



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES
DEBATES

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MONDAY, JANUARY 31, 1977

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

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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, JANUARY 31, 1977

MEMBERS PRESENT

Mr. Butters, Hon. Peter Ernerk, Mr. Evaluarjuk, Mr. Fraser, Mr. Lyall, Hon. Dave Nickerson, Hon. Arnold McCallum, Mr. Pudluk, Hon. David Searle, Mr. Steen, Mr. Stewart, Mr. Whitford.

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. David Searle): Item 2, questions and returns. Are there any returns?

MR. WHITFORD: A point of privilege.

MR. SPEAKER: Mr. Whitford.

MR. WHITFORD: Mr. Speaker, I believe that the Assembly is supposed to start at 9:00 o'clock a.m. every morning and we are dealing with the territorial business, the business that concerns and involves our people in our constituencies. I do not believe we should be starting at 25 minutes to ten. I would ask the Speaker if it is at all possible that we could put forth some kind of policy that would indicate that Members of this House should tell the Speaker or the Legislature where they will be the following day if they are not going to be in the Assembly, to report to the Speaker the day before saying they will not be in town at a certain time. I do not believe it is fair to the Legislative Assembly Members who are presently here and waiting, Mr. Speaker.

MR. SPEAKER: Are there any questions?

Item 3, oral questions. Mr. Butters.

MR. BUTTERS: Mr. Speaker, I got fouled up on the order, I have a written question.

ITEM NO. 2: QUESTIONS AND RETURNS

MR. SPEAKER: Proceed.

Question W16-61: Assembly Representation At Meeting Between Federal Government And N.W.T. Indian Brotherhood

MR. BUTTERS: Mr. Speaker, I believe the first exploratory meeting between the Government of Canada and the Northwest Territories Indian Brotherhood is scheduled to take place mid-month. Can I be assured that representation from this Assembly in an auditing role has been arranged?

MR. SPEAKER: Do you wish to take that question as notice, Deputy Commissioner Parker?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker.

MR. SPEAKER: Item 3, oral questions.

Item 4, petitions.

Item 5, reports of standing and special committees. Mr. Butters.

ITEM NO. 5: REPORTS OF STANDING AND SPECIAL COMMITTEES.

Report Of Special Committee On Future Development In The N.W.T.

MR. BUTTERS: Mr. Speaker, I would like to make a brief oral report to the House. The special committee struck at Rankin Inlet on October 25 travelled on the week end to Whitehorse in carrying out its responsibilities as assigned to it by the House. We met with Executive Members of that House, Minister of Education Dan Lang; Minister of Health and Welfare, Ms. Flo Whyard; Minister of Local Government, Ken McKinnon and Mr. Walt Lengerk and Mr. Gordon McIntyre, both of whom are on the Yukon's committee for constitutional evolution, I think it is.

I would report that we were most warmly received by our colleagues in the Yukon and I feel that the exchange was beneficial to both Houses, and I am hopeful that we will see more of this type of getting together. Unfortunately, the Speaker, sir, of the Yukon House was not present but it was as a result of his request that we were entertained and received over there, the entertainment was provided as a result of his good offices. I think that is about all except that that visit was the last thing the committee had on its agenda and I think possibly next week the report that we will be presenting to this House will be ready for tabling and discussion, sir.

MR.SPEAKER: Item 6, notices of motions.

Item 7, motions for the production of papers.

Item 8, motions. There are no motions for which notice has been given and are there any from the floor?

Item 9, tabling of documents.

Item 10, consideration in committee of the whole of bills and other matters. This House will resolve into committee of the whole for continuing consideration of Bill 3-61, the Appropriation Ordinance, 1977-78, with Mr. Fraser in the chair.

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

---Legislative Assembly resolved into Committee of the Whole for consideration of Bill 3-61, Appropriation Ordinance, 1977-78, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 3-61, APPROPRIATION ORDINANCE, 1977-78

THE CHAIRMAN (Mr. Fraser): Committee will come to order. I believe we are on the Department of Economic Development and Tourism. Is that right? Hon. Peter Ernerk.

HON. PETER ERNERK: That is correct, Mr. Chairman.

Department Of Economic Development And Tourism, Main Estimates.

THE CHAIRMAN (Mr. Fraser): I would direct your attention to page 11.01 in the main estimates under Economic Development and Tourism. Mr. Butters.

MR. BUTTERS: Mr. Chairman, I am in a bit of a quandary here. The debate has been moving so fast that I missed something I was hoping to get in yesterday, I thought we would still be on Local Government, and possibly it is too late, but with reference to activity 2021, I was hoping to move a motion to transfer the \$985,000 to activity 2022. How could I get back to that or am I pretty well left out?

THE CHAIRMAN (Mr. Fraser): I think you are a little late with that. I think we will carry on and come back to that later. Hon. Peter Ernerk.

HON. PETER ERNERK: Thank you, Mr. Chairman. First of all, I would like to say that this is really the first time that I will have the opportunity to bring before you a budget of the Department of Economic Development and Tourism, since my switch to that portfolio on December 1, 1976.

As the former minister of finance within the federal government used to say, "It is a good budget, it is a northern budget" and I hope that the Members of this Legislature will give me a rather easy time.

---Laughter

I would have also liked to bring this budget, on the first of February, 1977, as that day will be my birthday and I would have been much smarter by that time than I am today. However, I will go right ahead and show you where most of the increases are this year. There are really four things I would like to mention here, Mr. Chairman, and as you know the budget went from \$9 million to close to \$14 million this year and this is mostly as a result of some increases in, generally speaking, four things. One is the employment division, and this went from \$2,503,000 to \$4,913,000. You will also see some increases in business services and tourism which is now \$1,186,000, compared to last years \$609,000. You will also see some increases in projects and marketing. Another increase is as a result of a transfer of one million dollars from the Department of Social Development through subsidized employment projects. Lastly I would like to say, Mr. Chairman, one of the other reasons for increasing this years budget is because of the reorganization of the department. I will leave that up to you for now, Mr. Chairman. Thank you.

THE CHAIRMAN (Mr. Fraser): We are open for any discussion on Economic Development and Tourism, capital expenditures, \$452,000, operating expenses \$13,927,000 for a total of \$14,379,000. Any general comments? Mr. Butters. Hon. Peter Ernerk, did you have more on that?

HON. PETER ERNERK: I am sorry, Mr. Butters, but one of the things on the agenda, and has been for the past couple of sessions are the matters arising out of the visit of the Legislative Assembly to the State of Alaska. I think it would be appropriate to suggest at this time that some time during this discussion on the Department of Economic Development we might look at heading into this particular item, but we do not have to do it now, of course.

THE CHAIRMAN (Mr. Fraser): Perhaps we could deal with it later in the day. Mr. Butters.

Contingency Program For Non-development

MR. BUTTERS: Mr. Chairman, I have not examined these estimates probably as closely as I should but I am wondering if in view of the ministerial statement and comments, and statements to the press made by the Hon. Warren Allmand, a week Saturday past in Yellowknife, relative to the changing attitude on the part

of the federal government to development in the Northwest Territories, and the Mackenzie Valley natural gas pipeline project, in particular, whether the department has incorporated into this budget, a contingency plan to bridge or to ease the letdown as it were, from a fairly high level of economic activity to a diminished one. Simply put, have they got money in the budget for a program, a contingency program for no growth, non-development?

THE CHAIRMAN (Mr. Fraser): Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, my understanding is that there are some funds within the Department of Economic Development. However, these funds were mostly used by the planning and development division. Mr. Chairman, as I understand it, there are some funds available for planning purposes only at this time. Mr. Chairman, I could perhaps just answer that this way; although my information is that there are some funds available with respect to this kind of a program, but to be more specific, this would be undertaken by the Planning and Program Evaluation Department.

THE CHAIRMAN (Mr. Fraser): Does that answer you, Mr. Butters?

Budget Cut In Inuvik

MR. BUTTERS: That is not satisfactory. I think if a crash comes it will come very suddenly and it has already been felt to a large measure in Inuvik and it is felt to the extent that it is reflected in the reduction of the town's operations and maintenance budget for the current year, dropping from \$1.9 million in operations and maintenance to \$1.4 million, that is half a million less in operating and that reflects upon economic activity. So, the municipality will cut its functions and operations by 25 per cent and the same thing will occur in the private sector, and it may be even greater, because in the private sector when businesses are looking at bankruptcy or just holding on, the first expense you cut is labour. It disturbs me very greatly to hear that they have only got planning funds available. I realize that a supplementary estimate could be set up but I thought in this section, I thought that this government was looking at two options and has been looking at two options for a year and a half now; one is the development option which would include the pipeline; another is the non-development option which would see the pipeline going somewhere else. I do not feel confident that the estimates Hon. Peter Ernerk is bringing forward reflect the need to do something or to be ready to do something in this area.

HON. PETER ERNERK: Well, Mr. Chairman, my comments would be the same as earlier, but just to add to that one of the things that is being undertaken by this government is regional planning. A development committee, a regional planning committee, consisting of various members of this government, including a planning division staff member, a Planning and Program Evaluation member, as well as someone from the Department of Economic Development and also from the Department of Social Development who were formed a number of years ago to study the possibilities or business opportunities in the Delta area, mostly, and present at this committee, the two departments including my department as well as the Department of Planning and Program Evaluation division, they could also take that into consideration.

THE CHAIRMAN (Mr. Fraser): Mr. Butters, are you happy with that?

MR. BUTTERS: I am satisfied as much as I can be relative to that particular item.

Operations And Maintenance

THE CHAIRMAN (Mr. Fraser): Any general discussion? If there is no more general discussion on that, we will turn to page 11.05, Economic Development and Tourism, operations and maintenance. Mr. Butters.

MR. BUTTERS: I have more general items but I would like to give an opportunity to other Members to ask general questions before I come to that.

THE CHAIRMAN (Mr. Fraser): General discussion, Mr. Steen.

MR. STEEN: Mr. Chairman, as Mr. Butters is concerned, I am also very concerned as to what the government is going to do in the event that there is no development in the territories where we have so much opposition from a number of people in the country. We have turned down all kinds of people or companies from doing any work in the country and from what I have been hearing, not only in the Delta but other places in the territories where we are opposing companies coming in to do any kind of exploration to help open up this area, this country. I am just wondering, you know. The way we are going, just what are we going to do to try to soften the impact of nothing going on, no work? Economic Development is beginning to prepare some of the local people to get prepared for development. Now that they have some of them all set up, what are they going to do, what kind of work are they going to get? I should say what is going to happen after you get them all set up and give them all loans, after they have received their loans there seems to be no development in the territories to help to pay off their loans. They are going to be stuck with these loans and who pays the interest?

MR. BUTTERS: Hear, hear!

MR. STEEN: I am very concerned because maybe we should be looking at some way of getting a way to soften the blow for these people who have already been set up.

HON. PETER ERNERK: Mr. Chairman, to answer the last part, with respect to providing loans to the people in the Northwest Territories, what happens if the people can not pay? The department does not provide loans just for the sake of providing loans to the people. There are three types of plans which people can get into. One is the Eskimo Loan Fund and the second one is the Small Business Loan Fund and the third one is the Indian Economic Development Fund.

Loans From Department

There are board members in every one of these loan divisions whatever you might want to call them. The board members of course decide who is going to get a loan. In some places, in some of the communities the people, as I looked at the reports from the past, were given loans and some disapprovals. If there is a good business to be done in the community, or a good profitable business that is going to benefit the individual or a group of people and if the loan board feels that it is going to assist the people, then it goes ahead if it feels it is right and approves it. The department's stand of course is not to see that individuals or groups of people who wish to start businesses in the territories are provided with assistance, merely to be given assistance, but it is the objective of this department to assist people in various kinds of businesses, starting up various kinds of business ventures in the communities. Of course, we are going to have to move into the communities in order to assist the local people, to advise the people who want to get into some businesses of their own.

Lastly, Mr. Chairman, I can only say that as a department we can only plan for the economic aspects, whether pipeline or not. Funding for the pipeline will not come until a decision is made to construct the pipeline; for a major development such as a pipeline.

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

MR. STEEN: Mr. Chairman, I would just like to say the question probably is how successful has Economic Development been in getting local people started in private business in the past year or are they having any difficulty?

HON. PETER ERNERK: Mr. Chairman, speaking for myself I really can not tell you at this time whether or not the department has been successful in assisting people who have started businesses in the territories but my understanding is that it has been a rather slow process as the department was set up as it was. One of the reasons why the department was reorganized was to get closer to the people, to provide better services to the people. That means that some of this went to Rankin Inlet for example to improve the communications system within the department itself and the people who live in Rankin Inlet. In a way the department sees that as an improvement.

THE CHAIRMAN (Mr. Fraser): Hon. Peter Ernerk, I think you are getting away from the question that was asked. You said you did not have the information. Can you get that information for the House later on today?

HON. PETER ERNERK: That will be provided later on.

THE CHAIRMAN (Mr. Fraser): Is that all right, Mr. Steen?

Metis People Successful In Business

MR. STEEN: On a point of information, Mr. Chairman, my observation as far east I guess, as the Central Arctic, including the Western Arctic is that it seems to me the people, the native people in the territories are already in business. What I mean to say by that is, the ones who are going to go in business are already in business. I noticed as a point of observation that when you go through and look at all the communities the only kind of native people you see who are successful in business are people with some white blood, Metis people. They are already in business and some are very successful and some are just going into business. As far as I am concerned it seems if there is going to be development, they are just not there any more. People are ready for development but there is no work.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Steen. Mr. Whitford, I think you are next on the list.

MR. WHITFORD: Mr. Chairman, first of all I would like to say that I am very disappointed that Mr. Bergasse is leaving the Department of Economic Development. It is pitiful because I have worked with Mr. Bergasse for the last five years and working with Mr. Bergasse has certainly been a pleasure. If some of the Members knew how dedicated he was and how hard he worked for the department as an assistant director I am sure they would have really appreciated Mr. Bergasse.

---Applause

Basis Of Loans.

In regard to Mr. Steen's question, if I may, Mr. Minister, I have had the opportunity of being a member of the Small Business Loan Board under Economic Development and that department did not always make loans easily, especially with sometimes the doubt of the development in the Western Arctic such as Tuktoyaktuk, Inuvik, Aklavik, basically because of speculation in that area. So, when we give loans out we really look at the development as it was, to basically make that decision that Mr. Steen is looking for, but at the same time we have bent over backwards to try to remove, which I think is the word I am trying to use, Mr. Chairman, obstacles such as never having had any bank accounts or the money that was loaned was only loaned basically against the equipment that was going to be purchased or the building that was going to be purchased. Again I say it was sometimes very difficult to lend or make loans but I think the best thing that has happened is, of course, the moneys that have been loaned or are going to be loaned to people have now been increased to \$100,000.

As I say, that is the board Mr. Steen is really concerned about. I think it is just a matter of going down to meet with the people and getting some good answers as to how to make it available to them. At the same time in the Delta it is a much larger area to travel and we talk with some of the officers from Inuvik but it is not always possible to be able to travel in some of those communities.

The question I was going to ask originally was, Economic Development to my constituents has always been a concern basically because we talk of development in terms of building sawmills, in terms of building or trying to get small companies going. We kind of forget the masses who are unemployed such as, for example, in Rae where, I believe, a canvas factory would be of a nature that would be beneficial to that community basically because we could use tents or things made out of canvas such as gun wrappers or skidoo wrappers, things of this nature which are in common use in that area. That would benefit the people.

New Director's Qualifications.

Again I repeat that I am sorry that Mr. Bergasse is leaving. I do not know. Economic Development, is this starting to be shaken up and we did not have a role to play within the Economic Development department as an Assembly being able to appoint or being able to see who is going to be that development officer? I really believe it needed a guy to come in there, I am not being critical of the new director because I do not know him, but the guy should be a fellow who would be able to take that department and shake it up, you know. Maybe he should be a fellow who has got money so he does not have to worry about wages.

Maybe he should have been a hard-nosed bastard to go in there to shake up the department, having no friends and looking for no sympathy, but somebody who could grab the thing like Mr. Bergasse did and shake it and make some kind of programs which would be of value to the communities. We talk about economic development in Rae Lakes but the fellow flies in for a couple of hours and back out. We talk of economic development in Snowdrift, and the fellow flies in there and goes out and they have a meeting in Rae and are gone again. We need a program in there so we could sit down with those people for a day or two and say, "Let us develop this, let us make some kind of production for society." I suppose by that I am looking for -- you lend the money once and that is it and if the program goes it goes and if it fails it fails, as simple as that. I would hate to see it whereby -- in some cases I know sawmills have been funded and have fallen on their ass and have been funded again and have fallen down again, but this is not economic development to me, economic development to me is something that you pull everybody together on and put all your energy in and make it go once and then it starts to roll. It is like building houses in Rae-Edzo where ...

THE CHAIRMAN (Mr. Fraser): Your ten minutes is up if you want to close it off.

MR. WHITFORD: Just to close it off, this kind of program where it involved the people once, it was funded once and is now enabling those people to develop themselves, you know, so that there is no chance of them falling down again.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Whitford. I did not get any direct question out of that speech but I think Deputy Commissioner Parker is next on the list.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I will pass for the time being.

THE CHAIRMAN (Mr. Fraser): Hon. David Searle. Excuse me, Hon. Peter Ernerk, did you want to answer to that?

Guidelines Of Department

HON. PETER ERNERK: One of the things I got from Mr. Whitford is with respect to a canvas factory. I take it Mr. Whitford is making a reference to the canvas factory at Fort McPherson and before I answer your question directly, one of the things that I plan to do here is to point out one guideline of the Department of Economic Development and Tourism, and that is to get very much closer to the people in the communities. You could do it in different ways. As I say, of course, if anyone wishes to start a business in a community I would make sure that one knows the problems that he would get into before he gets into a new business of any type. In other words, if someone in the Delta, or in Rae wants to start a prefab plant, or a prefab factory, there has to be some advice given to the individual, or a group of people in terms of how to start that business and how to make that business very successful. Now, with the kind of thing Mr. Whitford is talking about, a canvas factory for example, if it is to be a very successful program, if it is going to benefit the people in the community of Rae, and if it is to be long-term employment, or if it is to have long-term employment opportunities to that community, and if it is to service the other communities in the Arctic, I see no reason why that kind of business should not be established.

However, the department's stand, and it is my stand, would be this way. I would have someone make sure that the group of people or the individual knows the kind of problems that would go along with that kind of business before anything is started in terms of what you are talking about. However, just to answer your question, or your statement with respect to a canvas factory in Rae. As you know we have a canvas factory in Fort McPherson at the moment and, as I understand it, it has been serving some of the communities in the Arctic, or some of the other businesses such as the airlines, one or two airlines, although I am not sure of the number. I take it it was your intention to find out whether or not the department would wish to move that facility from Fort McPherson to Rae.

MR. WHITFORD: Hear, hear!

HON. PETER ERNERK: I have not said anything yet. Here is how the department looks at it at the moment. If there is a new kind of business to be made in Fort McPherson then there is no reason why the canvas factory in Fort McPherson could not be moved to another community. Now, it took a long time to answer that particular question, Mr. Chairman, and I am sorry.

THE CHAIRMAN (Mr. Fraser): I think Hon. David Searle is next on the list.

Motion Of Appreciation To Mr. Bergasse

HON. DAVID SEARLE: Mr. Chairman, firstly I would just like to echo I think what Mr. Whitford said with respect to thanking Mr. Bergasse for his service in the past, and I think it would be appropriate, sir, if we considered a motion of appreciation for his service to the government and to this House. If the House

thought that that might be appropriate I would like to move a vote of thanks to Mr. Bergasse for his services to this government and this House and, in association with that, express our sincere regrets that he sees it necessary to leave the service of this government.

Motion Carried

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

---Carried

HON. DAVID SEARLE: Mr. Chairman, I would like to just comment in a general way about business in the Northwest Territories. I have a lot to do with business, firstly I am in it, and secondly, our firm, or our offices in Hay River, Inuvik and Yellowknife, of course, serve the business communities there and in the Northwest Territories generally. Therefore, I am privileged to be able, I think, to speak knowledgeably about business, about how businesses are started and why they fail. I think it is safe to say that the running of a successful business in the Northwest Territories is probably, in business terms, the most difficult thing to do anywhere in Canada. To be a successful businessman here I think means that you could probably be a successful businessman anywhere because of the extreme difficulties.

Scarcity Of Highly Qualified People

I think the most difficult thing here is the training and keeping of staff, of good people, and it is particularly difficult here because of the mobility of the working force, just of the scarcity of good, highly qualified people. The problems of business are such that I think I could probably list the good and successful businessmen on a piece of paper and they probably would not likely number more than 50 or 100. In my opinion there is no expert on northern business except those businessmen who are in the North. In other words, northern business is one area where, if you, as a government in assisting the beginning of new businesses, if you look to southern Canada for people who are going to help you I think you are making a mistake because what works south of the 60th parallel from a business point of view may very well fail here because the problems are just so very different.

The sort of thing I would like to encourage the government to consider, and I offer this as a very positive suggestion and in no way as a criticism of the department, now or in the past, is that when they get an application for instance, for a loan to start say, a general store in a settlement, they should look around the North and they will find the name of the most successful general store operated in the North and they go to him and say, "Would you mind outlining the secret of your success, what is it that makes your operation in the North a success?" Then, have him then outline these factors, have him maybe follow up with the particular applicant, even if it is necessary to pay him a certain retainer as a consultant for that brief period of time where he gets the applicant going. This is the sort of thing that they would be wise to do, look around the North and inventory the successful business people by business and then, when you get your application, you go to them and you get them to outline the magic formula because it is a magic formula. I think, for instance, of people like Mr. Jim Robertson in Inuvik, a tremendously successful businessman whose knowledge could probably be made available to any number of people starting up similar businesses that he operates.

Consultation With Local Businessmen

So, in this particular department the sort of thing I am addressing myself to, I think I can safely say, without being critical of government, it is the sort of knowledge you find outside of government. I would hope that this department, of all departments, would not regard the solution to northern business as being

found within government. You do not hire people, you do not find public servants who have the necessary successful business background, but you should look outside government to successful businessmen on a consultative basis.

This department, if we have a pipeline, will probably be the most important department because if the spin-off benefits of a pipeline are to be maximized through the beginning of numerous businesses by local people, then this department really has to be doing its job. If, on the other hand, we do not have a pipeline, Mr. Chairman, then this department really has to do a job in coming up with alternatives. So, whether we do or whether we do not this department has got to be between a rock and a hard place. So, I think that the sort of thing I might recommend is for this department to maybe identify the successful businessmen in the Northwest Territories, maybe bring them into Yellowknife or wherever, for a little seminar and start working on and identifying the positive reasons why businesses succeed, and identify the reasons why they do not succeed, and start making the northern business expertise available, not just to the government, but as well through these people to other people who want to start businesses in the Northwest Territories.

Getting To Work On Time

I might say, looking around the House, and the problem we had this morning of getting started, and with the exception of course that I do not refer to Mr. Stewart who just arrived from Hay River, but the other Members who are not here, one of the most important reasons why businesses succeed is the recognition by people that they have to get up in the morning and get to work on time, and one of the reasons why they fail in the Northwest Territories is that people do not get up and get to work on time. So, I think with that, with those few words, Mr. Chairman, maybe something positive can be done in terms of stimulating business by following up some of those suggestions.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. We will break now for coffee until 10:45 o'clock a.m. Fifteen minutes.

---SHORT RECESS

Economic Development, Main Estimates

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum and I call this committee back to order. The main estimates, Economic Development and Tourism, I direct your attention to page 11.01, \$14,379,000, still on general comments. Hon. Peter Ernerk.

Business Advisory Groups

HON. PETER ERNERK: Mr. Chairman, I would just like to say one or two things with respect to the Hon. David Searle's comments as they are very good. During my reply to the Commissioner's Opening Address I indicated to this Legislature that various organizations have been asked to form a business advisory group by myself. I said at that time that its purpose is to foster better relations between the private sector and the government and to allow a freer exchange of information and advice between them. I have received one or two replies from two business groups. As a matter of fact, I received one from the Mackenzie pipeline business advisory board in Inuvik as well as the Metis Association of the Northwest Territories who indicated their interest in becoming part of this business advisory board. I am very pleased to see that this kind of reply is coming back to my office so very quickly and I think once it is formed this board will operate very successfully in many, many ways.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Peter Ernerk. Mr. Stewart, I think was next on the list and then Mr. Butters.

MR. STEWART: Thank you, Mr. Chairman. Comments of a general nature. I think Hon. David Searle expressed things as they are very accurately and I would just like to say a few words in support. We are spending some \$42 million on education which I have no quarrel with, but unless something is done immediately there just is not work for the graduates of the schools. Really when you get to a thing of this nature, education not having the value it should have, it is frustration and there is nothing worse than having people educated and nothing for them to do. I feel it is essential that this department must be developed and developed very, very quickly to fill the gap in case there is no pipeline or indeed to give guidance if there is no pipeline.

The type of schemes like Hire North, all of them have been successful and yet they are really no longer in existence in the manner in which they were originally conceived. Money has always been part of the problem. In Hay River in Work Arctic we did not have anybody on welfare. We had nobody on unemployment insurance. The costs were actually less than what is now being paid by way of social assistance. We had reduced alcohol problems by at least 75 per cent and yet, because of lack of funding, Work Arctic went down the drain.

Value Of Work Programs

Surely if schemes such as this can accomplish these things and these things are a matter of record, they are not a theory. They are beyond that. We have proven that they do work. Surely we can get back into this type of program and do really what we are here to do and that is to look after the people. We are spending an awful lot of money this year on the over-all estimates and so little of it really is finding its way down to the level where it is needed and that is to supply people with an occupation of some sort, to satisfy that need which is part of every man. It also, as I stated previously, controls alcoholism to a great extent. If a man is working eight hours a day, at least that is eight hours a day he is not going to be in a bar. It works much further than that and I would hope that the Economic Development Department has a look at this and sees those towns or places which could utilize such a work force and does something about putting them in place. Thank you.

THE CHAIRMAN (Mr. Fraser): Thank you. Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, if I could just put it this way, the Department of Economic Development's first responsibility is, of course, to look after the people in the Northwest Territories. I looked at various programs that the Department of Economic Development had participated in, mainly in connection with Hire North projects and from what I can gather this type of program has been a very successful program. However, looking to the future of major developments which have to take place in the Northwest Territories such as most of us see are going to take place in the North here, mainly in the Western Arctic, and some parts of the Eastern Arctic. Looking at these future projects, future developments, I think we are in a guessing game.

Support For Northern Development

In other words, what I am trying to say is that I certainly do not know whether or not there will be a major development such as the Mackenzie Valley pipeline. A couple of sessions ago this House passed a motion in favour of pipeline development down the Mackenzie Valley. During my recent speech to the Northwest Territories Chamber of Mines I indicated my support of northern development in order to meet the needs of the people who live here because certainly we in the government, we in the department do not want to see the people in the Northwest Territories sticking to the 19th century while the people in the southern provinces are moving ahead and going along with 20th century society. I can well understand that this department could undertake various programs with respect to training people for possible major development in the future. In the end, if there is no such major development we do not have anything for the people we have trained for various positions.

Lastly, I would just like to mention that looking at the particular programs such as the Subsidized Term Employment Program, as things are at the moment, this program is providing funding to do what Work Arctic did, to provide or give employment opportunities to the people who are usually on welfare, welfare recipients.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Peter Ernerk. Mr. Butters, I think we have next. Mr. Lyall, general comments?

Qualifications Of Co-op Managers

MR. LYALL: Mr. Chairman, a very general comment I think or a question I would like to put to the Minister as to whether or not this department has made any steps to make sure that the co-op managers are weeded out very carefully before they are sent into a settlement or whether, when they are in a settlement, the economic development officer in that settlement could make sure that he has the background or is able to keep books and that type of thing. In the past, we have been having a lot of trouble with co-op managers. The thing is you take a person who washes dishes from the DEWline to be a co-op manager or something like this which I do not think is right. I think this department should employ field officers to see that this type of thing has got to go and make sure that the directors of the co-ops are notified by the officer that a person applying for a job has got to make sure his background is put right to the board of directors. I do not know. In part of your settlements, your co-ops are not making any money because of the fact that you get managers who are not quite honest and do know just enough to be able to put just enough in the books to get away with it. I think this department is very well aware of it and I would like to see it more strict than what it has been.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Lyall. Mr. Butters. Any general comments?

MR. BUTTERS: Mr. Chairman, to the Minister, I do not wish a very extensive answer on this but just two short replies to assure me that my assumptions are correct. Certainly too, sir, I would hope that he does not feel any questions I raise or comments I make that appear to be critical, are in any way critical of himself or the management of his department. I am just requesting information.

The Member from Hay River mentioned Work Arctic and Hire North and the Minister described Hire North as a very successful program, a program that I personally saw in action and was very impressed by. Another program that was developed during the life of the previous Council was the Dene Mat with headquarters in Fort Simpson, a program that was related to the construction of the Mackenzie highway which had a large component of native involvement, not only in the labouring sense but in the investment sense. I understand it was 49 per cent owned by native people in that general area.

Now, two questions: Am I correct in believing that Dene Mat is leaving the Northwest Territories because of the lack of economic activity along the lines it is geared up to do and am I correct in believing that Dene Mat is going to Fort McMurray and the tar sands?

THE CHAIRMAN (Mr. Fraser): Hon. Peter Ernerk, is Dene Mat leaving Fort Simpson and going to Fort McMurray?

Dene Mat Remaining In N.W.T.

HON. PETER ERNERK: My understanding is that Dene Mat is not leaving the Northwest Territories. As I understand it what is happening here is that since there is not enough business in the Northwest Territories they are trying to get some other business in northern Alberta. Further to that, Mr. Chairman, to answer Mr. Butters' question, there has of course been some cutback on the Mackenzie highway. So, really to answer your questions they are not leaving the Northwest Territories.

THE CHAIRMAN (Mr. Fraser): Are you satisfied, Mr. Butters?

MR. BUTTERS: I understand they are not leaving the Northwest Territories but they are leaving the territories. But I appreciate what he is saying.

THE CHAIRMAN (Mr. Fraser): If I could ask Mr. Stewart to take the chair I have some general comments I would like to make before we go any further.

MR. STEWART: Could I ask one question first?

THE CHAIRMAN (Mr. Fraser): Mr. Stewart, go ahead.

MR. STEWART: I think this Assembly over the past have recognized that there is difficulty in trying to develop an economic base to operate from. However, those things that are built in for some reason or another, we are not taking advantage of them, and the one that comes to mind is probably the largest, and that is housing. We are still buying houses from Saskatchewan and there was a token amount of work done in the Northwest Territories on the last contract where lumber was used from Fort Resolution to make pads for the houses to sit on, but basically the houses are built themselves, as far as I know, in Saskatchewan and there were certainly no houses built at Hay River.

Prefab Plant For Houses

It seems very peculiar in one instance, where the mill at Resolution could not provide the lumber for the pads that the lumber was shipped in by boxcar, the pads were made in Hay River, put back in the boxcar and shipped to Montreal. This actually happened. The economics of something like this does not seem to me to make much sense and I do not think this necessarily comes under a particular vote, but what I am trying to say is that there is work to be done in building houses and why do we not have a prefab plant in the Northwest Territories and have our own people building these houses?

HON. PETER ERNERK: Hear, hear!

MR. STEWART: This is the department that should be doing it. I know efforts have been made to bring private interests in, again going outside the territories, to try and get somebody to come in as a free entrepreneur and establish somewhere in the Northwest Territories, but this has not worked. Surely we have sufficient people in the Northwest Territories to build a plant and operate it with northerners. I have been through the ATCO, the Alberta Trailer Company plant and everyone might think that building houses is a really complicated type of thing, but the ATCO plant I visited had two tradesmen carpenters and about 120 labourers, one plumber, one electrician and they were building a house and a half or two houses a day at this plant. So, it is not a highly skilled proposition, it is something for which we can utilize the people we have here and for the most part our native northerners are reasonably handy with tools, and we know this is a fact because Work Arctic built 20 houses at Hay River but we were caught in an inflationary trend and wound up going broke. However, that does not mean we do not have the capability, it is here. We have been paying lip service to this for years and yet nothing has been done about it and we are looking at probably in excess of 100 jobs on a permanent basis. I do not quarrel with the Minister's position that the Subsidized Term Employment Program is helping out but STEP is a temporary situation, a fellow gets a job for a month and then is out of work again. This is really what is killing our work force for the North, people just do not get the chance to get a job that is a continuing type of thing.

The one in Hay River, Work Arctic, in two years we were up to 97 per cent attendance on time and then we had to turn around and let all those people go. They are back for the most part on welfare and we are not only back where we started, we are worse off, because they lost something, when they had a job, when they had brought themselves up, to have to go back down to the welfare type of living.

STEP Should Provide Permanent Work

If we continue to do this, and STEP in part does this sort of thing, it gives a guy a few bucks but does not provide that which is absolutely essential, permanent work for people. We say here in the subobjectives "to increase the contribution of the fish, forest and agricultural resources to the Northwest Territories ..." Just try and get a piece of land in the Northwest Territories for farming of root crops, potatoes and this sort of thing, "We must find out whether or not these things can be successful." They have been growing carrots and potatoes in the Hay River valley for as long as there has been any development at all in the Northwest Territories and that is what the people used to exist on and they have been studying this for three years and you still can not get a piece of property to grow potatoes. We always wind up in the same damned position, drowned by paper and bureaucracy and we can not move. We now have a housing authority so it is presumed that housing no longer becomes part of Economic Development, they are separate identities, and yet they do not even come under, I suppose, the control of this Assembly. Surely if there is one job that has to be done it is to build houses and to build houses for northerners so why the hell do we not build them? Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. Hon. Peter Ernerk.

Prefab Facilities To Be Proposed

HON. PETER ERNERK: Mr. Chairman, first of all I would like to say that I fully agree with Mr. Stewart because I was also, or also had a motion last year, as you might recall, with respect to the possibility of establishing a prefab plant in the Keewatin region. I asked the government at that time to study, or make a study, in the Keewatin, namely at Rankin Inlet, as to whether or not such a facility would be feasible in that region. However, it was not feasible at that time. Very briefly, just to answer Mr. Stewart's statement with respect to prefab facilities, you might be interested to know that we will be making some type of a proposal to be brought before this Legislature some time in the spring with respect to prefab facilities in the Northwest Territories.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Peter Ernerk. If I could ask Mr. Stewart to take the chair as I have a general comment.

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

MR. FRASER: Mr. Chairman, just to go a little further into what you mentioned about growing in Hay River, you say that they are still doing surveys, trying to find a location to put in a garden. I went to school at Hay River in 1930 to 1935 and we supplied all the Mackenzie Valley and all the schools in the North with not only potatoes but every other kind of vegetable and I know because I had to do the weeding, but there was good gardening in Hay River at that time.

Hiring Of Natives In Co-ops

Further to Mr. Lyall's comments on co-ops we have a co-op at Fort Franklin and I happened to be visiting that community before Christmas. They have two natives at work at that co-op, and one has been there for five years and the other four years, they are brothers. The co-op manager who was there, I do not know if he transferred out or what happened to him, but they shipped a guy in from Yellowknife and I had a chance to be introduced to him and asked him how he got the job. He said he was just walking around Yellowknife and saw a competition and so walked in and two days later he was in Fort Franklin as a co-op manager. I do not think they considered that these two natives who have been there for that length of time, and actually doing the work at that co-op that that co-op man should be doing, actually it was pitiful to see him.

I went to the store the next day and he was trying to buy handicrafts and he did not know if it was moosehide, cowhide, bearskin or ratskin, he knew nothing about buying handicrafts but he was still the manager. Now he has his girlfriend down there and she is working too. So, this type of thing with co-ops should be looked into a little more closely as there are always comments made on hiring native people, but I do not think these two guys who have been there so long even had a chance, they did not even know that the competition was out probably, but I would like Economic Development to check on that and find out why these two natives were not even considered, or given the opportunity to work at this particular store. Thank you.

THE CHAIRMAN (Mr. Stewart): Any comments, Mr. Minister?

HON. PETER ERNERK: Mr. Chairman, I can only state the policies, or the guidelines which we in the department follow with respect to co-operative associations in the Northwest Territories.

Firstly, this department offers advice and assistance through various co-ops in the Northwest Territories, in selecting their managers if, and only if, required by the co-op or by a co-op. One of the things that I should bring to your attention, of course, is the fact that co-ops are independent associations and, if they in fact do not wish to take our advice, that is completely up to them. Now, that is the first part.

Canadian Arctic Co-operative Federation Limited

Secondly, the Canadian Arctic Co-operative Federation Limited was formed about four years ago in Churchill so that the member co-operatives could be provided with assistance they may require with respect to marketing, etc. The federation now provides service for these people in the Northwest Territories and the policy we have within the government of the Northwest Territories is simply this, if I may, Mr. Chairman. It provides administration of the Co-operative Associations Ordinance and actively assists in the development of a viable and expanding co-operative movement in the Northwest Territories. It provides assistance to and supplements the activities of the Canadian Arctic Co-operative Federation Limited in providing accounting, merchandising, education, transportation and financial services to member co-operatives. Assistance will diminish as Canadian Arctic Co-operative Federation Limited becomes stronger. It further states that headquarters provides all regulatory and supervisory services required under the respective ordinances, and development and monitoring program activities, liaison between the central co-operatives and government.

The region provides program assistance for co-operatives and liaison between co-operatives and headquarters. That is the policy as it stands under the Northwest Territories Co-operative Associations Ordinance. With respect to your question as to whether the department could look into the problems that you have in Norman Wells ...

MR. FRASER: Fort Franklin.

HON. PETER ERNERK: We can look into this under the ordinance.

THE CHAIRMAN (Mr. Stewart): Any further comments of a general nature?
Mr. Butters.

Problems For Drilling Companies

MR. BUTTERS: This really does not apply in a specific sense to the management of the department or the responsibilities of the department under consideration, but I wish to point out a situation that has occurred over the past, or is occurring and has occurred during the past four months. The program to drill offshore in the Beaufort Sea has been on the books for many, many years. Probably when it was started government geologists estimated there could be found within the Beaufort sedimentary basin something approaching one hundred trillion cubic feet of natural gas. In the past five or six years that estimate had dropped to between 50 to 60 trillion cubic feet but there is still believed to be a great deal of natural gas in the sediments underlying the Beaufort Sea. Dome Petroleum and its subsidiary Canmar became interested in this work and got permits from the federal government to carry out this exploration.

As Members probably well know, over the past six years this whole matter of northern exploration in terms of rules for northern exploration have been very cloudy because the federal government does not seem to know what ground rules it is going to request of the oil exploration companies and has not made such rules clear to them so that anybody who is exploring in the North now is exploring on a great deal of hope since the ground rules have not been clearly laid down. So here you have a Canadian company, Dome-Canmar who have jointly spent millions of dollars on ships and other facilities and is up in the Beaufort Sea now. They came in last year and drilled one hole to a depth of 10,000 feet where it penetrated a gas layer, seven feet into a gas layer and it had difficulties with another hole after it was drilled to a depth of 4000 feet.

Strictures As To Time

Another difficulty that is being experienced by the company is that it is drilling against strict restrictions and strictures as to time. I think it is very, very odd, an odd situation or queer situation where a company can not go ahead and drill until it reaches its depth. Here these companies are now running against time restrictions. What I am trying to point out here is, that one would assume that when the federal government gave Dome-Canmar in this case approval to drill in the Beaufort Sea that that approval was an approval that extended over a number of years, the years necessary to complete the 18 hole drilling program.

On Friday the Minister spoke to the Inuit Tapirisat of Canada at Fort Chimo, a group by the way which is getting a hell of a lot more publicity nationally than we are, and he spoke to the ITC in Fort Chimo where he mentioned that with regard to the Beaufort Sea drilling program, "The government faced all the issues involved when it considered the question of drilling for gas and oil in the Beaufort Sea. It was a difficult decision to make because it required careful examination of complex factors. This examination continued because government officials are now studying the experience of the drilling last year. Depending on the results of these important studies the government will decide how further drilling in these Arctic waters should proceed." Which paraphrased says, drilling on the Beaufort Sea will be carried on on a year to year basis, that they will receive their permit on a year to year basis.

I think this is a very binding stricture to put on an exploration company. My concern is this and you, sir, when you are speaking about the economics of any kind of operation, our Speaker when he was speaking about the economics of any kind of operation said that it has to be profitable. You can not run a welfare operation when you are in business. Dome-Canmar is in business. It is buying futures, futures on a large potential natural gas field underlying the Beaufort Sea. If it must proceed from year to year to year I am very much afraid that it will begin casting around for other attractive areas to start running down its pipe. There are two very close by. There is Alaska where the native people are keen to get involved in development and keen to see the drills go down and there are also the Russians on the shelf, off Vladivostok, who know there are these potential gas lenses in the vast high Siberian hinterlands of the Pacific Ocean. That gas is not going to be piped into the Moscow heartland, not going to be piped by a pipeline 6000 miles across to the Urals, it is going to go by LNG tankers probably to the North American continent. This concept was considered by President Nixon just a few years ago. It would be ironic if the Dome-Canmar ships packed up and moved west and the next we hear about them is they were drilling offshore of the USSR because that is the only place they could get bucks.

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

Development In Communities Restricted

MR. STEEN: Mr. Chairman, I would just like to add to that, what Mr. Butters has just said, that this concept of the government giving permits from year to year has quite a bearing on the community, for instance, Tuktoyaktuk, where a number of people are trying to meet the needs of the oil companies to fill the requests of the people in the area to take part in the development and take part as even government policy dictates to take part. In cases where they are going from year to year it makes it very difficult to get large loans because no one is really sure if they are going to build the next year. A number of people are afraid to borrow, to try to meet the needs of an operation. So, therefore, I think just as much as the big companies, the hands of the local people are tied.

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

MR. FRASER: Yes. About a month and a half ago I was in talking with one of the Economic Development officers here in Yellowknife and at that time I requested a

survey be done on the fishing lodges on Great Bear Lake and the big game camps. There was a feeling in my constituency that they were bringing in people from the South rather than utilizing the people from the settlements and they refrained from hiring the people from the settlements because they have a tendency of talking too much when they come back about the waste of fish, fish being caught and thrown back in with damaged muscles and stuff in their mouths. I just wonder if whoever I was talking to, I forget now, but it was somebody from the Economic Development office, if they in fact have got some information as to how many people these lake camps are hiring from the South and how many from the settlements.

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

HON. PETER ERNERK: Mr. Chairman, I do not have that information with me just at the moment but I will provide it to Mr. Fraser later on in the session.

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

Fewer Passengers Create Higher Rates

MR. STEEN: Just another small comment, Mr. Chairman, but it means a lot to the people where I come from. We know about the lack of development in the area and a number of people are really getting concerned about no development. What it really means is that the services, mail services between communities are going to be cut down because it takes too much to fly that plane twice a week because there is not enough traffic. The same with passengers, there are no passengers because there is not enough traffic so the travel frequency, mail frequency will be cut down and a number of people are really becoming concerned. Other than the other factors, you can see what I am trying to say, that we are going to have higher rates to travel because there are less people travelling because they have no money. The rates are going to climb a lot faster.

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

MR. BUTTERS: Sir, I have another general comment and it is of an economic nature, yet I do not think the question I will ask can be answered by the Minister since I believe it would be more within the Deputy Commissioner's realm. North of Inuvik, Gulf Oil has delineated a gas field which probably at the present time is between two and three trillion cubic feet of gas which is a volume of gas I just can not comprehend but it is an awful lot of gas. I think it was last year that they put down a well, I think it is Kamik, and in that well, I think the first time on Gulf property, they found a sizeable quantity of sweet oil or oil that is not high in sulphur so therefore could be refined quite readily. Still it is an interesting find but not yet of commercial quality. About two months ago in seeking to delineate the field further they requested 63 miles of seismic work be done east of the hole, adjacent to, but west of the Husky Lakes area. The interesting fact about the seismic program was that if the program were permitted to go ahead and get results they would have put a rig on the site this winter and gone down to determine if the oil bearing strata was continuous with the one to the east, and if so their intention was to establish a small refinery at that site, a development which would be most valuable and most beneficial to two communities, Tuk and Inuvik.

Now the area fell within what the Committee for Original Peoples Entitlement had called a freeze zone or a proposed freeze zone in which they said they wanted no development activity to take place at all, and although the Tuktoyaktuk hamlet council, the Inuvik hamlet council, the territorial Member from Tuktoyaktuk and the territorial Member from Inuvik had supported the project, and the hunters' and trappers' association from Inuvik had made no decision, but had referred it to Tuk, COPE had opposed this application and apparently succeeded in convincing the Minister that the other support was wrong and that they were right. I do not know how it ended up because I have not been following it too closely of late, but I think a decision has been deferred on the matter on the basis of a meeting which may or may not have occurred with the hunters' and trappers' association of Tuktoyaktuk.

Minister's Remarks At Fort Chimo

Now, I will get to my question. I will quote again from the Minister's remarks to the Inuit Tapirisat of Canada general assembly at Fort Chimo on January 28. "In some places Inuit who are living off the land want extra controls on other activities and uses, to ensure that they do not interfere with game on which the Inuit depend. In other places the Inuit people may feel that certain development activities are so harmful that they should not be permitted at all. Departmental officials have been discussing with ITC ways of changing the present regulations so that governments could deal with the situation. I have asked them to develop specific ideas that I could discuss with everyone involved. I include among the people involved the native hunters and trappers who have clear rights to protection of their traditional livelihood, the oil and mineral companies here. have rights under the laws governing exploration and the elected representatives on the territorial Council who have rights to be consulted about changes in land use management."

I was never consulted or advised about this, it is just that I was aware that this one application was most critical to the future economic development of Inuvik in the sense of being a potential oil supply. So, what I wish to ask here is does the territorial government have any input on this land use committee and if they do can Members be advised when such an important application as this one comes before it? I think it is most important that full details of all of the factors surrounding such an application be known, and be made known to Members of this House.

Environmental Concerns Minimal

Although the Gulf application fell within the proposed COPE freeze zone, the investigations I carried out indicated that that part of the Husky Lakes was a very good place for producing skinny fish only and was not really attractive to people from Tuktoyaktuk who were looking for fish, for food. So, it seems to me that the environmental concerns were minimal and the political concerns were major and, as a result of this opposition we may lose, or could lose a producing oil refinery in the Mackenzie Delta and that is an economic setback of major proportions. I am not saying there will be oil found there but that was the intent underlying the application for seismic work to be done at that particular place.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Minister, do you have any comments to make relative to the question of the territorial government's role relative to land use?

HON. PETER ERNERK: Mr. Chairman, perhaps I could ask Deputy Commissioner Parker to reply to that question.

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

DEPUTY COMMISSIONER PARKER: I apologize. I did not hear the first part of it but I understand it has to do with any input that the territorial administration may have in the matter of issuance of land use permits.

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

MR. BUTTERS: Yes, sir, and also whether the representative from the territorial government feels compelled or committed in any way to advise the Members who live adjacent to such an activity, that they be informed of it, if they are not aware of the ramifications of such activities.

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

DEPUTY COMMISSIONER PARKER: I just did not catch all of that. I did not understand who Mr. Butters wondered should be informed.

MR. BUTTERS: Specifically, in the case of the Gulf application I would have liked to have heard from the territorial representative on the land use committees and are you aware of this?

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

No Jurisdiction In Land Use Matters

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I do not think I can go into this in any depth because I think I would have to get myself brought up-to-date on any relationship that we have on land use. It strikes me that we have very little input, practically no input.

MR. BUTTERS: Shame!

DEPUTY COMMISSIONER PARKER: On the land use matters, not for want of having an input, but simply because it is not a jurisdiction into which we have been given any authority to enter or take part. I will check that and get back to you but, as of the moment I do not think that we are able to play much of a role at all in land use matters.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Deputy Commissioner. You will bring that information back, possibly this afternoon?

DEPUTY COMMISSIONER PARKER: Yes.

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

MR. STEEN: My remark is the same as what Mr. Butters said. There is, I think the hamlets and villages, the village and hamlet of Tuktoyaktuk and Inuvik are both aware of the consequences of no development and it sure would be helpful if the Government of the Northwest Territories had the same awareness. They will know what will happen if development is cut back, and the government should be of the same understanding. That area that the political issue is on is of very little concern to the people of Tuktoyaktuk. It is so small, it is almost ridiculous to think about the application. No one in that area, and as a matter of fact, nothing will happen to the lake itself.

Member Input Into Land Use Applications

As I said the other day, on the telex I received, COPE said "Since when does any territorial Legislative Assembly Member have any input into land use applications?" and I thought it was strange to see that because they, COPE are claiming to represent me and they are saying one thing and I am saying another thing. So, I think the Government of Canada should start looking a little closer at the responsible territorial Legislative Assembly Member.

THE CHAIRMAN (Mr. Stewart): Thank you. Are there any further comments of a general nature? No? Well then we will turn to page -- Mr. Butters.

MR. BUTTERS: Yes, sir, I do. I wish to join with Members who preceded me in their expression of gratitude to Mr. Joe Bergasse for the excellent service he has provided the people of the North during his residence in the territories. I think that we are losing not one of the finest, but the finest director that this administration has ever had in its employ. Good people are hard to get, good people are most difficult to get. We have spent a lot of time discussing in this House the problems that arise from maladministration, or incompetence in administration, and it is regrettable to lose a man of the competence and calibre of Mr. Bergasse.

Personally, I have brought to him many problems of my constituents and if he can not help you he told you, and if he could help you, he did, not next week, or next year, but immediately. This is a tragic loss. I can not describe the shock that went through our community shown by people I spoke to when they heard that Mr. Bergasse was going, that Mr. Bergasse had resigned, and you are probably aware that there are many stories, unanswered stories relative to his resignation, questions in people's minds. I saw Mr. Joe Bergasse in Inuvik, I guess it was in December, he was there on the Small Business Loan Fund matters and he did not

give me the impression of a man who was going to pack it in two or three weeks later and sail off into the sunrise, in retirement. He was a man who was pleased with what he was doing and had lots of plans but then all of a sudden there was this bombshell. I am afraid that things have gone on in the Executive suite that maybe we should know about, or maybe we should not know about because undoubtedly you can not turn this around.

Mr. Bergasse's Resignation

When I heard about it, and this was the day before it was announced on the radio or appeared in the paper, I sent a wire, and it went something like "Disturbed to hear of Bergasse's resignation and suggest that all stops be pulled to turn this around", and I meant it then and I mean it now, but it is too late. So, what I am asking, and I do not know what happened but I do know what the rumours say, but we have three Members from the Executive suite who must know what went on. Our Members on the Executive Committee may not be able to appoint people, but for God's sake can not we hold onto good people when they are with us? That is a responsibility that I gave the Executive Members when I voted to put them in office, but as I say, I do not know what the answers are, but it is the strangest thing in my experience and I hope it never happens again, and I hope it never happens again because our Executive Members should ensure that it never happens again.

THE CHAIRMAN (Mr. Stewart): Any further comments of a general nature? If not, I direct your attention ...

DEPUTY COMMISSIONER PARKER: Mr. Chairman.

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

DEPUTY COMMISSIONER PARKER: There were comments made at the start of this debate on Economic Development to which I would like to respond and perhaps enlarge very slightly on what Hon. Peter Ernerk said. Those comments had to do with the question of no-development options, and the questions were along the lines of "what is the territorial government doing, what can the territorial government do in the face of what seems to be a growing strength of the no-pipeline option?" The question even went so far as to say "what money is there in this budget to handle that kind of an option?"

Extraordinary Assistance Needed For No-development

Well, I think the message that has to be made abundantly clear is that that option will cause so many difficulties, should it occur, that the territorial government is really not prepared to handle it and would have to seek some kind of extraordinary assistance. Our Department of Economic Development and Tourism has always had a relatively small budget and Members have been critical of the size of the budget. However, I have said in this Assembly, from time to time that there are and have been a lot of different agencies claiming certain responsibilities for economic development, and the territorial administration never did have the funds nor the authority which it would have liked to have had to do a proper job in this field.

Therefore, we are starting from a very narrow base. We have done a certain amount of work in preparation for the possibility of major development, including pipeline development, and I suppose we have also in recent months been doing some work in the area of laying plans, should this kind of development not take place, even though we realize what severe problems it would cause us but we do not have any money in this budget of any consequence to handle that sort of an event. The economic base for the Northwest Territories and particularly in the Mackenzie area is a very, very narrow economic base. We do not have a lot of strings in our economic bow. We do not have a developed farming industry. We do not have a large lumber industry because, first of all, we have relatively small trees and, secondly, we are a long way from major markets. We are a long way from fish markets. We are a long way from a lot of markets and, therefore, economic development, as we have always maintained, rests on a fragile base in the North.

Marginal Economic Base For Renewable Resources.

We do our level best to try and develop those renewable resources which can be developed and to take maximum benefit of them for the residents of the North but any expansion of that economic base as we see it is marginal. We can increase tourism somewhat and we can increase the size of the base of renewable resources but only in a small way. The major increase in any expansion is going to have to come from the non-renewable sector in the foreseeable future. We do not have any other things to turn to. That is the sector to which we are going to have to look to provide any substantial number of jobs.

We have a lot of young people going to school, taking training, taking post-secondary training in the trades and in the professions. We do not have the jobs to offer them if we do not have a certain level of non-renewable resource development. I do not need to remind you, Mr. Chairman, that this Legislature has gone on record time and again in support of resource development provided that it was done to the benefit of the northern residents and in such a fashion as to not unduly harm the environment so I am not introducing anything new here.

I am saying to you that we have very few places to send these graduates of our education system and I sense a growing impatience among the young people at not having work to do. They enjoy life on the land to some extent but there is a growing realization in my mind that this life on the land will not provide them with the kind of amenities and kind of life for themselves and their children that they are becoming accustomed to. They will always have a very strong and important bond with the land and that is exactly as it should be. That is something we will move heaven and earth to ensure is never taken away from them, but with the growing population that is simply inadequate.

Must Look To A Development Option

I suppose in summary I would simply have to say that we can not look to a no-development option. We have to continue optimistically to look to a development option which will be done in the interests of the northern people and to their benefit and in such a fashion as to not harm the environment. We have to do this in the fashion as a government and as a Department of Economic Development. That is the direction we have to look and I am afraid the best we can say is that we continue to be optimistic. We will look at the other options, of course. We may have to, but it is my hope that we will continue to be able to have a level of development, it will be up and down, but to have a level of development which will engage the people of the North who want to work and who want to earn a living. Thank you for permitting that response.

---Applause

Capital - Activity 6060, Administration, Agreed

THE CHAIRMAN (Mr. Stewart): Economic Development on page 11.02, administration, activity 6060, capital in the amount of \$33,000. Mr. Minister.

HON. PETER ERNERK: Mr. Chairman, would you like the details of this, where it is going and so forth? Would you like the details of this, where it is going, where this money is going to be spent?

THE CHAIRMAN (Mr. Stewart): Generally we have just allowed questions from Ministers. If you have it and want to give it quickly, go ahead.

HON. PETER ERNERK: Very briefly this \$33,000 will be for a replacement of personnel carriers in Rankin Inlet and a truck in Hay River.

THE CHAIRMAN (Mr. Stewart): Activity 6060, agreed?

---Agreed

Capital - Activity 6065, Projects And Marketing

On page 11.03, projects and marketing, activity 6065, capital in the amount of \$274,000. Mr. Lyall.

MR. LYALL: I wonder if the department could give us any kind of figures on that cannery at Rankin Inlet? I would like to know how come we keep putting money into it and it never makes any money? How much money are we spending on it again in this budget? I notice there are various places where money is allocated and I wonder if the Rankin Inlet cannery is in here somewhere.

THE CHAIRMAN (Mr. Stewart): It does not appear to be. It is not on this vote anyway. It does not appear here.

HON. PETER ERNERK: Mr. Chairman, my information with respect to the Rankin Inlet cannery is that under the budget for 1977-78 for operations and maintenance there is \$271,000 and under revenue it reads \$303,000.

THE CHAIRMAN (Mr. Stewart): Mr. Minister, I think the point here is irrelevant to this activity 6065. Can we deal with it when we get to the proper vote? I do not think there is anything in this vote relevant to the Rankin Inlet cannery.

HON. PETER ERNERK: No, Mr. Chairman, it is not in this vote.

THE CHAIRMAN (Mr. Stewart): We will just check this out and if it is under this vote we will discuss it now. It is in here some place. I saw it but I do not believe it is under this vote.

HON. PETER ERNERK: Mr. Chairman, is it the wish of the committee that I give the capital then?

THE CHAIRMAN (Mr. Stewart): This activity 6065, is there anything for the Rankin Inlet cannery?

HON. PETER ERNERK: There is \$25,000 here under capital.

THE CHAIRMAN (Mr. Stewart): That \$25,000 shown under equipment and furnishings is for the cannery? Under equipment and furnishings which is the second subtitle, upgrading craft shop facilities and acquisition of equipment, shows Rankin Inlet at \$25,000, is that for equipment for the fish plant?

HON. PETER ERNERK: Yes, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Could you give us the detail on what that equipment is?

Equipment For Rankin Inlet Cannery

HON. PETER ERNERK: My information here is improvements and replacements to existing plant and facilities to meet federal inspection regulations and to enable the processing plant to handle increasing commercial fishery harvests. Under Rankin Inlet it states that it is a continuing program of product diversification and expansion of plant capacity in response to increasing volume of commercially harvested fish. Estimating a minimum increase of 100,000 pounds per year as new fishing areas are developed. That is my information with respect to Rankin Inlet and it is \$25,000.

MR. LYALL: My question was, if you have this answer, I would like to get one. I want to know how much we are spending on that fish plant and how much are they getting out of it? From what I heard there it has been a losing proposition every year and we are still pumping money into it. I do not feel I could pass anything of this nature if we are not getting any money out of it.

HON. PETER ERNERK: Mr. Chairman, for 1977-78 we are spending under operations and maintenance, the amount of \$271,000 and under revenue \$303,000.

MR. LYALL: That is \$303,000?

HON. PETER ERNERK: That is correct, Mr. Chairman.

MR. LYALL: Mr. Chairman, what I think I would really like to get at, is to go back three years and give me a statement of what they would give the Auditor General of Canada as to profit and loss.

HON. PETER ERNERK: Mr. Chairman, I will get that information in a little while.

THE CHAIRMAN (Mr. Stewart): Is that satisfactory, Mr. Lyall?

MR. LYALL: All right.

THE CHAIRMAN (Mr. Stewart): Are you prepared to go on with activity 6065, or do you want to set this aside until the information is forthcoming? We will call the question then on activity 6065 in the total amount of \$274,000. Are you agreed?

Sale Of Local Handicrafts In Fur Shops

MR. STEEN: I would like to ask the Minister of Economic Development, what is there in their plans for helping out the community to buy and sell local handicrafts within the community, in the fur shops as an outlet? Are they planning to carry this out more extensively since I understand that Tuktoyaktuk has been very successful in selling handicrafts. I think the fur shop there has not really gone all out to help the community to sell their handicrafts but I understand that there was \$60,000 made in six months just on local handicrafts. Are there any plans to try and go a little further and help them out a little more?

HON. PETER ERNERK: Mr. Chairman, under the present policy we have with respect to various projects in the Northwest Territories such as the Aklavik fur shop, we have our own marketing division here which is under projects, and our present policy is that we do sell to organized companies, take for example Canadian Arctic Producers. They do in fact buy our items which are made in various facilities which we operate such as the one you are talking about, Mr. Steen, the Frobisher Bay jewelry factory, for instance, and we also sell to various companies such as Eatons, the Bay, Simpsons-Sears and so forth, but when it comes to an individual project I really can not give you a specific answer other than to simply tell you what sort of guidelines we follow when it comes to selling or improving various facilities, but I would have to look at the one in Aklavik:

MR. STEEN: Mr. Chairman, I think ...

HON. PETER ERNERK: I think I should add, before you go on, Mr. Steen, that we also encourage local sale, selling to local individuals within the community.

MR. STEEN: I think there is no real facility in any of the communities to establish a kind of a store. When the tourists come in in the summertime they really do not know exactly where to look. They can go to the fur shop but the handicraft is really scattered all over town, and in order to increase the chance for the handicrafts to be sold, it should be in a central point, and if people use it then they could work in the wintertime and build a sort of stockpile, because they sell out in the summer all the time when there is a great influx of tourists.

Capital - Activity 6065, Projects And Marketing, Agreed

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 6065, is it agreed?

---Agreed

Capital - Activity 6066, Business Services And Tourism

I direct your attention to page 11.04, business services and tourism, activity 6066, capital in the amount of \$145,000. Is it agreed?

---Agreed

MR. STEEN: Mr. Chairman, I see that the Minister is always saying "agreed" and that should be declared a conflict of interest.

---Laughter

HON. PETER ERNERK: That is a problem, is it not?

MR. LYALL: Mr. Chairman.

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

MR. LYALL: I would like to know what Economic Development are doing if anything in any of the Central Arctic communities under this program.

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

HON. PETER ERNERK: Mr. Chairman, I could give you a breakdown of what is going to happen in the Northwest Territories under the Fort Smith region in which the Central Arctic is included here; completion of sewage dumping station, install water line and pump house, Prelude Lake, complete parking area and in Coppermine completion of picnic area.

MR. LYALL: I am not getting it across. If you were closer to the microphone, I can not hear you.

HON. PETER ERNERK: Mr. Chairman, under business services and tourism, what I am simply saying to you is that there will be the completion of the picnic area in Coppermine.

MR. LYALL: Is that all?

HON. PETER ERNERK: Under this particular program, if you want some information of the grants and special permits, there is a grant of \$15,000 for the co-op in Cambridge Bay.

MR. LYALL: What is happening there? You did not say.

HON. PETER ERNERK: I am looking at grants and special permits.

MR. LYALL: What is it for?

HON. PETER ERNERK: Mr. Chairman, under grants and special permits I am not aware of exactly what is happening here but these are usually done on a request basis. However, with \$30,000 here that is all the budget that seems to be there and I can not really say exactly where this budget money will go to.

THE CHAIRMAN (Mr. Stewart): That is \$60,000, is it not?

HON. PETER ERNERK: Yes, Mr. Chairman.

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

MR. LYALL: The thing is that I am rather reluctant to pass anything if I do not know what it is for.

THE CHAIRMAN (Mr. Stewart): This is not unusual, they have set up four grants of \$15,000 each to be given to communities for tourist accommodation assistance and I suppose they have not been applied for yet so they do not know where they will go but they are providing funds for four such grants. Is that correct?

Information On Grants To Settlements.

MR. LYALL: Can I ask this department how much information they are giving out to the settlements so they know about these grants?

HON. PETER ERNERK: As far as I am concerned very little at the moment, but the plan of course is to make known, to make it known by the people in the territories what sort of facilities there are within the department, what sort of facilities, or rather what sort of services we do provide at the community level, or at a regional level.

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

MR. FRASER: Mr. Chairman, at the start of the session I think I requested a breakdown or list of expenditures for Norman Wells and they were going to give me a breakdown on this. I think their application came in some time last summer and there was no answer by December as to whether they would be recognized or not and I would still like to get that application that came in, a copy of it, and find out if anything is being done. That is my first question.

THE CHAIRMAN (Mr. Stewart): Is that relative to tourist accommodation?

MR. FRASER: Yes. The next thing I would like to ask the Minister is that I heard him mention a pump house for Prelude Lake. I was under the understanding that Prelude Lake came under the Yellowknife municipality, is that not right?

HON. PETER ERNERK: No, it comes under this particular division.

MR. FRASER: Thank you. Can I still get that application that came in from Norman Wells and review it?

HON. PETER ERNERK: I would have to know exactly what application you are talking about. Perhaps if you could be more specific.

MR. FRASER: I will get together with you a little later on, I think I know the guy I was talking to. Thank you.

THE CHAIRMAN (Mr. Stewart): Activity 6066 in the amount of \$145,000, is it agreed?

MR. LYALL: Mr. Chairman, activity 066?

THE CHAIRMAN (Mr. Stewart): Activity 6066 in the amount of \$145,000, on page 11.04.

Monitoring Sports Fishing

MR. LYALL: I would like to ask this department how close are they monitoring the fish camps and other activities as sporting, how close are they monitoring these outfits?

THE CHAIRMAN (Mr. Stewart): With all due respect I do not think that deals with this vote.

MR. LYALL: You are speaking of activity 6066 and I see it is in there.

THE CHAIRMAN (Mr. Stewart): Where do you see it?

MR. LYALL: The activity planning and over-all monitoring, and that is what I am getting at, but if not I can throw it in wherever you think I should throw it in.

THE CHAIRMAN (Mr. Stewart): Activity 6066, I see. In view of that I will accept the question. Mr. Minister.

HON. PETER ERNERK: The question as I understand it is how close are we monitoring the fish plant facilities, the fisheries.

MR. LYALL: Sporting outfits I am talking about.

HON. PETER ERNERK: This is the responsibility of the federal government and whenever the federal authorities, the fisheries people go into various communities ...

MR. LYALL: With all due respect I do not think it should be the responsibility of the federal government. I do not believe that these damned Yankees and that who come and tell me that they will not go commercial fishing -- I was here before they were and I think this department has the responsibility of looking after this.

HON. PETER ERNERK: If I could just finish my comment.

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

HON. PETER ERNERK: Whenever they go into these various communities where there are facilities our people go with them to visit the communities.

THE CHAIRMAN (Mr. Stewart): I think, Mr. Lyall, you would get a much better chance at this under operations and maintenance rather than under capital. Do you mind leaving it until we get there because really it is incorrectly placed at this stage? You will get another swipe at it when we get to operations and maintenance and that will give our Honourable Minister time to see if he can dig up an answer. Mr. Whitford.

MR. WHITFORD: Mr. Chairman, two questions to the Minister responsible for Economic Development. My first question is in regard to tourism, what is going to happen to the fish plant at Rae Lakes, or has there been a consultation with the people there in regard to it? Secondly ...

THE CHAIRMAN (Mr. Stewart): We are dealing with activity 6066 and that question is out of order at this stage and you can get at it later.

MR. WHITFORD: Activity 6066.

THE CHAIRMAN (Mr. Stewart): It is on page 11.04 under capital.

MR. WHITFORD: On page 11.06, campgrounds is still under activity 6066.

Activity 6066, Business Services And Tourism, Agreed

THE CHAIRMAN (Mr. Stewart): That is operations and maintenance and that pulls in the sort of thing you want to get at but we are on capital on page 11.04. Are we agreed?

---Agreed

0 And M - Activity 6060, Finance And Administration, Agreed

I direct your attention to page 11.05, Economic Development and Tourism, activity memorandum, operations and maintenance activity 6060, finance and administration, in the amount of \$1,678,000.

MR. LYALL: Could the Minister give me an answer ...

THE CHAIRMAN (Mr. Stewart): An answer on which?

MR. LYALL: The question I asked on 066.

THE CHAIRMAN (Mr. Stewart): There is another activity 6066. Under administration, operations and maintenance ...

MR. LYALL: Could you direct the Minister to answer when it comes up?

THE CHAIRMAN (Mr. Stewart): I will. Mr. Whitford.

MR. WHITFORD: Under operations and maintenance can I proceed?

THE CHAIRMAN (Mr. Stewart): When we come to the right section. Has it anything to do with finance and administration as per the call, activity 6060?

MR. WHITFORD: It does.

THE CHAIRMAN (Mr. Stewart): Proceed.

MR. WHITFORD: Again I ask the question what will happen to the fish plant at Rae Lakes and if the Department of Economic Development has consulted with the people therein with regard to that plant? I am sorry, Lac la Martre not Rae Lakes.

THE CHAIRMAN (Mr. Stewart): That question has to be ruled out of order under activity 6060. That will come up under activity 6065 which we will come to very shortly. Activity 6060 in the amount of \$1,678,000. Is it agreed?

---Agreed

O And M - Activity 6064, Planning And Development

Activity 6064, planning and development in the amount of \$365,000. Mr. Steen.

MR. STEEN: I am just curious on activity 6064, planning and development. It says in the second line, "Provision of technical information on non-renewable resource development in the Northwest Territories to territorial government departments and agencies", and I wonder does the Department of Economic Development meet with the local council to help them get a better picture of what the situation is surrounding their communities as far as economic development is concerned, because I think a lot of times the local councils are unaware of some of the things that may be happening in their area, or may happen or may not happen.

HON. PETER ERNERK: Mr. Chairman, again this is the responsibility of the federal government. However, we are in the process of getting into that type of program.

THE CHAIRMAN (Mr. Stewart): Thank you very much. Activity 6064 in the amount of \$365,000. Mr. Fraser.

MR. FRASER: Under planning and development in activity 6064, how did they arrive at a figure of \$365,000? Have they got any plans for the coming year for development?

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

Plans For Development.

HON. PETER ERNERK: Mr. Chairman, if I could just briefly explain, presently this includes three things and that is to maintain contact with businesses, native and municipal organizations, and promote the development of resident businesses in the territories. Two, research projects, evaluate and plan programs and collect information on resource developments. Recent activities include such as the one I mentioned this morning, that is, the setting up of a business advisory group from industry, government and native associations and an agreement with Canadian Arctic Gas Pipeline Limited to buy lumber for the pipeline, a program of loans and counselling for small companies building Northwest Territories Housing Corporation houses, a review of loan funds leading to changes in Small Business Loan Fund regulations, plans for a manpower delivery system for the pipeline, studies of forestry and agricultural policy, fisheries and the travel industry. Lastly, developing private and revising the territorial employment records and information system.

MR. FRASER: I am still not quite clear on activity 6064 which says: "The planning and development of new projects," and we are dealing with operations and maintenance now. I understand new projects to be capital.

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

HON. PETER ERNERK: Mr. Chairman, this is the planning division. I can not just tell you offhand what new projects are going to be planned this year but as it states here it is within the guidelines of the regulations as I have just indicated. It looks at various kinds of programs that would be feasible in the Northwest Territories.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 6064, Mr. Fraser.

MR. FRASER: For \$365,000 you are not going to start very many new programs or develop many. I query that one.

THE CHAIRMAN (Mr. Stewart): Actually, Mr. Fraser, this is not funded to start anything but it is an investigation as I understand it. It is to provide moneys to undertake investigations of economic opportunities in the territories. It is not funded to start anything. Activity 6064, Mr. Steen.

MR. STEEN: Mr. Chairman, I would like to compliment the Department of Economic Development on business development because that was part of my platform when I was running for the territorial Assembly other than, "Do not be mean, vote Steen."

O And M - Activity 6064, Planning And Development, Agreed

THE CHAIRMAN (Mr. Stewart): We might chop the plank from under you. You had better watch it. Activity 6064, agreed?

---Agreed

O And M - Activity 6065, Projects And Marketing

Activity 6065, Mr. Lyall and Mr. Whitford, you have now arrived.

MR. LYALL: Mr. Chairman, I was the one I think who asked the first question and I would like to have my answer.

THE CHAIRMAN (Mr. Stewart): All right. By the way, while they are conferring I should say activity 6065 on page 11.05, projects and marketing in the amount of \$5,785,000. Are you ready to answer Mr. Lyall's previous question?

MR. LYALL: Mr. Chairman, I believe there were two questions still to be answered.

THE CHAIRMAN (Mr. Stewart): Would you like to restate them so that we can be sure we are on the right track?

MR. LYALL: I do not know if I am on the right track. The first one was about the cannery and the second one was how close are you monitoring sporting outfits.

Monitoring Of Sporting Outfitters

HON. PETER ERNERK: First of all, Mr. Chairman, we give licences to sporting outfitters. We licence them so we have to keep a very close look at them. To answer your question specifically, yes, we do monitor them very closely because of that particular reason of licencing.

MR. LYALL: The reason, Mr. Chairman, that I asked this question was the way they change hands all the time. We have one now right by Cambridge Bay which is about eight miles out which is owned by people from the United States. I do not know how they could get the territorial government to tell us commercial fishermen there, not to give us a quota that we want close to that river. We believe that we should have the first right, we people living around that area, to do whatever we want. For this reason I asked that question. I personally believe that Economic Development should go to the settlements that are close by where anybody is trying to get a licence. It seems that when people do start in places like this they just go in there to start it up and make a hell of a pile of money and advertise that and get a hell of a big price for it and then the people who originally started it are not there so the monitoring of those places should to the fullest, be pretty damned close by this department.

HON. PETER ERNERK: Mr. Chairman, I can only say that I will take that as advice at this time.

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

MR. LYALL: Have you cancelled my first question about the Rankin Inlet cannery?

THE CHAIRMAN (Mr. Stewart): How much money out of this activity is going towards the Rankin Inlet cannery and where is it being provided?

Rankin Inlet Cannery.

HON. PETER ERNERK: Mr. Chairman, I stated earlier that under the Rankin Inlet cannery, under the 1977-78 budget under operations and maintenance there is \$271,000. Under revenue I have \$227,000. My information is correct as stated. I could tell you, Mr. Chairman, that at the request of the superintendent for the Keewatin region of Economic Development the situation is going to be reviewed because as I understand it it has not been successful in some ways and in some ways it has been successful in terms of employment opportunities for the people there. I am not sure as to when the study will be completed but I can assure you that it will be reviewed and as a result of that review we will have to see what is going to happen to it in the future.

MR. LYALL: Thank you.

THE CHAIRMAN (Mr. Stewart): Mr. Minister, could you advise me whether the filleting machine has been purchased for Rankin Inlet?

HON. PETER ERNERK: I am told it will be, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): In this day and age we are always short of work and as soon as we get something going we buy a machine to put lots of people out of work. It seems to be a continuous circle that seems to be going around. I know they did this in the Freshwater Fish Marketing Board in Winnipeg and they did it under the pretext of trying to help the commercial fishermen as to their terms of reference. Here is a department I understand is trying to give as much work as possible and when you start putting in filleting machines then you are taking a classification of work away. Is there a reason for it?

HON. PETER ERNERK: Mr. Chairman, first of all I have never seen one of those machines to be quite honest with you but with respect to your question in terms of employment opportunities it has increased the employment figures from 22 to 30 people or it will increase the amount from 22 people to 30 people.

THE CHAIRMAN (Mr. Stewart): That is the queerest machine I have ever heard of! If that is the way it is, thank you. Mr. Whitford.

Fishing Plant Not Wished

MR. WHITFORD: Thank you, Mr. Chairman. Just one question because I found the other question on the other page. This time I really checked. The question is in regard to the fishing plant in Lac la Martre. Was there or is there any consultation with the people there in regard to that plant and what is the intention with regard to the Department of Economic Development in regard to the plant?

HON. PETER ERNERK: Mr. Chairman, my information is that there was some consultation made with the people there and the people did not want it. If the people wish to have it again, certainly there would be some consultation made and I do not see any reason why it should not be put into operation again, providing the people do want to see it in operation again.

O And M - Activity 6065, Projects And Marketing, Agreed

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 6065, projects and marketing, agreed?

---Agreed

O And M - Activity 6066, Business Services And Tourism

Page 11.06, operations and maintenance, activity 6066, business services and tourism in the amount of \$1,186,000. Mr. Steen.

MR. STEEN: I am just curious on "travel industry" and it says, "the provision of services for the development of the tourism plant ..." and I am not sure what they mean by "the tourism plant" and I wonder if I could have some clarification on what that means?

THE CHAIRMAN (Mr. Stewart): What exotic flower is a "tourism plant"?

HON. PETER ERNERK: Tourism plant is buildings.

MR. STEEN: Thank you.

THE CHAIRMAN (Mr. Stewart): Activity 6066 in the amount of \$1,186,000. Mr. Whitford.

MR. WHITFORD: Mr. Chairman, to the Minister of Economic Development, a concern that I have got, which is probably one that needs some legal advice, I do not know, but we have got the Slave Lake campground and it is a prohibition area. Now, we will have tourists coming in from the South on their way through to Yellowknife, they will be stopping in, and I am wondering if Economic Development have looked at this and have a policy laid down or something of that nature. I do not expect the answer right now perhaps but we have to have an answer to it.

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

HON. PETER ERNERK: I will have to provide an answer later.

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

Campgrounds Policy

MR. BUTTERS: My question, sir, deals with campgrounds also but it relates to what may be called the campgrounds policy. This item refers to public tourist facilities and it seems to me that as road networks between northern communities begin to spread out and enlarge and increase in the number of miles of road that exist, the bulk of the usage will come not from tourists but from residents, we will see more people buying cars, and if wage employment became a reality we would see more people becoming what you might call week end tourists, Sunday drivers or Saturday drivers, and this is a concept that I do not believe the federal road builders really recognized in the past as being necessary. I know that the Mackenzie-Dempster link south of Inuvik is one such highway for which planners exhibited no forethought regarding the needs of the vehicle owners and operators in the nearby communities. As a result you find people parked off the road, on the road shoulder, you find people parked in gravel pits where the builders have gone through, you find them building fires anywhere, cutting trees, and as a result both the physical environment and the natural environment of the highway itself suffers. The people who live in the nearby towns are not able to use and enjoy the natural beauties of the surrounding countryside, if they are using wheels, because it is very difficult to do so from a parked car on the highway shoulder. So, I have two questions.

First of all how much of this almost \$2 million will be spent on the Mackenzie highway between the border and say Yellowknife and how much will be spent in the other areas, and whether or not the tourism people are looking at developing a policy which would serve the needs and interests of week end drivers or people of the communities who wish to go out and enjoy the countryside for a few hours or a couple of days?

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Minister, would you like to comment on this?

HON. PETER ERNERK: Mr. Chairman, to answer one question there, how much of this money is being spent on roads, on the Mackenzie highway; there is money set aside here which is about \$30,000 for the maintenance of campground facilities, and that is under capital which we dealt with earlier this morning. That of course does not sufficiently answer Mr. Butters' question.

We have a campground policy, and I do not have it with me at the moment, but if it is the wish of the committee, I can have that distributed before discussion on Economic Development and Tourism is over.

MR. BUTTERS: That would be satisfactory.

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

Painting Of Campground Buildings.

MR. WHITFORD: Mr. Chairman, to the Minister of Economic Development, last year the administration sent out painters to paint the buildings both at Boundary Creek and in the Great Slave Lake campgrounds and they came from Yellowknife. The year before they sent painters out from Fort Smith to come and paint both cabins, the one at Great Slave Lake campground and the one at Boundary Creek. I am wondering is it at all possible Economic Development has a plan this year on who will be painting those?

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

HON. PETER ERNERK: Mr. Chairman, earlier this morning I mentioned the fact that as part of the decentralization program we will of course provide more local involvement in various programs. The only way to answer your question is of course using that philosophy and, hence, having said that, we will provide local businesses as much as possible as part of our decentralization program. Does that answer your question?

MR. WHITFORD: It does, Mr. Minister, but my concern was that the department was setting up programs such as STEP and so on for local employment and yet we are going out of the community to bring in programs that could have been done from the community.

0 And M - Activity 6066, Business Services And Tourism, Agreed

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 6066 in the amount of \$1,186,000. Is it agreed?

---Agreed

0 And M - Activity 6067, Employment And Training

Activity 6067, employment and training in the amount of \$4,913,000. Mr. Lyall.

MR. LYALL: Mr. Chairman, under "apprenticeship program" is the department applying sufficient funds for people who are going to the Northern Alberta Institute of Technology, for them to live properly and the ones that are married, their wives, are they compensated any sort of money while these people are out going to school?

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

HON. PETER ERNERK: Mr. Chairman, if I could have just a moment.

MR. LYALL: The reason I asked is that I think that very recently we had one person drop out of this apprenticeship program who had been apprenticing for about three years, and it was I think because of the fact that he was

insufficiently funded while he was going to school. Also, these people who are married, it is very hard for them, especially if they have children, to leave their families to go down to the Northern Alberta Institute of Technology, not knowing when they will go to school. So, if the Minister could give me the answer to the first question I asked ...

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

HON. PETER ERNERK: My information is that they do get their whole salary plus \$38 a week under the agreement which we have reached between ourselves and Manpower and the employer, that means private industry.

MR. LYALL: The thing is even though he gets full wages he still has to live in Edmonton and he still has a family wherever he is from. If he is paying rent for one house, how the hell can he afford to pay for rent at another house in Edmonton? If they do get any money for living, I think if it is not sufficient it should be put up to the very maximum so that these people do finish their apprenticeship courses.

THE CHAIRMAN (Mr. Stewart): Mr. Minister, could you answer the question?

HON. PETER ERNERK: I could have a breakdown of these programs shortly after lunch.

THE CHAIRMAN (Mr. Stewart): The hour being what it is I have a couple of announcements. I understand that we have a new winner for Miss Northwest Territories, Diane Moniuk from Norman Wells. She is attending the Sir John Franklin school. I am to remind the political development committee that we are meeting for lunch in the Laing building on the 6th floor. Are there any further announcements?

This committee stands recessed until 2:30 o'clock p.m.

---LUNCHEON ADJOURNMENT

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum. We are now on activity 6067, employment and training in the amount of \$4,913,000.

HON. PETER ERNERK: First of all, with respect to a question asked by Mr. Whitford earlier this morning, with respect to campgrounds and tourist areas within prohibited areas, I have a reply ready now. There are three things: One, visitors coming into that area will be advised of restricted zones at the visitor information centre. Two, Rae-Edzo campground will be posted with a notice advising restriction as regular checks will be made by the RCMP. That answers your question, I take it, of earlier this morning. With respect to Mr. Lyall's question about the salaries I also have some information here. The employers, the Government of the Northwest Territories, do provide full salary as well as \$38 a week to keep or maintain another home, for example, in Repulse Bay or Cambridge Bay, for that matter. Also other employers such as big companies coming into the country and Manpower also maintain full salary plus \$38 a week.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 6067, Mr. Butters.

MR. BUTTERS: Activity 6067, page 11.21, it seems to me that this department would probably be the leader in what might be called the implementation of the decentralization concept. I just noticed under salaries there are two and a quarter million dollars in Yellowknife, \$30,000 in Fort Smith, \$19,000 in Inuvik and \$27,000 in Baffin. I just wondered how the salary breakdown equates with the intentions to decentralize the department.

HON. PETER ERNERK: Mr. Chairman, there are only 12 staff members who come under this program, the rest being all of the trainees from the Northwest Territories. That is where most of the money goes.

THE CHAIRMAN (Mr. Stewart): Activity 6067, agreed?

Committee To Determine Peoples' Needs

MR. STEEN: Yesterday I happened to be talking to some people in Yellowknife here and I understand Manpower is making up a list of influential people in the communities to form a committee of those influential people to help them determine what the people need. It is very interesting to me to note that in the community of Tuktoyaktuk, for instance, they do not consider or have not been considering the chairman of the hamlet council there, nor do they consider myself as an influential person in view of the fact that I have ten years experience in the community of Tuktoyaktuk as hamlet chairman plus being a territorial Member. I wonder if Canada Manpower, if this money is sent from Canada Manpower over to the territorial government, is this what I understand or is this vice versa?

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

HON. PETER ERNERK: I am told the answer is no. Your question was, is it being transferred from Manpower to the territorial government?

MR. STEEN: Was it transferred? It is marked transfer payments to the territorial Manpower division of \$500,000. May I have an answer on that?

HON. PETER ERNERK: Mr. Chairman, the money here is used to send apprentices to southern Canada. What we spend for sending these apprentices to southern Canada on courses we get back from Manpower. We get the money back from Manpower.

MR. STEEN: What are the courses for?

HON. PETER ERNERK: The courses would include carpentry, mechanics, electricians, etc.

MR. STEEN: As I understand it then, these are to obtain their papers, their tickets?

HON. PETER ERNERK: Yes, Mr. Chairman.

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

Conflict Of Programs

MR. WHITFORD: Mr. Chairman, is it fact the training program that is now in existence here which has been developed, Canada Manpower has the same program and you can go directly to Canada Manpower? Is this in the outlying communities, is this what it is set up for?

HON. PETER ERNERK: I am sorry, I do not quite get the question, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): The suggestion is there seems to be some conflict under certain conditions where Manpower has the same program and he wants to know if it is the same.

HON. PETER ERNERK: Mr. Chairman, I have to be educated now and then. My information is that for apprentices only, Manpower will pay us for the money we spend. In other words, if we send apprentices out, then Manpower will be paying us back for the money that has already been spent by the department, by the employment division.

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

MR. WHITFORD: Mr. Chairman, we have now got a fellow, Mr. Russ Look from the training division and it is a good program, in order to be able to relate to someone they did not have there before in terms of job opportunities and training programs, etc., but it is making it very difficult. At a lot of times we have not got the opportunity of being able to sit down and talk as to exactly what the programs are about, etc. The concern is that if there is going to be more time made available for this sort of thing because it is not so easy to get in and out of there so if he stayed over a couple of days this is the concern I am getting at.

HON. PETER ERNERK: Yes, Mr. Chairman.

Objects Of Expenditure - Activity 6067, Employment And Training, Agreed

THE CHAIRMAN (Mr. Stewart): Activity 6067, agreed?

---Agreed

This then concludes the main estimates.

MR. LYALL: Mr. Chairman, Mr. Minister, are you going to be able to give me that information item I asked for about the Rankin Inlet cannery?

HON. PETER ERNERK: Mr. Chairman, I said I had already indicated my response to the Honourable Member from the Central Arctic indicating that by saying at the request of the regional superintendent for the Keewatin region, this is going to be reviewed as to where the fish cannery in Rankin Inlet is going, to find out where it is going.

MR. LYALL: I took that as an answer but the thing I asked for was the profit and loss for the last three years.

HON. PETER ERNERK: Mr. Chairman, I do not have that information presently with me. At least I thought the Economic Development discussion was going to take a little bit longer but since it was so easy to deal with I guess we are going to conclude it very soon. We will get it for you this afternoon. I will have it distributed for your information by then.

MR. LYALL: Thank you.

THE CHAIRMAN (Mr. Stewart): On page 11.11 you will notice the grants and contributions. These have been included as I understand it in the other activities you have already approved. However, they are listed there. Have you any comments on them? Mr. Deputy Commissioner.

Advisory Committee On Land Use

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I did not want to speak on the grants question but there was a question raised earlier about the territorial involvement in the land use committee. Could I speak briefly to that now?

THE CHAIRMAN (Mr. Stewart): All right, Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: The territorial government supplies two officers who sit as part of the advisory committee on land use which is advisory to the land use administrator. The land use administrator is an officer of the Department of Indian and Northern Affairs. I have not had an opportunity since the time the question was asked to find out how much of the advice that our people give to that committee eventually is acted upon. Neither can I say whether they feel that it is their responsibility to alert either individuals or organized bodies such as towns or hamlets as to the nature of applications that are being considered. It is my understanding that the applications are forwarded to hamlets and that in some instances they are made available to hunters' and trappers' associations. Beyond playing an advisory role, I do not think the territorial government has any other opportunity, to take any effect in the land use business. I will determine though over the next day or two as to whether we play a different role than the one I have outlined to you and report back to the committee.

THE CHAIRMAN (Mr. Stewart): Thank you. If there is nothing further on Economic Development and Tourism, my list indicates that we next go to Education.

HON. PETER ERNERK: Mr. Chairman, Public Works is next on the agenda.

THE CHAIRMAN (Mr. Stewart): My list says Education or has it been changed?

HON. PETER ERNERK: There have been some changes.

THE CHAIRMAN (Mr. Stewart): It has been changed. Could I have a new list so I will know where I am going as Education it seems is not on but Public Works is? What is then after Public Works?

HON. ARNOLD McCALLUM: Finance.

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

DEPUTY COMMISSIONER PARKER: Public Works is next as I understand it and then Finance and then Public Services. It seems to me that Hon. Peter Ernerk proposes to proceed according to the original list with the exception of holding back Education until there are more Members present or something like that.

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

MR. FRASER: Some of the questions that were asked this morning we never got answers to and are they prepared to come back and give us some answers to those questions in writing, or how will they do it?

HON. PETER ERNERK: Mr. Chairman, I have the information here with respect to the Eskimo Loan Fund which was asked for by Mr. Steen this morning and we could get copies made and we will have it distributed this afternoon, to the Members of this House.

With respect to the campgrounds policy this information, as promised early this morning, will also be distributed some time later on this afternoon.

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

MR. FRASER: I asked for information regarding some estimates that came in for work at Norman Wells and I was told I would get them after lunch. I let it lay like that.

Department Of Public Works, Program Memorandum

THE CHAIRMAN (Mr. Stewart): Fine. Public Works, page 7.01. Mr. Deputy Commissioner, have you anything you would like to say by way of introduction on this?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I do not propose to say very much by way of introduction to Public Works. This department acts as a service to the other units of the territorial government to carry out or arrange to carry out things of a Public Works nature, that is it manages the capital program and handles the larger part of the operations and maintenance program when it applies to the maintenance of buildings and equipment. In addition, one branch of the department handles the highways maintenance and some aspects of reconstruction as well as being members of a committee with the federal government on new roads.

We do not propose any startling changes in this department and you will note that we show no change in the number of man years to be utilized in this forthcoming fiscal year.

THE CHAIRMAN (Mr. Stewart): Thank you. A breakdown on this for estimate purposes, the breakdown is on page 7.02 and is \$611,000, operating expenditures is \$15,826,000, for a total of \$16,437,000. Any comments of a general nature? If there are no comments of a general nature shall we proceed through the details of capital? Mr. Whitford.

MR. WHITFORD: If we could have a moment please, Mr. Chairman.

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

MR. WHITFORD: Yes. Thank you. Mr. Chairman, I was looking back and I did not see, and I have raised this before, the equipment on the highway between Fort Providence and up to and past Prelude Lake. That equipment is not adequate enough, especially the Prelude Lake road and, as well the road between the junction of Rae-Edzo to Yellowknife. These roads are in terrible condition, basically because of the lack of equipment on these roads. It is the longest piece of road in the Northwest Territories and expressing that kind of concern I was wondering where it was because that was illustrated in here that they would be able to get more equipment for this road.

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

Equipment For Highway Maintenance

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the equipment for highways maintenance is budgeted through an amortization system whereby we charge a certain amount, or allocate a certain amount per hour for work done, and that goes to build up a fund from which we purchase the equipment. The allocation is from operations and maintenance and it goes to this fund and each year then we are able to purchase equipment to the limit of the amount of money in the fund. It is true that the fund is perhaps not quite adequate to purchase as much equipment as we would prefer, but we do not have that much control over roads in the Northwest Territories.

The matter of control of highways remains a federal responsibility and we act very much as contractors. As to the adequacy of the budget for equipment I would like to have another chance to answer that when my advisers get here and I can perhaps give a better picture as to what our views are on the amount of equipment we can buy each year.

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

MR. WHITFORD: Mr. Chairman, the road that Keen Industries has just built, unfortunately is washing out, basically because the road when it was constructed seemed to have quite a bit of permafrost in it, and of course with the warm summer months this permafrost melts and then the road sort of breaks apart, or

does break apart. I am wondering if the Deputy Commissioner, if he is not aware of it, is going to have allocations of funds made to be able to rebuild this piece of road, it is quite a lengthy part of the road and it will either, by washing away of the road this spring, stop the traffic coming into Yellowknife and spiral the price of food up because you must fly it in or, do they have allocations in here to be able to repair this road?

DEPUTY COMMISSIONER PARKER: If Mr. Whitford is referring to one stretch of the road that is I believe not far from Stagg River, I am advised that we do have funds for that section, to continue or complete the reconstruction of it.

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

Stockpile Of Gravel

MR. WHITFORD: Mr. Chairman, another great concern to myself and Hon. Dave Nickerson is that there was to be a stockpile of gravel very close to Yellowknife so it would enable the people in Yellowknife going to Prelude Lake to have a better road. At the same time, they would be able to put some gravel instead of the huge boulders they have on the road between Prelude Lake and Detah. I am wondering if it is at all possible they have a commitment in here for the purpose of this gravel, the stockpile of gravel?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we stockpile a certain amount of gravel but seldom enough to meet the requirements. As far as Prelude Lake road is concerned we have put that forward to the people that we negotiate with in Ottawa for I think the last three years, but it has not been possible for us to get the money for that reconstruction. We did in the month of September and part of October carry out the partial regraveling of the Prelude Lake road and the last time I was over it it was in better shape than I have perhaps ever seen it.

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

MR. WHITFORD: Mr. Chairman, I hate to disagree with the Deputy Commissioner, but the road between Detah village and the junction has not been gravelled. As a matter of fact I can prove my point by digging up some records I have got whereby I put a hole in my gas tank by hitting one of these boulders on the road. As far as the Prelude Lake road was concerned it was in terrible shape as well.

DEPUTY COMMISSIONER PARKER: I was not referring to the Detah road up to the junction, no, that has not been regravelled and does require attention. The other road, the Prelude Lake road was scheduled to be rebuilt and some sections straightened out and that was scheduled as I said about three years ago and only I think in two places was it possible for us to do that work, and they were not very long stretches, one by Madeline Lake and one near ptarmigan towers. We have simply not been given enough money to do that.

I think we should warn Members though that the intention is not for that to be a high speed road, that was never the intention, it is a road to serve tourist development and we would hope that people would treat it that way. It was really designed as a 30 or 35 mile an hour road and was not meant to be raced over and torn up.

THE CHAIRMAN (Mr. Stewart): It also helps the garage business along with the replacement of gas tanks. I wonder, Mr. Deputy Commissioner, whether it would be appropriate for you to explain the method, or actually the position of the territorial government relative to the federal government on roads and the construction program? I think some of the Members may not understand that.

DEPUTY COMMISSIONER PARKER: How would it be if we did it under the highways part of O and M and that would give me a chance to put that together a little more carefully?

THE CHAIRMAN (Mr. Stewart): That is fine. Any comments of a general nature? Mr. Fraser.

POL Installation At Fort Good Hope.

MR. FRASER: Mr. Chairman, at a recent meeting in Fort Good Hope they have \$202,000 for a petroleum oil and lubricants installation at Fort Good Hope. At the meeting with the council there they felt that the fuel storage they presently have is adequate and they wanted to know if the \$202,000 could be transferred over to a water and sewer facility at Fort Good Hope where there are no funds for that particular job this year, and I would like to ask the administration if this could be done?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, is Mr. Fraser looking at the POL program in Finance? I do not think it applies to this department in any event.

MR. FRASER: It is in Finance, I am sorry.

DEPUTY COMMISSIONER PARKER: I will take his question as notice for whenever we get to Finance.

THE CHAIRMAN (Mr. Stewart): Thank you. Any further comments of a general nature on Public Works? If there are no further -- Mr. Lyall.

MR. LYALL: Mr. Chairman, I was wondering how many houses do they maintain throughout the whole of the Northwest Territories, have you got a breakdown of that? It seems to me that some of the houses get a lot of money to fix them up when it is not really necessary and I think that instead of fixing some of them up they should be building new ones.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I can not quote the number of houses but I will be able to later on this afternoon and then you will have an opportunity to see how the maintenance funds tie in with the number.

MR. LYALL: Mr. Chairman, the thing that worries me about some houses I have seen getting fixed up, the houses I am referring to are ones in Cambridge Bay, I have seen them go from the type of heating system they had in the beginning to the furnace type and then to water heat systems which I think is a lot of expense. You could just build a new building instead of making the inside look good, put in a better building so that you do not have too much heat loss.

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

The Mackenzie River Bridge

HON. DAVID SEARLE: Mr. Chairman, I wanted to just talk highways for a moment. Am I to understand that the reconstruction of the part of the Mackenzie highway between here and Rae is now completed?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman, with the exception of one little section not far from Stagg River where the construction apparently was over very difficult ground and it is well known that that had to receive more work.

HON. DAVID SEARLE: Mr. Chairman, I think that it is appropriate if I take the position that I have always taken, if that is appropriate, and the position that was taken by my predecessor, Mr. Peter Baker, which was to argue and I appreciate unsuccessfully, that the road is not finished so long as there is not a bridge across that river.

DEPUTY COMMISSIONER PARKER: Hear, hear!

HON. DAVID SEARLE: I know we come back at this thing every now and again and it appears every time in my campaign literature but it never seems to get built. We have signed petitions, done just about everything, feasibility studies. I am wondering what the administration is doing, if anything, to give that project any kind of priority. I wonder where it stands. Is it as good as dead or is there any glimmer of a hope or any work being done on it in terms of estimates? What is happening to my bridge?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the bridge over the Mackenzie River at Fort Providence appears as an item on the five year forecast and has for a number of years. That is the federal government's five year forecast on roads and bridges. There is a sum included for planning and it is always bumped from the fifth year to the next fifth year. At the present time we are not doing anything in that regard. We have taken I think three major runs at it and have been turned back each time so at the present time we have not got anything underway in the manner of pressure on the federal government to build that bridge.

HON. DAVID SEARLE: Well, Mr. Chairman, I am wondering if there is any legislation that would prevent me on the week ends from taking out a crew and we could start filling in, using wheelbarrows and maybe ultimately we could embarrass them into doing something about it. I suppose that is a rhetorical question, but I must say I am disappointed that we never seem to be able to get anywhere with that particular project.

The other question that I have always thought interesting in relation to planning for a bridge is whether everybody is justifying all kinds of expenditures and planning on the basis of the so-called pipeline. I am just wondering if there is any argument that could be made that would suggest a bridge would become feasible when you get a pipeline. In other words, not have it cross at Simpson but rather have it cross further down at Yellowknife in effect and strap it under the bridge or strap the bridge over it. I guess the question therefore is this, Mr. Chairman: Would we get closer to having such a bridge if there were a pipeline or is the route of the pipeline such that it is irrelevant?

The Pipeline And The Bridge

DEPUTY COMMISSIONER PARKER: Mr. Chairman, first of all the thought of combining a pipeline and a bridge or using the bridge to carry the pipeline across the Mackenzie River certainly was a thought that occurred to many of us but the cost of rerouting the pipeline, that is, the cost of the extra miles would probably exceed the value of the bridge because it would force it to deviate from the sort of straight as possible straight line so I am afraid that is not a factor. Were a pipeline to be built, I think the pressure of business here in the capital would be such that it would give real impetus to the requirement. In my earlier remarks I did not mean to imply that we put a bridge at a low priority because we do not but it is just that we have been so eminently unsuccessful over the years in promoting the project that at the present time we are not actively doing so.

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

HON. DAVID SEARLE: The final general area that I would like to touch on, Mr. Chairman, is the business of the Prelude Lake road. I am wondering what the schedule for substantial maintenance or reconstruction of that road might be. I just raise that question, Mr. Chairman, because I travel it in the summer often, as does everyone who lives in Yellowknife, I am sure, and of course it seems to be getting in worse and worse shape every year. Last year I think we were down to the major boulders and heavy crushed rock that forms the very base of the road and that was so badly in need of some kind of substantial maintenance that I am afraid if it is not done soon we will run the risk of real damage to the road on a permanent basis. I do not know how many Members know that for the three or four months in the summer that is probably the most highly travelled road in the Northwest Territories, that 20 miles, and it is just packed with people. Of course we developed some very, very fine camping facilities all along it on either side but the road itself to travel is a real hazard and I was just wondering what the plans were.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I misled you a few minutes ago and I would like to apologize in answering Mr. Whitford's question. The regravelling of the Prelude Lake road took place only as far as Pontoon Lake and that is coming from the east end. From Pontoon Lake on to the Giant Mine was not regravelled at all. I had indicated to you that it had been. We have not done any regravelling there because that is a section that is up for major reconstruction. There is no question but what Hon. David Searle is absolutely right. We are simply now running on the subsurface to the surface of the road. The only thing that saves it is that we have dry weather. If we did not, I think we would be in dire shape. We have placed it at a fairly high priority year after year because of the amount of traffic on it but our road reconstruction budget or the federal government's road reconstruction budget is just so completely inadequate that we have no money for reconstruction of that road this year or major work on it.

THE CHAIRMAN (Mr. Stewart): Thank you.

DEPUTY COMMISSIONER PARKER: We have been trying for about the same amount of time to rebuild sections of the road from the Hay River turnoff out to Pine Point and that is also getting into a condition of being desperate. We have not been any more successful there.

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

Proper Priorities Should Be Given To Highways.

HON. DAVID SEARLE: Mr. Chairman, I am very unhappy with the highway system in the Northwest Territories, if you can even dignify it as a system. I do not know what we have to do to make sure it gets the proper priority. The highways are so bad generally with the dust that frankly I can only conclude that for a father or husband to take his family on them you are almost guilty of criminal negligence because with the dust problem being what it is and the number of families who have been wiped out on those highways with trucks passing and you find yourself in the dust it is just dreadful. Of course that brings me then to the old question of a paving program starting at the Alberta border or starting due south. Is there any glimmer of a hope that that will ever get off the ground? You know, it is just so incredible that we can spend the money we are spending on schools and hospitals and everything else but that highway never gets any better, it just gets worse. We can not seem to finish it as we should with a bridge and of course there seems to be no program for paving and yet we just voted \$14 million for the department in which tourism falls and they are busily promoting tourism and spending great gobs of money on the recreation

areas and picnic grounds. We have got a director of territorial parks and you can not use the facilities -- you can, but it is very difficult and hazardous because of the dreadful highways. I know we are not responsible for highways directly but really should we not spend some time, gentlemen, those of you who are on the Mackenzie highway system, and try and come to grips with the ways and means of doing something with this situation?

I know that sounds like a tirade, but I guess the question was what are the plans for a paving program, even a start, a mile a year? At least in a hundred years we might be somewhere.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I am advised that there is some widening of the Enterprise to Hay River highway scheduled for this summer with paving of approximately 25 miles of that road scheduled for 1978-79.

HON. DAVID SEARLE: Where was that?

DEPUTY COMMISSIONER PARKER: From Enterprise to Hay River.

HON. DAVID SEARLE: Enterprise to Hay River. I do not want to argue with the chairman, but if I were to drive the highway from Yellowknife I might not even go on that section. I could see on the other side of Enterprise, between Enterprise and the border, but why would you foresee a priority between Enterprise and Hay River?

DEPUTY COMMISSIONER PARKER: That section is perhaps the heaviest travelled road in the Northwest Territories. It receives traffic from Pine Point, Fort Smith, Hay River itself, and from Enterprise into Hay River.

HON. DAVID SEARLE: The only thing I have to say about the Northwest Territories highway system is that it is great for the airline business.

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

MR. PUDLUK: Mr. Chairman, does this department look after firefighting also?

THE CHAIRMAN (Mr. Stewart): I can not hear you.

MR. PUDLUK: This department we are talking about, do they look after firefighting and fire equipment?

THE CHAIRMAN (Mr. Stewart): No, just highways.

MR. PUDLUK: I am sorry.

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

No Sympathy For Yellowknife South

MR. FRASER: Mr. Chairman, while I would like to sympathize with my friend from Yellowknife South I am afraid I have no sympathy at all. First of all, he is talking about a bridge into Yellowknife when the pipeline comes through and the pipeline is not even coming this way. A bridge to Yellowknife is a deadhead because Yellowknife is the end of the line; you can go no further than here, only back. Therefore, if a bridge is talked about, it should cross at Fort Simpson because that is where the development will be, down the Mackenzie Valley. I can not see putting money into a bridge in Yellowknife or something that will go dead in a few years.

HON. DAVID SEARLE: Shame! I will get you for that.

---Laughter

MR. FRASER: Another thing, Mr. Chairman, I am not through yet on roads, but they are complaining about the road to Prelude Lake, and what they should do is drive around Norman Wells next summer and see if they can get around town never mind getting out for a picnic, just try driving around town and we will try it in a four wheel drive and I bet you we do not get through.

THE CHAIRMAN (Mr. Stewart): I have noticed some pretty bad drivers in Norman Wells.

---Laughter

MR. LYALL: Mr. Chairman, first of all, I would just like to know where Prelude Lake is, where does this road really go?

HON. DAVID SEARLE: The Prelude Lake road does not go anywhere, it goes sort of northeast from Yellowknife, what is it, 28 miles or something.

DEPUTY COMMISSIONER PARKER: It goes 40 miles.

HON. DAVID SEARLE: But, it goes to a tremendous recreation area and it is the place, or the area where everyone from Yellowknife in the summer months goes for fishing and boating and on this road, there are virtually hundreds of cars on the week end. It is very heavily used in the summer and it is also the area where those tourists who happen to be tough enough to get down the Mackenzie highway, and carry on from Hay River, that is where they go and camp, boat and fish. It is a recreation area essentially.

Work Needed On Roads In Cambridge Bay

MR. LYALL: That is precisely the point I was going to get at. We are putting money into roads, especially around Yellowknife, and I was just going to say we have the same kind of situation in Cambridge Bay where we drive to a lake which is about four miles from town and I think it would save the government a hell of a lot of money if they were to go and fix that road because there are a lot of vehicles which travel that road and most of them are government vehicles. So, I think if we were to fix the road, we would save a lot of maintenance money. I think it is worse than Prelude Lake road in the fact that it is bumpy and bad, you tear out your tailpipe and stuff like this. It was not built by the Department of Public Works but still for the amount of people who use it, I think we should be looking into the smaller settlements for that kind of saving of government funds, instead of thinking only of Yellowknife.

MR. STEEN: That is what you wanted the tow truck for.

MR. LYALL: We need the tow truck to get out.

---Laughter

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

MR. WHITFORD: Mr. Chairman, I was wondering if in fact with the highways department, the winter road that is going between Edzo all the way to Echo Bay, several people go up there from all over Yellowknife as well, to visit the mine or curl, but when these people are on this road, and the government is sharing the cost with the contractor to build it, in order to transport ore out of there, is that company responsible for towing vehicles or making a road accessible to pick up a vehicle in a storm or whiteout?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the contractor who utilizes that road to Echo Bay has no responsibility for anyone else's problem. The money that the territorial government puts in is through a winter road's program and it is less than a matching grant. The company has to match it, but they put in a considerable amount more money than just 50 per cent of the cost. It is not a public highway and neither the government nor the contractor has to assume any responsibility for the condition of the road or for anyone who travels on it. It is strictly a "travel at your own risk" arrangement.

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

MR. WHITFORD: I wonder if we could ask the department responsible if they could send notices out to the community concerned about this because it always seems to come up, the question.

DEPUTY COMMISSIONER PARKER: That is a very good point and I think we should do that. I think we should also ensure that there is a sign somewhere just out of Rae that says that this is a winter road and proceed at your own risk, or words to that effect.

Mr. Chairman, I have some answers with regard to the number of housing units that the Department of Public Works maintains. The number is approximately 1500 and the number of square feet in those housing units amounts to approximately 1,800,000.

THE CHAIRMAN (Mr. Stewart): Thank you. Are there any further comments of a general nature? Mr. Steen.

Winter Roads In The N.W.T.

MR. STEEN: I am just curious. How much money is being allotted to winter roads in the Northwest Territories, especially in the Delta area, since I note the oil companies are pulling out and the government has maintained these winter roads between Aklavik, between Aklavik and Inuvik and Inuvik and Tuktoyaktuk? I am just curious as to how much this is going to cost, or is there any money in this allotment?

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

DEPUTY COMMISSIONER PARKER: Rather than guess at it I would like to get the information and bring it back before we are finished the estimates on this department.

MR. STEEN: Thank you.

THE CHAIRMAN (Mr. Stewart): Thank you. Any further comments of a general nature? If there are no further comments, I will direct your attention to page 7.03. Mr. Whitford, are you waving at me or being friendly?

MR. WHITFORD: Just one last question and I thought possibly somebody else might have wanted to ask one, but is the road going to be built from Echo Bay, the winter road now coming from Edzo going all the way through, will it go to Fort Franklin this year and if it is, I was wondering exactly what time, so we could inform people about it.

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

DEPUTY COMMISSIONER PARKER: We have been approached now to assist with a winter road to Fort Franklin from each of two directions, one from the Echo Bay side and the other one from the Fort Norman side. We have not received anything from the community in a way of request, other than the fact that Mr. Fraser has inquired as to whether a road was going to be built because he had heard of some requirement, but we know of no requirements that would justify that kind of an expenditure for a winter road. I would think it highly unlikely that there would be a winter road put from the Echo Bay side all the way across Great Bear Lake, that would be a very expensive operation and I know nothing of any plans to do that.

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

MR. LYALL: Mr. Chairman, the heat recovery system in Cambridge Bay. Could we be informed of what it really is, what it consists of, or who will be benefiting from it?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we propose to install a heat recovery system on the Northern Canada Power Commission plant and use the heat to heat the government garage, warehouse and trade shop. By doing that, we expect to save each year approximately one half the cost of heating those buildings.

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

Road To Resources

HON. DAVID SEARLE: Mr. Chairman, it may be as many as seven, eight or even ten years ago, but I distinctly recall a typical federal government announcement which said that over the next so many years there was going to be this great road construction program. I do not know whether it was called "Road to Resources" or what it was, but I seem to remember something like \$200 million which was going to be spent on new road construction in the territories, that is in the Northwest Territories and the Yukon, over so many years. I do not recall very many new roads being built recently and I just wondered if we could have an update of whether there is in fact, not a maintenance program but a new road construction program in place still, and if there is, what happened to it? In other words, where are we going with respect to road construction in the Northwest Territories, if at all?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, with regard to new road construction in the Northwest Territories in recent years, the emphasis has been in two areas, the first on the extension of the Mackenzie highway beyond Fort Simpson and the second the construction of the Dempster highway which will serve Inuvik and the Delta area from the Yukon. With regard to that particular project there has been extensive new road construction from Inuvik to Arctic Red River and from Arctic Red River to Fort McPherson and south from Fort McPherson a little ways. The road is also being constructed in the Yukon, extending north year by year and I believe the last estimate that I saw was to see it completed for use at the end of 1978. Now, it might extend into 1979, but that has been a very major and expensive road construction program.

On the Mackenzie, the road has been built from Fort Simpson to Camsell Bend and from Camsell Bend it has been more or less completed to then within about 20 miles of Wrigley. I say more or less completed, because there is a section still under construction as a Hire North project and there is one other contractor, I believe, working on a second section in that area. The original plan, of course, was to extend that road to meet the Dempster highway at Arctic Red River. However, with the lessening of interest by the oil companies in using it as a service road, and the growing antipathy expressed by the communities along the way, the federal government has shelved its plans for the time being for continuing that highway.

Stop-Start Method Of Road Development

HON. DAVID SEARLE: Mr. Chairman, I find the stop-start method of road development in this territory an incredible history. It is also incredible to me that you could go away building roads knowing of course of the lack of gravel in so many areas in the territories, having to dig great pits and just do it on the one hand and yet there is such a flap and foofaraw about a pipeline. You know, you have to go through public hearings and it seems to me that surely from an environmental point of view and everything else a road has to be any number of times greater as an environmental risk and damage to the surrounding country than a pipeline where you just -- as they call it in Alaska, they drill a couple of holes and put in these stands and run a pipeline across the top of that, then they pour in ammonia in case there is any cooling and they keep the stand frozen and it does not move. Really when we have gone through what we have gone through with Justice Berger and hear what is being said and yet we can drive a road with a 50 foot right of way from shoulder to shoulder and dig up all alongside of it, it is incredible that that can happen. It is also incredible once it is launched on, then the roads never seem to extend to anywhere or quite get to anywhere. The fact that this road is five miles from Wrigley, really, should it connect to Wrigley? There must be 100 miles or so between Fort Simpson and Wrigley I should think and to stop five miles from Wrigley is incredible. None of it makes any sense to me. I do not know. Maybe there is someone wiser than I who is doing all this planning who makes sense out of it but it all seems the wrong way about.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, just on the point of the ten or 15 miles which separates the road or will separate the road when it is completed from Wrigley, this is the choice of the people of Wrigley, not the choice of the government.

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

MR. LYALL: That was precisely the point I was going to make. The people are all talking about northern development and I think one of those places was Fort McPherson. Fort McPherson and Arctic Red River at that time the Berger Inquiry was going around, and yet the people in the towns are crying for new airports and they are crying for new houses and new schools. What the heck? Is that not development? That is the same thing I asked a question of the people in one of my ridings, they cried about this and they cried about northern development, they are crying so hard for new housing and new airports. I mean, what kind of BS do they put in the minds of people? I mean I can not understand people who cry against development and then cry for new this and new that. The other day I had a real good opportunity to briefly explain to some people about subsidized housing, low rental housing that they get. They think it is put there for nothing. I explained to them that it costs the government \$40,000. If you want welfare, you pay two dollars and your fuel and water is paid for. The food put on your table is paid for and yet at the same time they do not want any development. I mean I can not see it.

This is why I get so damned frustrated when you have got people from the Inuit Tapirisat of Canada or the Indian Brotherhood or anybody who is coming around telling the people it is no good for this community. I could go on and on, but that is a thing I can not understand. I can not see it. Just as many white people are coming to the settlements and tell the Eskimos "This is bad for you." I just can not see how this can go on and on like the Berger Inquiry. Like Hon. David Searle was saying, I think, as I say, we have about five roads going out of Cambridge Bay going nowhere. I mean the thing is the caribou like it better because they do not have the ptarmigan lands. They graze all over where the earth is lifted up. It is the same thing with the highway, the caribou go along it and they eat the vegetation. I just can not understand what goes on in the minds of people when they are against development and yet they want highways and everything else. Thank you, Mr. Chairman.

---Applause

Capital - Activity 3032, Repair And Upkeep Of Buildings And Works, Agreed

THE CHAIRMAN (Mr. Stewart): That woke me up and I was almost asleep. Comments of a general nature. Pardon me, we are on page 7.03, activity 3032, detail of capital, repair and upkeep of buildings and works. Activity 3032 in the amount of \$273,000. Agreed?

---Agreed

Capital - Activity 3033, Operations And Repair Of Equipment, Agreed

Page 7.04, Public Works, operations and repair of equipment, activity 3033, capital in the amount of \$129,000. Agreed?

---Agreed

Capital - Activity 3038, Operations, Agreed

Page 7.05, Public Works, operations, activity 3038, capital in the amount of \$103,000. Agreed?

---Agreed

O And M - Activity 3030, Directorate, Agreed

Page 7.06, Public Works, operations and maintenance, the first activity in this is activity 3030, directorate in the amount of \$321,000. Agreed? Hon. David Searle.

HON. DAVID SEARLE: There is a decrease by \$60,000 here. What has been transferred out?

THE CHAIRMAN (Mr. Stewart): What is the new hiding place, Mr. Deputy Commissioner?

MR. LYALL: A decrease in salaries.

DEPUTY COMMISSIONER PARKER: There is a transfer of people here.

HON. DAVID SEARLE: I figured it had to be something sneaky like that.

DEPUTY COMMISSIONER PARKER: It goes into project management and repair and operations of equipment and repair and upkeep of buildings and works. It seems to be something that the financial people have perpetrated on Public Works but I can not seem to find out anything more than that. I think it is fair to say you can see that there is no net increase in the department so obviously it is just a reshuffle.

THE CHAIRMAN (Mr. Stewart): Activity 3030, agreed?

---Agreed

O And M - Activity 3032, Repair And Upkeep Of Buildings And Works, Agreed

Activity 3032, repair and upkeep of buildings and works, \$9,810,000, agreed?

---Agreed

O And M - Activity 3033, Operation And Repair Of Equipment, Agreed

Activity 3033, operation and repair of equipment in the amount of \$3,351,000, agreed?

---Agreed

O And M - Activity 3034, Regional Project Management, Agreed

Activity 3034, regional project management in the amount of \$108,000, agreed?

---Agreed

O And M - Activity 3035, Power Services, Agreed

Activity 3035, power services ...

MR. LYALL: There is another decrease there?

THE CHAIRMAN (Mr. Stewart): That is right.

MR. LYALL: I would like to know how you get that.

HON. DAVID SEARLE: While the rest of us suffer from a 90 per cent increase.

MR. LYALL: Mr. Chairman, how did that happen?

THE CHAIRMAN (Mr. Stewart): We are trying to get some information. Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, this is as a result of the creation of new hamlets and the money is transferred from Public Works to Local Government and then made as a grant from Local Government to the hamlets for the operation of their buildings and shops.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 3035, \$4,361,000, Agreed?

---Agreed

O And M - Activity 3036, Project Management, Agreed

Activity 3036, project management, \$966,000, agreed?

---Agreed

O And M - Activity 3037, Offices Leased

Activity 3037, offices leased, \$2,239,000. Mr. Fraser.

MR. FRASER: I do not understand this, if buildings and works are under activity 3032 and offices leased in activity 3037 to the tune of \$2,239,000. I did not realize we were in the leasing business for that much money. Where are the millions that they lease, in town here or out of town?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, in the larger places in the Northwest Territories the territorial government owns very few office buildings. We own office buildings in the small places but, for instance, in Yellowknife the Laing building itself is a leased building. We lease space for other headquarters units in the YK Centre building, the Bellanca building and the Northern United Place. In Inuvik we lease space for our general offices. We have never built any offices in Inuvik. In Frobisher Bay we lease all of our space there. We own our office building in Rankin Inlet and we own the office buildings at Fort Smith.

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

HON. DAVID SEARLE: Mr. Chairman, there is an increase from \$1.9 million to \$2.2 million, an increase slightly in excess of \$300,000. Is that due to normal escalation of costs or is there additional space contemplated to be leased specifically in Yellowknife?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, part of it is due to escalation in lease costs because we have escalation clauses in there in connection with heating costs and municipal taxes and the like. In addition this anticipates some additional space in Yellowknife. Whether it anticipates the space we are going to require for court facilities or not I am not sure whether this budget will accommodate all of that or whether we will have to have supplementary.

Increasing Need For Government Buildings

HON. DAVID SEARLE: I guess the question I keep wondering, Mr. Chairman, is due to the fact we do not seem to be acquiring any additional responsibilities, that is, transfer from federal to territorial government, I am continually wondering how it is that we seem to be growing notwithstanding that in terms of numbers in the public service and hence require more and more office space.

I can recall when the Arthur Laing building was built, that together with the little building that was originally occupied was then thought to be about all the office space that the territorial government was going to require. Then, of course, when the YK Mall was built suddenly we went into four floors there, four or five, and then when the City Hall was built we took over the whole main floor of the City Hall. Now it looks as though we are going to occupy three or four floors of the Precambrian building. My problem is how is it we are managing

to succeed with such great success, if I can use those words that way and yet we do not seem to be acquiring any new responsibilities but rather adding to existing staff with respect to existing responsibilities.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the growth is due to two factors, one of course is the increasing size of programs, as evidenced by the increases in the budget from year to year and the need to handle larger sums and expansion within those programs in meeting the needs of a growing population in the territories. The other one of course is that we have in fact had a few transfers over the last few years, we have an increased responsibility in health, for instance, in health planning. We are now planning our own hospital expansions, we are now operating our own medicare scheme completely, we have an expanded safety responsibility. We passed not that long ago a new Safety Ordinance, we passed a new Consumer Protection Ordinance which requires some attention, legal aid has grown very, very substantially although it is not a heavy user of space, but these are the kinds of things that have occurred that have forced us to take more space.

THE CHAIRMAN (Mr. Stewart): Would it be safe to say that this included the new facilities at Hay River, the court building and the territorial offices there?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman.

O And M - Activity 3037, Offices Leased, Agreed

THE CHAIRMAN (Mr. Stewart): Activity 3037, \$2,239,000. Is it agreed?

---Agreed

In view of the hour shall we recess for 15 minutes for coffee?

---Agreed

---SHORT RECESS

O And M - Activity 3038, Operations, Agreed

THE CHAIRMAN (Mr. Stewart): The Chair recognizes a quorum and calls the committee back to order. I direct your attention to page 7.06, Public Works, operations and maintenance, activity 3038, operations in the amount of \$392,000. Is it agreed?

---Agreed

O And M - Activity 3039, Regional Administration, Agreed

Now, on page 7.07, Public Works, operations and maintenance, activity 3039, regional administration in the amount of \$1,086,000. Is it agreed?

---Agreed

That then concludes the main estimates for Public Works.

DEPUTY COMMISSIONER PARKER: Oh, no, Mr. Chairman.

HON. PETER ERNERK: We have yet to do highways, Mr. Chairman, on page 8.01, sir. Department Of Public Works, Highways, O And M, Activity Memorandum

THE CHAIRMAN (Mr. Stewart): Thank you. That is highways but I said we completed Public Works and now we go to the highways section. I direct your attention to page 8.01, highways, and are there any comments of a general nature? It seems we have done a pretty good job on this earlier.

HON. DAVID SEARLE: All this money I take it is recovered from the federal government, is it?

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, no. Perhaps I could answer Hon. David Searle's question by supplying the information that was asked of me by some other Member with regard to the relationship between the territorial government and the federal government regarding highways.

Under the northern roads program, roads are maintained by the territorial government with 85 per cent of the funding received from the federal government through the Department of Indian and Northern Affairs, and the other 15 per cent is budgeted by the territorial government and we receive that through our regular deficit grant. This includes ferry operations. It does not include winter roads and it does not include local roads in communities. It only includes those roads that have been designated as highways. Road construction under the northern roads program is financed 100 per cent by the federal government through the Department of Indian and Northern Affairs. The responsibility for some of the new road construction projects is passed to the territorial government; that is, some of the smaller projects, but the major projects are carried out by the federal Department of Public Works. The ones that we carry out are carried out under an engineering services agreement.

THE CHAIRMAN (Mr. Stewart): On highways, are there any general comments?

HON. ARNOLD McCALLUM: Just in conjunction with what the Deputy Commissioner has indicated to us, I wonder if we could just get an idea of how our arrangement works in relation to the kind of agreement that other jurisdictions have. Is ours a different kind of relationship, as it concerns highways, a territorial arrangement with the federal government, does that differ, or do the other jurisdictions have different kinds of arrangements?

DEPUTY COMMISSIONER PARKER: The arrangement we have with the federal government is the same as the arrangement that the Yukon has. In the rest of the provinces, or I had better say in the provinces, the provinces hold the responsibility for highways entirely with the exception of the Trans-Canada highway and I can not tell you what the relationship is between the federal government and the provincial governments on the Trans-Canada highway.

THE CHAIRMAN (Mr. Stewart): Thank you. Highways. Capital expenditure of \$623,000, operating expenditure \$6,389,000 for a total of \$7,012,000. Mr. Butters.

Completion Of The Dempster Highway

MR. BUTTERS: A general question. The Dempster highway, or rather the construction of the Dempster highway was begun in a burst of enthusiasm for roads to resources by the Rt. Hon. John Diefenbaker's Progressive Conservatives in the latter part of the 1950's, almost 20 years ago. That highway is still uncompleted, and there remains I believe a section of some 40 miles to close it. When the northern roads committee came through the Delta about seven years ago it received support from people in the Delta to move this highway along to completion and I think even recently when the committee returned they again received considerable support for the completion of the road. I would like to inquire if the Deputy Commissioner might inquire of the Government of Canada, especially of the federal Department of Public Works, now managed by our former minister, the Hon. Judd Buchanan, just what the intentions are of his department with regard to that highway and whether the contracts to close it will be let in the near future so that the work can proceed this coming summer.

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

DEPUTY COMMISSIONER PARKER: I will make those inquiries. The information that we have at the present time is that the work on the Dempster highway will continue. The scheduled date for completion has been dropped back one year from what had been planned a while ago and it now looks like it will be late 1978 or into 1979 before it is completed. However, we know of no intention not to complete it.

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

The Mackenzie Highway

MR. BUTTERS: With regard to another highway, it seems to me that in about 1972 the Prime Minister in Edmonton announced with some pomp and ceremony the construction of the Mackenzie highway to the Delta, to the Arctic Ocean, north to the Arctic Ocean and it was thought that that highway would serve as a supply artery for the proposed Mackenzie Valley gas pipeline. In 1974, I think you will remember that the Hon. Jean Chrétien likewise spoke glowingly of completing this highway and yet now it seems that work has ceased on the road, the company that was involved in constructing part of it, Dene Mat I think, is looking to other development areas to carry on their business, their contracting business, and I am wondering if the Mackenzie highway is dead.

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

DEPUTY COMMISSIONER PARKER: I guess Mr. Butters missed my earlier response at which time I advised that the Mackenzie highway had been planned to be extended through to Inuvik but at the present time there are no plans for construction beyond a point about ten or 15 miles short of Wrigley, and moneys that perhaps had been scheduled for further construction have been set aside for either other projects or simply to be saved.

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

MR. BUTTERS: As a further comment, the question is still valid. When the Hon. Jean Chrétien came to the Delta in about 1973, I think it was, he received a strong representation from the people of both our community and the community of Tuktoyaktuk relative to extending the Mackenzie highway to the Arctic Ocean and as a result of that there was a \$2.1 million bypass road built around Inuvik. There remains a strong desire, at least from Inuvik to see the road pushed up to the present Gulf Oil exploration reserve or petroleum reserve at Parsons Lake. I am wondering if the Deputy Commissioner is not sure would he indicate if there is any determination on the part of the federal government to push that road further. The federal government went so far as to carry out a road site survey and I believe ascertained the materials that would underlay the road if they decided to go ahead. So, they have done some work on that expansion and I would like to know if that project might still be alive.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the extension of the road from Inuvik to Parsons Lake and perhaps onward to Tuktoyaktuk remains a priority with the federal government I believe. However, it is in their B level programs and it is definitely not in their program for this forthcoming fiscal year. Mr. Chairman, I would like to advise Members that the bypass road that was built around Inuvik to take traffic from the airport road around to the dock site and industrial area was a road that was absolutely essential to the development of Inuvik regardless of other developments or regardless of other roads. We had to get the heavy traffic off the main street which was before that time the only route for heavy truck traffic and that bypass I think met that purpose.

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

Motion To Seek Funds To Pave The Mackenzie Highway

HON. DAVID SEARLE: Mr. Chairman, I would like, in view of the fact that we are dealing with matters of general concern and general direction, that we would like to see this activity of highways growing, I would like to move a motion as follows: I move that this House recommend that in future negotiations the territorial government seek funds on an ongoing basis for a program of paving of the Mackenzie highway.

THE CHAIRMAN (Mr. Stewart): To the motion.

HON. DAVID SEARLE: I do not propose to say much to it. I think I have already said what I wanted to say about it. It obviously implies new or additional money. I do not mean other funds that would otherwise be spent in other areas, but I am talking about a new proper ongoing program. If you wish I could deal with it further.

THE CHAIRMAN (Mr. Stewart): To the motion. Mr. Steen.

MR. STEEN: Mr. Chairman, I am just curious how far north the Honourable Member is talking about, what does he mean by the north end?

HON. DAVID SEARLE: I am talking about a paving program for the whole of the Mackenzie highway. As to where it starts I do not think it is for me to suggest because each and every one of us I am sure would like to see it start. In your case, Mr. Chairman, I am sure you would like to see it from the border and in my case I suppose from Yellowknife and in the case of Mr. Lafferty, he would suggest Fort Simpson and I assume that in the case of Mr. Fraser he would suggest Wrigley or at that point five miles from Wrigley. I am not going to enter into that kind of an argument because it is obviously not leading anywhere, but what I think we should indicate is to support in principle an ongoing paving program. It is as simple as that.

THE CHAIRMAN (Mr. Stewart): Thank you.

HON. DAVID SEARLE: What we are going to have, if we do not already nearly have it, is a paved highway for part of it that ends at the Alberta border, and unless we start getting our program in order soon, it will not continue from that point and that does not make sense to me.

MR. LYALL: Mr. Chairman, I would like to see the Ingraham trail go all the way up to Coppermine and start paving from Coppermine.

Motion Carried.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Lyall. To the motion. Question being called. All those in favour? It is unanimous.

---Carried

It will so be noted. Mr. Steen, you indicated you wished to speak prior to the motion coming on the floor. The floor is yours.

MR. STEEN: I have forgotten what we were talking about before the motion. What were we talking about?

THE CHAIRMAN (Mr. Stewart): About highways.

MR. STEEN: Mr. Butters made a suggestion or rather the Deputy Commissioner said that he felt that the road from Inuvik to Parsons Lake and on into Tuktoyaktuk was still a priority with the government. I just wanted to say that I would like them to reverse that, from Tuktoyaktuk to Parsons Lake, not from Inuvik to Parsons Lake. Mr. Butters is not here and I am sure he would have something to say about that.

THE CHAIRMAN (Mr. Stewart): It is a good time to say it. I wonder if the Chair might be allowed one question: What is the situation relative to the road from Fort Simpson to Fort Nelson?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, as far as priorities for new roads are concerned the proposed road from Fort Simpson southerly to Fort Liard to connect with the road that the British Columbia government would build up to the 60th parallel from Fort Nelson takes very high priority with us for a variety of reasons. It would assist in the servicing of the Mackenzie-Liard area and it would also provide tourists with a ring road which would undoubtedly spur the development of that industry. It is in the five year forecast of the federal government but not for the next two or three years as far as I know.

THE CHAIRMAN (Mr. Stewart): Thank you. Any further comments of a general nature? Can I direct your attention then to page 8.02, highways, that is operations and maintenance. We have been doing it the other way around, doing capital first so we will try to proceed in the same manner we have.

Capital - Activity 3110, Headquarters Administration, Agreed

I will direct your attention to page 8.03, headquarters administration, activity 3110, capital, and that happens to be a zero so I guess we can agree on that one. Agreed?

---Agreed

Capital - Activity 3140, Maintenance Operations, Agreed

On page 8.04, highways, maintenance operations, activity 3140, capital in the amount of \$623,000. Agreed?

HON. DAVID SEARLE: Mr. Chairman, it appears to me that the only thing that has happened between activity 3110 and activity 3140 is we have moved a replacement of the highway equipment from one activity to the other and it was moved out of headquarters administration into maintenance operations. Is that all that has happened there because it is described the same way, replacement equipment, \$623,000. Last year it was \$528,000, so it has just been moved out of one allotment into another, I think.

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman. We have simply moved it from headquarters administration to maintenance operations because it makes more sense for it to be accounted for in that particular area.

THE CHAIRMAN (Mr. Stewart): Thank you.

DEPUTY COMMISSIONER PARKER: The activity 3110 was just shown for information purposes. There is no money in it this year.

THE CHAIRMAN (Mr. Stewart): Activity 3140, agreed?

---Agreed

O And M - Activity 3110, Divisional Administration, Agreed

Then we will have to turn back to page 8.02, highways, operations and maintenance, activity 3110, divisional administration in the amount of \$183,000.

HON. ARNOLD McCALLUM: Mr. Chairman, when the standing committee were going through this particular item it was said that the federal government were doing a comprehensive study regarding the inadequate supply of money for the maintenance of highways and that a consultant had been hired by the federal government or there was a federal consultant. I wonder if there has been any result from this particular study. That was an item that was brought up within the standing

committee on finance and I notice it was suggested there or it was said there that this consultant would do a study and recommendations which would cover all aspects of construction and maintenance. I wonder if this is anything further on that.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the results of that study, that is, the results of the work of that consultant should be available shortly.

THE CHAIRMAN (Mr. Stewart): Activity 3110, agreed?

---Agreed

0 And M - Activity 3120, Design And Construction, Agreed

Activity 3120, design and construction in the amount of \$381,000. Mr. Steen.

MR. STEEN: Mr. Chairman, I would like to have some explanation on that particular allotment because I do not quite understand it.

THE CHAIRMAN (Mr. Stewart): May we have an explanation of that particular activity 3120, Mr. Deputy Commissioner?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, that allotment covers basically staff costs for 19 people, as you will note in the summary of man year requirements.

THE CHAIRMAN (Mr. Stewart): Activity 3120, agreed?

MR. STEEN: Mr. Chairman, I do not think he quite answered the question. My question is "To provide engineering services and construction management for projects assigned by other territorial departments, mainly Local Government or federal DINA." I just do not know what they mean by "mainly Local Government or federal DINA."

DEPUTY COMMISSIONER PARKER: This is the group that does design work for local roads which are not done by municipalities and the design work that is done for projects that are assigned to us by the federal Department of Indian and Northern Affairs. We do a considerable amount of the reconstruction work each year and this is carried out by this group. It includes also the seasonal positions of surveyors and surveyors' helpers who actually do the work on site.

MR. STEEN: Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Activity 3120, agreed?

---Agreed

0 And M - Activity 3130, Ferry Operations

Activity 3130, ferry operations in the amount of \$832,000. Hon. David Searle.

HON. DAVID SEARLE: At the risk of someone making some wisecrack about my concern for ferry operations, I think that I would like to, Mr. Chairman, ask one or two questions. I think the one that interests me is the possible alternative of a hovercraft which would provide service on a year-round basis without the breakup and freezeup interruptions. I am wondering if the traffic across there as yet has built up to the point where a large hovercraft would be a viable alternative to the present ferry system. I am assuming that an alternative has been inquired into on occasion. I would also assume that it has not been viable in the past because I think a hovercraft would require a fairly high level of traffic in view of its cost. I do not know, I am just wondering if there are any comments which could be made about that?

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

DEPUTY COMMISSIONER PARKER: The times when a hovercraft would be particularly useful are at breakup and freezeup. Of course in the winter it would not be necessary and in the summer a hovercraft is a very, very much more expensive vehicle to operate than a ferry boat. Therefore, the requirement is so seasonal that the capital cost would render it almost impossible to have one available. I have some experience with the cost figures because Northern Transportation Company Limited has operated one from Tuktoyaktuk out to the Arctic islands for the past two or three years and even with the oil companies as relatively good customers they have found it very, very difficult to continue a viable operation, that is an economically viable operation.

One of the problems we would encounter at the Mackenzie River would be that we would have to have such a large machine to handle a full truckload or we would have to suffer the cost of offloading van loads into smaller quantities and transporting them across the river and reloading into van loads and that becomes very expensive. I guess the conclusion then is that at present levels of traffic a hovercraft is not a viable thing for the Mackenzie River crossing. It is even less interesting now that it has been proven that the Merv Hardie can break a fair bit of ice as it did this year and operate well in to the very late fall. I think this year we had something like five or six days between the closing of the ferry operations and the official opening on the ice crossing.

Now, admittedly the time in the spring will be longer than that but it still does not add up to a requirement that we can afford to fulfil with a hovercraft.

THE CHAIRMAN (Mr. Stewart): Activity 3130. Mr. Fraser.

Men Employed On Ferries

MR. FRASER: We are talking about the ferry at Fort Providence and the one at Simpson, those are the two ferries that are operating. How many men are employed on those two ferries?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, under ferry operations we have 15 man years and that in fact means 15 people.

MR. FRASER: Does that mean 15 people year round or just the operation of the ferry, for six or seven months?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the ferry employees are seasonal employees, they return year after year but they do not get paid on a 12 month basis. However, they do work such long hours and are permitted to do so that it really amounts to a full years salary for most of them.

MR. FRASER: Thank you.

THE CHAIRMAN (Mr. Stewart): Activity 3130. Mr. Whitford.

MR. WHITFORD: Mr. Chairman, the question I have got of the Deputy Commissioner is simply if they were paid a cheque every month for the 12 month period, would that be better in fact than paying them a period of six months at higher rates for tax purposes?

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

DEPUTY COMMISSIONER PARKER: I do not think so, I think it still amounts to a total annual income whether it is paid in six periods or 12 periods.

O And M - Activity 3130, Ferry Operations, Agreed

THE CHAIRMAN (Mr. Stewart): Activity 3130, is it agreed?

---Agreed

O And M - Activity 3140, Maintenance Operations

Activity 3140, maintenance operations, \$4,993,000.

HON. ARNOLD McCALLUM: I wonder if I could just get a point of information. It may be that the Deputy Commissioner has indicated this before, and I missed it, but what percentage of maintenance costs does the federal government pay? We talked about the arrangement but do they set a set percentage of these, of the maintenance costs?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, they pay 85 per cent of the maintenance costs and we pay 15 per cent. The amount of money that is reported here is the total maintenance cost, that is 100 per cent of the maintenance cost and you will note under the revenue sheet that we show an income for Mackenzie highway maintenance and that represents the 85 per cent.

THE CHAIRMAN (Mr. Stewart): Thank you. Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: If I could just continue then, they pay then 100 per cent of construction, new construction?

DEPUTY COMMISSIONER PARKER: Yes.

HON. ARNOLD McCALLUM: If they then pay 85 per cent of maintenance, is that set on their set of priorities or does our department have an input into the kind of priorities that would be set for maintenance?

DEPUTY COMMISSIONER PARKER: I am afraid it is as I expected. The government sets an all-up total amount of money available for maintenance and then transfers to us 85 per cent of that. We have some flexibility then in carrying out the maintenance but we can not exceed the all-up total unless we put more money in ourselves.

THE CHAIRMAN (Mr. Stewart): Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: That is fine, that is what I was leading up to, whether there was any flexibility in that maintenance schedule, notwithstanding that one can not go over that amount of money.

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

Dust Control Program

HON. DAVID SEARLE: I would like to hear about our dust control program, just exactly what it now entails, how much it costs, how much dust we control.

THE CHAIRMAN (Mr. Stewart): You want to dust off the dust control.
Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, in the forthcoming fiscal year we expect to treat 110 miles in total for dust. The largest single segment is the Hay River highway from Enterprise into Hay River which has been one of the causes of concern and there has been a number of deaths on that particular road. I can not offhand give you the value of that program but I can supply it later on.

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 3140. Mr. Whitford.

MR. WHITFORD: Mr. Chairman, in regard to dust control I think it is really a good idea. The only thing is that I would have hoped that the government could review the areas in which they are using chemicals and perhaps make passing zones in other areas that would be more beneficial to the travelling public.

THE CHAIRMAN (Mr. Stewart): Thank you.

DEPUTY COMMISSIONER PARKER: I will be glad to review the locations of passing zones.

O And M - Activity 3140, Maintenance Operations, Agreed

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 3140. Is it agreed?

---Agreed

This then concludes the main estimates for highways.

Department Of Finance, Activity Memorandum

According to my list Finance is next. I direct your attention to page 10.01.

HON. ARNOLD McCALLUM: I wonder, Mr. Chairman, if we could have the Members' approval to have the Assistant Commissioner come in, sit with the Deputy Commissioner as this is a responsibility that the Assistant Commissioner has, not as a witness but as an assistant, rather than simply pass this material back and forth. If we could have the agreement of Members?

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

---Agreed

HON. ARNOLD McCALLUM: Thank you.

THE CHAIRMAN (Mr. Stewart): Assistant Commissioner Mullins. Finance, page 10.01. Mr. Deputy Commissioner, would you like to make any general comments to start this off, or Assistant Commissioner Mullins? Assistant Commissioner Mullins, would you care to lead us into the fray on this one?

ASSISTANT COMMISSIONER MULLINS: Thank you, Mr. Chairman. I would like to keep my introductory comments very brief this afternoon, but I would like to indicate that the estimates of the Department of Finance represent what we consider to be a fairly bare bones set of estimates for our Department of Finance which also provides administrative services for the Government of the Northwest Territories.

The estimates presented here reflect a slight reduction in the number of man years as we have gone through a reorganization of that department and attempted to effect some improvements in efficiency and therefore with a reduced level of staff.

Functions Of The Department Of Finance

Mr. Chairman, when one normally thinks of the Department of Finance one thinks of the budgeting and accounting functions. Our Department of Finance includes three other important functions as well, and it may be useful to just quickly relate the Department of Finance includes supply services which is the main purchasing arm of the Government of the Northwest Territories, it is responsible for the management of the annual sealift, it is responsible for the provision of sales outlets for petroleum products in many communities and, it is also responsible for the arrangement of transportation for government goods and services in areas off the sealift areas.

In addition, the Department of Finance also includes the computer services for the Government of the Northwest Territories. This computer not only meets the needs of the accounting and finance functions of that department, but meets the needs of the Government of the Northwest Territories as a whole.

Finally, Mr. Chairman, the Department of Finance estimates include provision for the liquor system. The liquor system is basically semi-autonomous to the Department of Finance, but is shown in the estimates of the Department of Finance primarily for administrative purposes.

1976 was a fairly good year for the Department of Finance and in many ways. The Department of Finance acquired a new director during that year, and a number of changes were effected to our accounts payable operation so that accounts are now paid to northern suppliers in a much shorter time frame between receipt of invoice and issuing of cheque and we carried out one of our best sealifts on record.

I have with me today, Mr. Chairman, a copy of a bill of lading from the 1976 sealift and I thought it might be interesting to Members if I were to read from that bill of lading -- the bill of lading was made out to a Frobisher Bay corporation by the name of Arctic Ventures and this bill of lading dealt with the provision of more than 4000 dozen cans of soft drinks to that particular company. I am very pleased to report that the handwritten note is signed by a Member, I think I can read the signature of Mr. Bryan Pearson, stated, and I quote: "All goods received in excellent condition, a professional job by professionals." With those brief remarks, Mr. Chairman, I would like to conclude my opening remarks this afternoon.

THE CHAIRMAN (Mr. Stewart): Thank you. Finance, capital expenditures of \$4,018,000, operating expenditures of \$18,381,000, for a total of \$22,399,000. Any comments of a general nature? No comments?

Capital - Activity 5050, Directorate, Agreed

I direct your attention to page 10.02, Finance, directorate, activity 5050, capital, and we have zero, so I suppose we can agree to that. Is it agreed?

---Agreed

Capital - Activity 5052, Finance And Office Services, Agreed

Page 10.03, Finance, finance and office services, activity 5052, capital in the amount of \$150,000, agreed?

---Agreed

Capital - Activity 5053, Supply Services

Page 10.04, Finance, supply services, activity 5053, capital in the amount of \$3,868,000. Mr. Fraser.

MR. FRASER: Mr. Chairman, I asked this question earlier and it has come up now on both activity 5053, POL installations for Fort Good Hope. At a council meeting in Fort Good Hope council requested that this \$210,000 be transferred to a water treatment plant in Fort Good Hope as there were not funds available for a water treatment plant in 1977-78. They think that the water treatment plant is more important there than the POL installation there. They have enough storage there for another year. I wonder if the administration could tell me if this could possibly be done.

THE CHAIRMAN (Mr. Stewart): Mr. Deputy Commissioner. I am sorry, Assistant Commissioner Mullins.

ASSISTANT COMMISSIONER MULLINS: I would be pleased to answer that question. Mr. Chairman, each spring before the river is finally cleared fuel has to be flown into that community in 45 gallon drums and the flying in of fuel makes a higher fuel cost as well as a very high transportation cost which leads to the requirement to extend POL tank installations in the communities. In the case of Fort Good Hope we have two major reasons for increasing the capacity of the tank farm there. One is that fuel has been flown in last year and it will be flown in again this spring and our objective is to save money to that effect. Secondly, Fort Good Hope's tank farm is considered by our specialists to be hazardous and we hope to clear up the hazardous situation at the same time.

MR. WHITFORD: Mr. Chairman, the gasoline tanks in Rae Lakes last summer ran dry by I believe the end of July and consequently they had to transport it by air and I am sure at tremendous cost into that community. This year I believe that the tenders are out for gasoline in 45 gallon drums. At the finance committee meeting I indicated at that time that there was a 12,000 gallon gas tank available over at Fort Byers and I am just wondering now if in fact the department has taken some action to try to obtain this tank and fill it with 12,000 gallons of gasoline to be sold in the community.

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, we will be purchasing some gasoline in 45 gallon drums this year, that is correct, and I will again provide some information as to why we more than doubled the POL capital budget from this fiscal year to the next fiscal year. We will be moving into Rae Lakes next winter, the winter of 1977-78, some 20,000 gallon tanks which are coming through at Snowdrift. These are now on our inventory and will be surplus to the requirements at Snowdrift. We are now planning to overcome the problem at Rae Lakes. They are not shown in the budget because the tanks are now on our inventory but at a different location.

MR. WHITFORD: Mr. Chairman, I believe there was 80,000 gallons of gasoline used last winter to the spring or the middle of the summer. My concern, of course, is will there be an adequate amount of gasoline this year so they do not run out in the middle of the summer? The reason being, of course, that there is quite a bit of traffic on the road and the gas has been sold to the travelling public. I suppose you can not leave a person stuck and people are not aware of this gas which was supposedly for the community so I am just wondering if there is going to be an adequate amount of gasoline so there would not be any shortage on both number two gas I believe it is and lamp gas.

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I have been advised that the inventories have been shipped in and shortages are not anticipated at Rae Lakes this summer. My officials have provided every confidence that this will not occur.

Capital - Activity 5053, Supply Services, Agreed

THE CHAIRMAN (Mr. Stewart): Thank you. Activity 5053, agreed?

---Agreed

Capital - Activity 5055, Liquor Control System, Agreed

Page 10.06, Finance, liquor control system, activity 5055, capital and again we have a nil figure. Agreed?

---Agreed

O And M - Activity 5050, Directorate, Agreed

Page 10.07, Finance, operations and maintenance, activity 5050, directorate in the amount of \$182,000, agreed?

---Agreed

O And M - Activity 5051, Systems And Computer Services

Activity 5051, systems and computer services in the amount of \$1,070,000. Mr. Butters.

MR. BUTTERS: Mr. Chairman, first of all I have a question on activity 5050. I am wondering if the fact we are now entering the O and M that we might just recognize the clock and take a breather before starting a new section.

THE CHAIRMAN (Mr. Stewart): I have no objection. Is it your wish that I report progress?

---Agreed

MR. SPEAKER: Mr. Stewart.

Report of the Committee of the Whole of Bill 3-61, Appropriation Ordinance, 1977-78

MR. STEWART: Mr. Speaker, your committee has been studying Bill 3-61 and wishes to report progress at this time.

MR. SPEAKER: Thank you, Mr. Stewart. Announcements: Tomorrow morning, as you know, is a committee morning and the Assembly will not meet until the afternoon. Consequently a standing committee on legislation meeting which is scheduled for 9:00 o'clock a.m. in the Executive boardroom of the Arthur Laing building. I assume that is the sixth floor. Are there any other announcements? Mr. Clerk, orders of the day.

ITEM NO. 11: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Remnant): Orders of the day, February 1, 1977, 2:30 o'clock p.m., at the Explorer Hotel.

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 and other matters:
Bill 3-61, Matters Arising out of the Visit of the Legislative Assembly
to the State of Alaska, Information Items 1-60, 8-60, 15-60 and 16-60,
Motion 24-60, Recommendation to the Legislature 2-61
11. Orders of the Day

MR. SPEAKER: This House stands adjourned until 2:30 o'clock p.m.,
February 1, 1977, at the Explorer Hotel.

---ADJOURNMENT

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