? I just do not know if we would have -- we would have to have unanimous consent to put it on the order paper. Agreed?

---Agreed

What bill is that, Mr. Remnant?

CLERK OF THE HOUSE: Bill 4-60, sir.

MR. SPEAKER: Bill 4-60. Is that not the bill, Deputy Commissioner Parker, Bill 4-60, an ordinance to authorize an accommodation tax?

DEPUTY COMMISSIONER PARKER: Accommodation tax in the Northwest Territories? Yes.

MR. SPEAKER: Is it agreed we begin consideration of this bill, gentlemen? Agreed.

---Agreed

This house will resolve into committee of the whole for consideration of Bill 4-60, Accommodation Tax Ordinance. Which one of you gentlemen would like to take the chair? Mr. Butters in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Bill 4-60, Accommodation Tax Ordinance, with Mr. Butters in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 4-60, ACCOMMODATION TAX ORDINANCE

THE CHAIRMAN (Mr. Butters): Your committee will come to order to consider Bill 4-60, An Ordinance Authorizing the Imposition and Collection of a Tax on Public Accommodation in the Northwest Territories. I am advised that we have in the house, Mr. Harvard Budgeon, president of the Northwest Territories Hotel Association, and he has journeyed to Rankin Inlet to be with us when we discuss this matter should we require his assistance. May I ask him to join us at the witness table?

---Agreed

Mr. Budgeon, would you advance and join us? If the Sergeant-at-Arms might ensure that the translation devices are hooked in, I thank you. If you are ready, sir, if we could ask the administration to give us an indication of the purpose of the bill and some of the history which has produced the legislation before us. Should we require assistance from Mr. Budgeon, he can contribute to the debate. Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, between two and three years ago, two recommendations to Council were placed before Council, one recommending a tobacco tax and the other recommending an accommodation tax. The purpose in placing those recommendations to Council, the purpose in bringing them forward was to raise additional revenue to meet the ever increasing requirements for revenue in the Northwest Territories, to meet the increasing expenditures. Although the sums involved in either of these operations were not terribly substantial when compared to our total budget, it was seen to some extent as a matter of principle that in order to take steps forward along the route of constitutional development that the revenues of the territories had to be increased. This item was debated at that time and the tobacco tax was recommended and later instituted, but the accommodation recommendation was set aside at that time. We have felt as expenditures continue to rise that we should put this matter before the Legislature again to determine your wishes. It is the administration's recommendation that we proceed with this tax because we feel that it will not impose a great hard-ship on northern residents and will indeed produce funds which we require and the funds will come mostly from people who are visiting the Northwest Territories.

Tax Prevalent Throughout Canada

One further thing I think that must be kept in mind is that this form of taxation is prevalent throughout Canada, I think with the exception of Alberta. I would not wish to say anything more in detail, but at an appropriate time we would like very much to have the opportunity to have Assistant Commissioner Gary Mullins up here at the table, either with or following Mr. Budgeon, because he is in a position to supply additional information and perhaps additional arguments.

THE CHAIRMAN (Mr. Butters): Would Members agree if we invite Assistant Commissioner Mullins to join us at this time?

---Agreed

Assistant Commissioner Mullins, would you approach and join us? Mr. Nickerson.

MR. NICKERSON: Mr. Chairman, I think I should mention at this time that this bill, together with the other legislation that is to be introduced this session, was dealt with by the standing committee on legislation. Unfortunately, at the meeting we had one impartial chairman and two members of the Executive, so, of course, we were unable to discuss the matter of principle, whether or not the bill should in fact be presented, whether we agreed with the idea of imposing a bed tax. We did not approach that problem, knowing that we obviously could not come to a decision and then pretend to have the general support of the whole house, so our deliberations were concerned mainly with the details and a few fairly minor amendments to the wording of the bill. We agreed to bring this matter to your attention, that there should of course be a full discussion on the desirability of the bill as a whole.

THE CHAIRMAN (Mr. Butters): Any further general comments regarding the bill? Mr. Stewart.

Depressed Economic Situation

MR. STEWART: Thank you, Mr. Chairman. I believe, due to the depressed economic situation particularly in the Mackenzie Valley, that this is a very inopportune time to introduce legislation of this type. I believe the charges being made now are more than the traffic can bear. Not that I am against such a tax, but I do not think the timing is right. If the pipeline or some large activity were in operation, then I think probably it might be in order. It would be in order in Yellowknife at the present time, but inasmuch as "hotel" includes hotel, motel, lodge, and such other premises as may be designated by the Commissioner, it covers a lot of businesses that are just starting to get on their feet and, due to the economic climate, they are not doing that well in a lot of places. I think that this bill would be damaging to the territories at this time.

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

MR. PEARSON: I wonder if we could get some indication from perhaps yourself, Mr. Chairman, of -- I seem to recall a similar bill being presented to the previous Legislative Assembly which was, I think, rejected by them, and it never got further than the investigation stage.

THE CHAIRMAN (Mr. Butters): I understand the Deputy Commissioner has confirmed that is the case. Do you wish to enlarge on that situation, Mr. Deputy Commissioner? That was not passed?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I guess Mr. Pearson missed those remarks in which I explained the background. The recommendation to Council to have an accommodation tax was brought forward between two and three years ago and Council rejected it. We are bringing it forward again.

THE CHAIRMAN (Mr. Butters): Thank you. Hon. David Searle.

HON. DAVID SEARLE: Mr. Chairman, I would be pleased to hear from Assistant Commissioner Mullins with respect to the amount of money hoped to be raised from this tax and the calculations that were used to arrive at those figures, if I might, please.

THE CHAIRMAN (Mr. Butters): Assistant Commissioner Mullins.

Amount Of Money To Be Raised

ASSISTANT COMMISSIONER MULLINS: Thank you, Mr. Chairman. The basic figures which we have used are an average cost per night in hotel rooms in the Norhtwest Territories of \$40. This is assumed to be the average hotel bill. We have used hotel rooms -- 1100 hotel rooms with an occupancy of 60 per cent. These are for the hotels, and we have as well surveys of lodges. Lodges from a previous survey in 1975 indicated that an average of seven nights per guest were stayed for a total of 4800 guests, which represents a total capacity of the industry, if you use your 72 per cent capacity for your lodge industry, during the lodge season, and that would be a total of 3500 guests. We are assuming that an average of 33,600 guest nights and the accommodation portion of the bill for lodges, because lodges include both accommodations and meals, the accommodation portion at \$40, for a total lodge revenue of about \$1,300,000, and therefore a total lodge tax revenue of about \$67,000.

If we include the \$67,000 for lodges combined with the \$455,000 for hotels, we get a total in the neighbourhood for 1975 of \$520,000 roughly. We are assuming some growth in the number of bed nights and some increase in rates, so therefore, our figures for 1976 are in the neighborhood of \$575,200.

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

HON. DAVID SEARLE: I am wondering if we might now, with those statistics in mind, ask Mr. Budgeon if he would like to indicate whether or not the organization which he represents would agree with those calculations.

THE CHAIRMAN (Mr. Butters): Could you reply to that question, please?

Experts In The Industry

MR. BUDGEON: I am afraid we do not agree. The figures that we dispute are based on our knowledge from working within the industry and our knowledge as being experts in the industry. The percentage occupancy we estimate across the Northwest Territories at this time, and we do not see any potential increase, is 50 per cent on an annual basis. The average room revenue per night we estimate at approximately \$35. This is based on a lot of calculations in regard to special rates that are given to groups during off-season months and, as we all know, there are very many off-season months. It also takes into account the fact that several operations are now issuing a ten per cent discount to government personnel, both federal and territorial. So, if one is analyzing the rates of accommodation in the Explorers Guide I would say they are considerably distorted. We also do not agree on the total number of rooms. The government suggested that to arrive at their figure they used the Explorers Guide and we used the Explorers Guide too, but kept in mind the fact that several outlets that were listed there are no longer in existence and some of them are seasonal-type operations. So, working it out at 1000 rooms at 50 per cent occupancy and \$35 a night, with a five per cent tax on that, we come up with \$319,375 tax dollars.

For lodges I used the figure I first received from the government in regard to 23,800 taxable lodge nights but we disagree on the \$40 average per night. I have conferred with several of the major lodge operators and their first reaction is that it is very difficult to assess what the actual group of the fee is, but they generally work out their rates on a daily basis and then extend it to a weekly basis for a seven day stay, but that fee includes rooms, it includes gas for motors, it includes the rental of motors and equipment and boats, it includes guide service, the preparing of fish, the freezing of fish, the packing of it, and we think we would be very generous to suggest that \$25 is the average room portion on the lodge end of it. Assuming that at five per cent we come up with a tax revenue of \$29,750 plus a net tax revenue after the government's estimate in operating costs, which is very questionable again, of \$307,125 which is roughly half of the government's estimate.

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

HON. DAVID SEARLE: So, what we then have on the one hand is a government estimate of between \$525,000 to \$600,000 in tax and an industry estimate on the other hand of approximately \$307,000 or roughly half. The other thing that interests me, and I think I would like you to indicate to Members how you see this sum, or what segment of society you see this sum coming from, Mr. Budgeon.

Specific Groups Who Will Pay The Tax

MR. BUDGEON: I have that in my presentation. There are specific groups of people who will pay this tax and if I could read from my presentation on that. The two levels of government represent a substantial portion of room business in the North and of course there is no tax profit to be made there. The territorial government will simply be exchanging dollars between departments. The federal government will take a look at its granting policy and will in fact reduce its grants, possibly by the percentage of the tax collected from federal travel.

The southern businessman will be taxed. He is the fellow who is already aware of the fact that he is being heavily taxed in order to support the North, as we heard earlier in excess of \$200 million. He is also the fellow who, like it or nct, helps to keep the North moving. He builds our buildings, paves our roads, supplies us with goods essential to our existence. So, the industry feels that we really can not justify penalizing him through a second tax.

The last group of people who will have to pay this tax are the true northern people travelling in the North. Groups such as the Inuit Tapirisat of Canada, the Indian Brotherhood and the Metis Association will be forced to pay this tax and can we justify any of this?

HON. DAVID SEARLE: What approximately would you estimate to be the government percentage of that?

 $\ensuremath{\mathsf{MR}}\xspace.$ BUDGEON: It could approach 40 per cent of the room business in the North.

HON. DAVID SEARLE: Mr. Chairman, if I may just say this is a thing that impresses me. If you are down to \$307,000 in tax as opposed to \$600,000, or even if you are at the \$600,000 level and then you say that roughly 40 per cent are government people, well, take the \$600,000 figure, and 40 per cent of that is \$240,000. So, that is just money that is going in and coming out in that the government has to pay it and collect it back. Do you see what I mean? If it is, of course, the \$307,000 figure then you have \$120,000 of that which is going in and coming out in tax, and that is the difference. So, the question, I guess, is really, whichever figure you take, whether or not at this point in time -- and this brings me back to Mr. Stewart's point and that is do you want to impose this tax at this time when you are talking about such a small amount of tax in terms of the net position?

Implementation Of The Tax

Of course the brief says that we should not but I think that is the issue, Mr. Chairman, do we want to impose a tax that really does not net the government that amount of money, or that great an amount of money? Is it timely to do that? Certainly, if you had the approval of a pipeline and 15,000 people moving in and out then maybe you might want to catch a bit of that oil money, but we are not quite there yet and maybe this is the sort of legislation that should simply be held in the bullrushes until we know whether or not we do have a pipeline and then nip it in at that time. It is a question of whether or not it is timely. I think if I could suggest that is maybe what we should discuss in principle before we proceed with the clause by clause study of the bill.

THE CHAIRMAN (Mr. Butters): That is what I was going to suggest, that is what was coming to me out of this suggestion, and to repeat it again, the decision or the discussion of Members now should be as to whether or not we wish to see such a tax as indicated implemented at this time. Mr. Nickerson.

MR. NICKERSON: Mr. Chairman, it would seem to me that there is a good deal of opposition from the hotel people to this tax. Now, normally when a tax on tobacco is levied there is not that much opposition because everybody -- all it does is increase the price to the consumer and it leaves the retailer's profit the same as it was before. So, they really do not object that much. However, what surprises me is the opposition from the hotel association to something which, on the face of it, would not really affect their revenues. This would lead me to believe that the Northwest Territories Hotel Association and the Northwest Territories Tourist Association think that the imposition of such a tax would cut into their business. This does not happen with cigarettes, because people will buy a package of cigarettes whether it is one dollar or one dollar and ten cents, but it seems that the hotel people think that by the imposition of this tax, it will have a serious effect on the volume of their business, and I wonder, Mr. Chairman, if it would be possible for Mr. Budgeon to give us his ideas on this subject and whether he agrees with my assessment.

THE CHAIRMAN (Mr. Butters): Thank you very much. I did not notice if we had anything from the Northwest Territories Tourist Association as such but the Northwest Territories Hotel Association I think has also taken some umbrage with the legislation.

MR. BUDGEON: I am also chairman of the Northwest Territories Hotel Association, the Travel Industry Association of the Northwest Territories and ...

THE CHAIRMAN (Mr. Butters): So that you can ...

MR. BUDGEON: I can give you a pretty good cross section of their feeling here.

THE CHAIRMAN (Mr. Butters): What is the concern of the Northwest Territories Hotel Association.

Canadians Pricing Themselves Out Of The Tourist Market

MR. BUDGEON: If I could read again from my presentation. There is currently a great concern shown by the national Travel Industry Association as well as the Canadian Government Office of Tourism. It appears that there is a very real possibility that Canadians are pricing themselves out of the tourist market. But the industry in the North is hamstrung. Unless percentage occupancy rates go up, prices for accommodation in the North will continue to soar. Without the effect of promotion ...

THE CHAIRMAN (Mr. Butters): I regret -- I should indicate to you that your words are being translated as you speak and the speed which you are reading is beyond the ability -- it is much too fast for the translators to handle.

MR. BUDGEON: I will read slower as I did take the liberty of giving the translators a copy of the presentation so if they want to look on page two I will start at the top again. There is currently great concern being shown by the national Travel Industry Association, as well as the Canadian Government Office of Tourism. It appears that there is a very real possibility that Canadians are pricing themselves out of the tourist market. But the industry in the North is hamstrung. Unless percentage occupancy rates go up, prices for accommodation in the North will continue to soar. Without effective promotion our percentage occupancy rates will not rise.

Convention Business

The current lack of a tax on accommodation is one of the few advantages we have when making a bid to a convention prospect. We are not saying that the five per cent bid tax will be the straw that breaks the camel's back, but it will certainly help. Soon we may find these groups entirely beyong our reach. It is already very difficult to compete with southern locations for this type of business. Convention business is big business as far as a community is concerned. It has been established that the average convention delegate spends in excess of \$175 during his or her stay. Only 30 per cent of that amount goes directly to the hotel. The rest goes to retail outlets and related service industries. A busy hotel has a spin-off effect that helps keep many businesses in existence. We feel that the industry will be unnecessarily threatened by the imposition of a five per cent tax at this time.

THE CHAIRMAN (Mr. Butters): Does that answer your question, Mr. Nickerson?

MR. NICKERSON: Yes, sir, I think that it is quite apparent that the Northwest Territories Hotel Association do fear a great -- not "a great", but a substantial and measurable decrease in the volume of business were this tax to be imposed.

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

MR. STEWART: Mr. Nickerson's comparison of the normal cigarette tax and the normal type of tax is generally in the retail field, and that becomes part of cost to the retailer and he makes his mark-up on top of that, I mean, that becomes part of his mark-up range. So, the higher it goes, the more profit he makes but this other is an entirely different proposition and you really can not compare the two. They are apples and oranges. Thank you.

THE CHAIRMAN (Mr. Butters): Thank you. Assistant Commissioner Mullins, is there anything that you have heard that you wish to add or speak to?

The Administration's Opinion

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I would like to make two points if I might. The first point is that we have done a fairly rough calculation of the amount of tax, room tax that territorial public servants would pay if this tax were introduced. In the last fiscal year the audited financial statements indicated that this government spent \$1,067,000 on travel other than for transportation. In other words, for hotels, meals, taxis but not including air fares. If we assume that a third of this is for meals at the rate which public servants were allowed last year of \$15.25 per day, and that all of the travel was within the Northwest Territories, which is a generous assumption, then the total amount of money that territorial public servants would have paid in taxes would have been \$36,000. If we assume 75 per cent of the travel within the Northwest Territories, then \$27,000 would have been paid by territorial public servants. We are talking something, if we broadened the scope, then it varied generally between \$25,000 and \$40,000 is all that would have been paid last year for the accommodation tax had it been in effect during that time and that is on the basis of figures audited by the Auditor General.

The second point that I think I should make is that when the Hon. Judd Buchanan addressed this Assembly in January of this year, he referred to the fact that the Government of Canada and the Government of the Northwest Territories were moving toward a government to government relationship in its financial arrangements. In the discussions in the intergovernmental committee on finance at the moment it is clear to us that if this tax were imposed it would not by any means be automatically deducted from the grant we would receive from the federal government so that the net effect of the tax on the revenues of the Northwest Territories would only be affected by the amount of the accommodation tax paid by territorial public servants in the neighbourhood of \$25,000 minimum and about \$40,000 maximum.

The next point that I might make is that part of the dispute, and I think a considerable part of the dispute between the representatives of the three associations and the government in the calculation of the revenue on hotels is related to the year for which the assumptions are made. I think that we as an administration are being fairly generous if we assume an average of \$40 per night for the fiscal year beginning April 1st, 1977. Our figures are calculated, our figures for \$525,000 to \$600,000 are calculated on assumptions being made for next year. I think if we review quickly the hotel rates in effect now in various communities in the Northwest Territories that \$40 would not be an unrealistic figure for 1977-78 fiscal year which is the year for which our calculations relate.

THE CHAIRMAN (Mr. Butters): Thank you very much. Comment for Members. We are again discussing whether we would approve the levying of the tax or whether it is not applicable or not maybe the best time to bring such a tax in. Mr. Pearson and then Mr. Whitford.

MR. PEARSON: Mr. Chairman...

THE CHAIRMAN (Mr. Butters): I am sorry, I saw Mr. Pearson first.

MR. PEARSON: I sent you a message a long time ago.

THE CHAIRMAN (Mr. Butters): I know.

Collection Of The Tax

MR. PEARSON: One of the questions I have, and I voted against this at the last Assembly session, and I ask the same question again. How do they plan to collect this tax? Do we envisage another bureaucracy developing, another floor on the Arthur Laing building, the hotel tax collecting department which has an army of little people who go marching around the hotels inspecting them and making sure they are not hiding beds under the stairs, they go around to all the communities which are trying to establish these transient centres where people like Mr. Evaluarjuk operate a small guesthouse? How do they plan to collect it and what do you estimate the total cost of collecting those taxes will be in setting up the department and probably a director of hotel tax collecting, secretaries and probably three or four vehicles at least.

ASSISTANT COMMISSIONER MULLINS: Thank you, Mr. Chairman. I have discussed the cost at considerable length with the officials of the Department of Finance who had been involved in the revenue area. It is envisioned that the time in man-year terms of collecting the tax, auditing the statements, etc., is one man-year of activity. We cost out our man-years of activity at something around \$35,000, inlcuding transportation and overhead.

THE CHAIRMAN (Mr. Butters): Thank you.

MR. PEARSON: While the light is still on, there would be no inspection of the premises in question, of the various establishments?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, there will be auditing from time to time of the hotels and their books. This would be carried out by our existing territorial auditor's staff, at the same time they do the audit of government books in various communities, audit of hamlet and village books, etc.

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

Estimate Of Cost Figures

MR. NICKERSON: The question I was going to ask was -- sorry, Mr. Whitford -- was merely this. Are Mr. Budgeon's figures for the 1977 year as are the administration's figures or are they for a different year? If they are for different years, then it is obviously difficult for us to compare the two.

THE CHAIRMAN (Mr. Butters): Mr. Budgeon, you understood the question?

MR. BUDGEON: No, I am sorry.

THE CHAIRMAN (Mr. Butters): Are you using the same estimate of cost figures as the administration which I understand...

MR. BUDGEON: The first year of the potential tax, 1977 to 1978.

MR. NICKERSON: Then both gentlemen are talking about estimates for the same year?

THE CHAIRMAN (Mr. Butters): That is my understanding, they are both working on 1977-78. Mr. Whitford.

MR. WHITFORD: Mr. Chairman, I was just concerned. I do not think it was quite clear from what Mr. Pearson had asked in terms of the taxes to the small motels. I do not think I got the idea.

THE CHAIRMAN (Mr. Butters): I stand corrected. The categories of hostelry which would be required to pay such taxes may not have been as clearly outlined or defined as they might be. Possibly Assistant Commissioner Mullins might assist us. Assistant Commissioner Mullins, there was a question or a reply requested regarding the categories of hotels or lodges, whatever it would be that would be required to pay the tax. Mr. Pearson indicated that some very small types of lodges or overnight stations -- are these to be included in your tax situation?

ASSISTANT COMMISSIONER MULLINS: I am sorry, Mr. Chairman, that I did not hear the question originally. Mr. Chairman, as the Accommodation Tax Ordinance is now drafted, as the bill is now drafted it would include very small lodges, that is correct.

MR. WHITFORD: Mr. Chairman, what I was trying to get at would have been do they know a rough cost of what it would be per year for the small motel? I am not talking about the large hotels in Yellowknife or Hay River but in such places as Igloolik or Fort Resolution. There is a motel in Resolution and the guy makes a bit of money at it but I think the profit he is making is more or less put back into the business because it is only a four room motel. Have we got figures that would indicate what these taxes would be for such a place or an idea?

ASSISTANT COMMISSIONER MULLINS: If one assumes that the small lodges have something in the neighbourhood of six or seven guests during the summer for a total of ten weeks each, we are talking something like 70 guests nights, taking Mr. Budgeon's figure of something like \$30 per night and multiply that by five per cent we come out to \$3500 and five per cent of that would be \$150 or \$200 tax. The tax would not be large on the small enterprises.

MR. WHITFORD: \$200 is a lot of money, Assistant Commissioner Mullins.

Impact Of The Tax Being Proposed

ASSISTANT COMMISSIONER MULLINS: I guess the question, Mr. Chairman, is what is the impact of the tax being proposed? The impact of the tax being proposed, as I understand it, would not affect the rates charged by operators in the Northwest Territories. The only province that does not have a tax at the moment is the province of Alberta and the proposal placed here is to put ourselves at the minimum tax rate for any of the other provinces of Canada. We can go very quickly over, if you like, the rates being charged in accommodation for the other parts of Canada. The rate for the province...

THE CHAIRMAN (Mr. Butters): Do Members wish to hear rates being charged in other provincial jurisdictions? I will come back to you, Mr. Budgeon. We will hear the rates and then I will recognize Mr. Stewart. Proceed with the rate schedule.

ASSISTANT COMMISSIONER MULLINS: The rates are ten per cent in Newfoundland, eight per cent in Prince Edward Island, eight per cent in Nova Scotia, eight per cent in New Brunswick, eight per cent in Quebec, seven per cent in Ontario, five per cent in Manitoba, five per cent in Saskatchewan

and eight per cent in British Columbia. If we are competing, Mr. Chairman, with these other provinces for tourists, the administration has attempted to do so in such a way that it would not make the Northwest Territories unattractive as a travel destination.

THE CHAIRMAN (Mr. Butters): I will recognize Mr. Stewart and then get back to you, Mr. Budgeon.

MR. STEWART: The point relative to Alberta being the only province in Canada that does not have a bed tax, they are also the only province that do not have a sales tax. We could investigate them. I am not positive of that but I am pretty near positive that is the only province that does not have a sales tax on food and all other items. It seems to me there are certain things we require to live. Food is one of them and a place to sleep is another. It seems to me we are getting with this type of taxation ever and ever closer to the day when we are to be talking of an over-all five or ten per cent tax on all living commodities. I realize we have to raise money and we have to do it by whatever methods we can use. Personally I think we have to leave the essentials alone and I count a bed as one of the essentials. If we have to raise money, then I think that although liquor is high enough and tobacco is high enough, these two commodities we can live without and if we have to raise tax dollars that is where it should come from.

MR. PEARSON: Hear, hear!

MR. STEWART: Leave essentials alone and I count a bed as an essential.

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

Rates Across Canada

MR. BUDGEON: The question I wanted to direct to Assistant Commissioner Mullins is relating to the rates across Canada and that is what do they start at? I am sure they did not start at eight per cent or ten per cent. I am pretty sure they started at two per cent or three per cent and worked up. The impact of a sudden five per cent on top of already -- rates are considered already out of line, but we must do it in order to survive and that is different than what the other provinces do.

THE CHAIRMAN (Mr. Butters): Have you an answer, Assistant Commissioner Mullins?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I do not have a detailed answer to that question. Mr. Budgeon is quite correct when he indicates that sales taxes generally in the provinces were initiated at lower rates than five per cent, eight per cent or ten per cent. However, in provinces such as British Columbia for a number of years hotels were not taxed as part of the retail sales tax and were only subsequently brought into this scheme. When they were brought in the scheme they were tended to be brought in at the same rate as the then prevailing sales tax. So, in many provinces the conversion was 20 or 25 years ago to a small sales tax and gradually to a larger sales tax and then to the inclusion of an accommodation tax at the then prevailing rates. So, for many hotels the process was a direct one from zero per cent to five per cent or six per cent. I might also add that the hotel guests in the provinces, in many cases, but not all, are charged the same percentage on their hotel meals above a certain amount and of course this particular form of tax is not proposed by us at this time.

THE CHAIRMAN (Mr. Butters): Thank you. Mr. Whitford and then Hon. David Searle.

MR. WHITFORD: Mr. Chairman, in light of the added cost on these small communities, I believe we could get the money back from the hotels, the large hotels anyway through sports, recreation or whatever and I would prefer to move a motion now opposing the tax legislation or defer it to a later date, but I would prefer at this point in time to make a motion and object to the tax.

THE CHAIRMAN (Mr. Butters): Possibly I might hold your motion until we hear from Hon. David Searle and then I will accept it. Hon. David Searle.

Not An Appropriate Time

HON. DAVID SEARLE: The only point I wanted to make I think was after hearing the discussion. It seems to me that with the economy of the Northwest Territories being at least as bad as the rest of Canada, certainly that is what we said to the National Energy Board, it does not seem to be the appropriate time to me to be putting such a tax into force and effect. That is the only thing that I argue with, the timing. I would agree that there will likely come a time and it may not be in the too distant future, and it would be probably when you got a pipeline going and the volume of traffic and fuller hotels, that is the time to whack it in. So, for those reasons I personally oppose its imposition at this time.

THE CHAIRMAN (Mr. Butters): Mr. Pearson has promised a wee comment and then Mr. Budgeon and then I will pick up Mr. Whitford's motion.

MR. PEARSON: Just to say that it was in this Assembly recently where we had this tremendous furor when the government, the federal government decided to impose a tax on airports and, you know, we reacted at that time to that type of tax, and still are reacting to it and there are tremendous objections in my constituency to that one and I feel exactly the same about that as I do about this.

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

MR. BUDGEON: I just wanted to point out that the industry's point of view is similar to what Hon. David Searle just stated, we are opposed to the tax at this time. We would like to see the motion tabled until the tax base is broad enough to support a smaller tax and then, with the revenues collected some view be put toward increasing the budget on tourism, on tourist

development, or tourist promotion rather, but our opposition is to imposing the tax at this time.

Motion To Not Accept The Proposed Hotel Taxation

THE CHAIRMAN (Mr. Butters): Thank you very much. The motion I received from Mr. Whitford reads thusly: I move that this house does not adopt the proposed hotel taxation legislation at this time. Mr. Nickerson.

MR. NICKERSON: Mr. Chairman, I would speak in support of the motion moved by Mr. Whitford. We all recognize the necessity of raising more of our own revenues in the territories and I think that the administration should continue to look into ways by which such revenues can be generated. I think maybe they are a little off track on making proposals such as a hotel tax because one, it would appear to generate only a very small amount of revenue in terms of our budget and to me I think there are less painful ways of extracting money; they can be found. One thing that bothers me quite a bit is the difficulty in collecting the tax, especially in the small remote areas where somebody is trying to start up a small transient centre or lodge or something like this and is not really familiar with bookkeeping procedures and I can see people like this getting into a good deal of trouble.

One thing that I have in mind, especially after visiting Alaska recently is that it would occur to me that it might be a good idea for us to leave this field of taxation alone and grant it at a later date, maybe to the municipalities. I think it would make much more sense if this field of taxation was left to the towns and cities and I think this is something we should consider. I am not sure in my own mind if I would particularly want to do that but I would like to keep that option open. Therefore I think that I would have to support Mr. Whitford for the present time, although at some time in the future when things economic are a lot better off in the Northwest Territories than they are at the present time we might like to reconsider it.

THE CHAIRMAN (Mr. Butters): Keeping with the rule that we recognize the Commissioner when he wishes to speak, I now recognize Commissioner Hodgson.

Difficult To Raise Revenue

THE COMMISSIONER: Mr. Chairman, Members of the Assembly. What Mr. Nickerson just said is very, very interesting. It certainly would not bother us if the municipalities felt that this was something that they would like to undertake and I would see absolutely nothing wrong with that. Frankly it is a means of making money at little cost to territorial residents because 90 per cent of the money generated would come from the travelling public from outside. There is hardly a province left that has not got some kind of a tax on either a hotel tax or a sales tax, or a multitude of taxes, and in our case we would be very interested if someone could suggest where we could raise a little more money to be able to put us in a position to assure Treasury Board that for the increased funds that the Government of Canada is making each year to the North that we are trying to improve our contribution. Of course it is easy to say that southern Canadians have lots of money but the old working stiff, you can only get so much out of them and what has happened in the nation is that you can not get any more out of the big businessmen, the big corporations and now we are hitting the middle class so to speak and you certainly can not get anything out of the poor people, you never could, and why should you? They are usually the people who should be getting the benefits from the tax dollar.

Now, we feel that if major development went ahead then the Northwest Territories should be in a position to generate a lot of revenue and the cigarette tax and chocolate tax and fuel oil tax, those kinds of things would not really be necessary. However, in the position we stand now it is very difficult to try and raise internally any revenue and so this is why we brought it back. If any of you have any suggestions, either to the finance committee or the legislative committee to help us in our financing, or to raise a little bit more of our share of the money we spend we would be delighted to hear it, but it is not that easy.

THE CHAIRMAN (Mr. Butters): Thank you, Mr. Commissioner. To the motion. Mr. Steen.

MR. STEEN: Mr. Chairman, I have to support the motion of Mr. Whitford to delay the ordinance until a later date. The reason why is I think as the rest of the Members are saying that it is the wrong time, and maybe it has been said before but I will say it again, if it has, all over the Northwest Territories, especially in the smaller communities there is nowhere, no place for tourism. I think and feel that we should develop these places, tourism, or accommodation for tourism or for anybody else without having the tax imposed on each of the accommodations. After all, everybody who goes into the accommodation business, or when they go into the accommodation business, have loans to pay off and this would make it extremely hard, or create a hardship on the proprietor, or whoever owns the accommodation and since the high rate of interest on the dollar is bad enough already, I would support Mr. Whitford's motion.

THE CHAIRMAN (Mr. Butters): Thank you, sir. Speaking to Mr. Whitford's motion.

SOME HON. MEMBERS: The question.

Motion Not To Accept The Proposed Hotel Taxation, Carried

THE CHAIRMAN (Mr. Butters): The question being called. The motion as it reads is: I move that this house does not adopt the proposed hotel tax legislation at this time. All those in favour of the motion please raise your hands. Contrary? The motion is carried. I would suggest that that

indicates that we would not proceed with clause by clause and I will report -- I do not know what report to the Speaker but it would appear that the legislation is to be deferred.

---Carried

MR. SPEAKER: The house will come to order. Mr. Butters.

Report of the Committee of the Whole of Bill 4-60, Accommodation Tax Ordinance

MR. BUTTERS: Thank you, Mr. Speaker. I wish to report that your committee has been considering Bill 4-60, the Accommodation Tax Ordinance and the following motion was approved which would indicate the action to be taken with regard to the bill: I move that this house does not adopt the proposed hotel taxation legislation at this time.

MR. SPEAKER: Thank you, Mr. Butters. Mr. Commissioner.

THE COMMISSIONER: Mr. Speaker, could you stand a little humor?

MR. SPEAKER: I think we could stand a lot of humor.

THE COMMISSIONER: I realize this has not been a humorous day but I just wanted to announce that the Northwest Territories Hotel Association were kind enough to invite me to their annual dinner on November 1st. Unfortunately I will be out of town and will not be able to attend but I hope they do not think I am mad at them because we lost the hotel tax.

MR. SPEAKER: Are there any announcements for this evening? Orders of the day, Mr. Clerk.

ITEM NO. 11: ORDERS OF THE DAY

CLERK OF THE HOUSE: Orders of the day, 9:00 o'clock a.m., October 26, 1976, at the Maani Ulujuk School, Rankin Inlet.

- 1. Prayer
- 2. Questions and Returns
- 3. Oral Questions
- 4. Petitions
- 5. Reports of Standing and Special Committees
- 6. Notices of Motions
- 7 Motions for the Production of Papers
- 8. Motions
- 9. Tabling of Documents
- 10. Consideration in Committee of the Whole of Bills, Recommendations, Other Matters and Information Items: Bill 1-60, Bill 2-60, Bill 5-60, Bill 7-60, Bill 3-60, Tabled Document 2-60, Matters arising out of the recent tour of the Legislative Assembly to the State of Alaska, Information Items 1-60, 4-60, 8-60, 16-60

- 11. Orders of the Day
- MR. SPEAKER: This house stands adjourned until 9:00 o'clock a.m., October 26, 1976, at the Maani Ulujuk School, Rankin Inlet.
- ---ADJOURNMENT

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