



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES
DEBATES

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Official Report



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

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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 7, 1977

MEMBERS PRESENT

Mr. Steen, Mr. Stewart, Mr. Lafferty, Mr. Butters, Mr. Fraser, Mr. Evaluarjuk, Hon. Peter Ernerk, Mr. Pearson, Mr. Pudluk, Hon. David Searle, Hon. Dave Nickerson.

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. David Searle): Just before we begin I may say that if any Member leaves the chamber even to go to the washroom we will lose a quorum.

ITEM NO. 2: QUESTIONS AND RETURNS

Item 2, questions and returns.

Are there any returns. No returns, are there any written questions? Mr. Butters.

Question W29-61: Societies Ordinance In N.W.T.

MR. BUTTERS: Mr. Speaker, are the Metis Association of the Northwest Territories and the Indian Brotherhood of the Northwest Territories, the Committee for Original Peoples Entitlement, the Inuit Tapirisat of Canada, incorporated under the Societies Ordinance of the Northwest Territories, or if not, under which other federal or provincial authorities? For the organizations incorporated under the Societies Ordinance of the Northwest Territories might copies of the respective bylaws and constitution be provided to Members of this House?

MR. SPEAKER: Will you take that as notice?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker.

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

Question W30-61: Appointment Of A Commissioner

MR. BUTTERS: The Northwest Territories Act, clause 3(1), provides "The Governor in Council, may appoint for the territories a chief executive officer to be styled and known as the Commissioner of the Northwest Territories."

Might one receive a legal opinion since the operative word in clause 3(1) is permissive, of other constitutional manners or methods for effecting the appointment of a Commissioner?

MR. SPEAKER: Are there any further written questions?

Item 3, oral questions.

Item 4, petitions.

Item 5, reports of standing and special committees.

Item 6, notices of motions.

ITEM NO. 6: NOTICES OF MOTIONS

With respect to Bill 9-61, Hon. Peter Ernerk.

Notice Of Motion To Introduce Bill 9-61: Public Inquiries Ordinance, For First Reading

HON. PETER ERNERK: Mr. Speaker, I give notice that on February 7, I shall move that Bill 9-61, An Ordinance Respecting Public Inquiries, be read for the first time.

MR. SPEAKER: That should read February 8, tomorrow.

HON. PETER ERNERK: Pardon me, yes, Mr. Speaker.

MR. SPEAKER: Bill 10-61, Hon. Peter Ernerk.

Notice Of Motion To Introduce Bill 10-61: Constitutional Development Advisory Committee Ordinance, For First Reading

HON. PETER ERNERK: Mr. Speaker, I give notice that on February 8, 1977 I shall move that Bill 10-61, An Ordinance to Establish a Committee to Inquire Into and Make Recommendations with Respect to the Constitutional Development of the Northwest Territories, be read for the first time.

MR. SPEAKER: Mr. Butters.

Notice Of Motion 7-61: Advisory Committee On The Constitutional Development Of The N.W.T.

MR. BUTTERS: Mr. Speaker, I wish to give notice that I will on Tuesday, February 8 move that:

WHEREAS the report of the steering committee established to develop terms of reference for the inquiry regarding the constitutional evolution in the Northwest Territories was tabled Friday, February 4;

NOW THEREFORE, I move that the tabled report be referred to committee of the whole for consideration.

MR. SPEAKER: Thank you, Mr. Butters. Any further notices of motions?

Item 7, motions for the production of papers.

Item 8, motions. Motion 5-61 apparently is scheduled for this morning but is not in the book, it is still being translated. Motion 6-61 is not in the book either, but it is scheduled for tomorrow. So, we can leave both motions then for tomorrow. Are there any other motions?

Item 9, tabling of documents.

Item 10, first reading of bills.

ITEM NO. 10: FIRST READING OF BILLS

Bill 11-61, Workers' Compensation Ordinance, Hon. Peter Ernerk.

First Reading Of Bill 11-61: Workers' Compensation Ordinance

HON. PETER ERNERK: Mr. Speaker, I move that Bill 11-61, An Ordinance Respecting Compensation to be Paid as a Result of Injuries or Death Caused to Workers in the Course of Their Employment, be read for the first time.

MR. SPEAKER: Is there a seconder? Mr. Fraser. There is no debate on first reading, the question being called.

SOME HON. MEMBERS: The question.

MR. SPEAKER: All in favour? Contrary? First reading is carried.

---Carried

Item 11, second reading of bills.

ITEM NO. 11: SECOND READING OF BILLS

Bill 11-61, Workers' Compensation Ordinance, Hon. Peter Ernerk.

Second Reading Of Bill 11-61: Workers' Compensation Ordinance

HON. PETER ERNERK: Mr. Speaker, I move that Bill 11-61, An Ordinance Respecting Compensation to be Paid as a Result of Injuries or Death Caused to Workers in the Course of Their Employment, be read for the second time. The purpose of this bill is to revise the existing workers' compensation legislation (a) to increase the maximum earnings on which assessments and liabilities are calculated; (b) to increase current benefits to beneficiaries in respect of past awards; and (c) to set out details of the collective liability system.

MR. SPEAKER: Is there a seconder? Mr. Pudluk. Any discussion? Hon. Dave Nickerson.

HON. DAVE NICKERSON: At this time, Mr. Speaker, I want to give my customary workers' compensation speech. Of course, I support the second reading of the bill but what I find a little difficult to understand is that the objects of this bill, in my opinion, are not spelled out sufficiently well. The object, Mr. Speaker, of workers' compensation insurance is to take away from the individual, from the worker, his right to sue his employer, should he have an accident, or should he be stricken with industrial sickness. So, what in effect we are doing is taking away his natural right to sue his employer, and in its place putting in a system whereby he automatically becomes entitled to a certain amount of compensation. This in my opinion is what workers' compensation is all about, and I think it is important that we understand that this is the basic principle behind it. This was not in my opinion sufficiently spelled out in the objectives of the bill.

MR. SPEAKER: Is there any further discussion on the principle of the bill? Mr. Butters.

MR. BUTTERS: Mr. Speaker, I do not know if it specifically is on the principle of this bill, but it is on the principle of the government getting into areas that have been or may be better carried out or provided by the private sector, or the private service area. This is a movement to increasing the bureaucracy of government, a move which I and I think many Members of this House are not in favour of and it would be of concern to see what could be occurring in this area but I will discuss this more in committee of the whole, sir.

MR. SPEAKER: Is there any further discussion? The question.

SOME HON. MEMBERS: The question.

MR. SPEAKER: The question being called. All in favour? Contrary? Second reading is carried.

---Carried

Change In Sitting Hours Suggested

Gentlemen, before we go into committee of the whole, just on a point of order, there is the question of our starting times. I am wondering if we might have some attention directed to the possibility of switching our committee mornings, say to Monday and Wednesday rather than Tuesday and Thursday to avoid the problem that we have of Members travelling home on weekends, and of course not getting back here until at least 11:00 o'clock a.m. Maybe that is properly a matter for the caucus agenda but I just raised that as one possible solution to avoid us having difficulty getting a quorum on Monday mornings. I wonder if Members might think about it and if they think it should be discussed in caucus then maybe it could become an agenda item. The chairman of the caucus is not here, so it is difficult to ask him to put it on the agenda.

Item 12, consideration in committee of the whole of bills and other matters.

ITEM NO. 12: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS.

We have Education to complete in Bill 3-61 but the Minister responsible for Education I am told will not be in the House until later today. That being the case, it seems we can not go on with that item and what is the wish of the Executive, that being so, which of the other items have any priority? I suppose it does not matter, does it, Deputy Commissioner Parker? Do you want to go into committee of the whole and discuss those Information Items 1-60, 8-60, 15-60, 16-60 and 1-61?

This House will resolve into committee of the whole for consideration of Information Items 1-60, 8-60, 15-60, 16-60, all from the 60th session and Information Item 1-61 from this session with Mr. Fraser in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Information Items 1-60, 8-60, 15-60, 16-60 and 1-61, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER INFORMATION ITEMS 1-60, 8-60, 15-60, 16-60 and 1-61.

THE CHAIRMAN (Mr. Fraser): The committee will come to order. Is there any particular one you would like to start on, shall we start with 1-60?

HON. DAVE NICKERSON: Information Item 1-60.

Information Item 1-60: Land Use Permits, Somerset Island.

THE CHAIRMAN (Mr. Fraser): Information Item 1-60, Land Use Permits, Somerset Island. Are there any comments of a general nature? Mr. Butters.

MR. BUTTERS: Yes, sir. Mr. Chairman, I realize that the original question was raised by myself, but I think it is very important to determine who has the authority or which body has the authority relative to the issuance of such permits. The minister, and this is the previous minister, the Hon. Judd Buchanan, in replying to the question said in part "I reserve the right to permit any land use activity in the area which I consider to be in the interest of Canada." Now, that is a pretty direct and unequivocal statement and I am just wondering if the current Minister, the Hon. Warren Allmand, has provided a similar position.

THE CHAIRMAN (Mr. Fraser): Deputy Commissioner Parker, do you want to reply to that?

DEPUTY COMMISSIONER PARKER: No.

THE CHAIRMAN (Mr. Fraser): Hon. Dave Nickerson, land use permits, Somerset Island.

HON. DAVE NICKERSON: I am not particularly familiar with what is happening on Somerset Island but it is my understanding that kimberlite pipes have been found here and there is a good chance of finding diamonds on Somerset Island. Obviously if a diamond mine were to be found there it would provide a lot of employment and help the economic situation in the Northwest Territories. I think we would have to be very careful because we have been told time and time again that this matter is not under our jurisdiction and it is currently within that of the federal government. I would hope that they would see fit to take into consideration the need for economic development in the Northwest Territories to provide the jobs that we so urgently need and I hope that the situation in Somerset Island has not been the same as it has been in other parts of the territories where land use applications are being turned down for political reasons rather than reasons appertaining to the environment as envisaged under the legislation.

I think it is very important that what is happening with the land use regulations which are made pursuant to the Territorial Lands Act is that they are no longer being used for the purpose for which they were designed. If you read through the regulations and you read through the Territorial Lands Act, it is quite apparent that the only reason that was made law, the only reason that parliament went along with amendments to the Territorial Lands Act to enable the land use regulations to be made was because they wished to protect the environment. They did not wish to see wholesale misuse of the land of the Northwest Territories. But what is happening now is that every land use application becomes a political issue.

Land Use Application In The Delta

I was recently in the Delta where a land use application by I think it was Shell Oil, I am not sure, was under consideration. This work was to be done in an area where there would be practically no disturbance to the environment and yet the whole thing got blown up way out of proportion and it would seem that with this particular application, even though the hamlet council of Tuktoyaktuk and town council of Inuvik, the duly elected representatives of the people of that area strongly supported the application, but for other political reasons it was turned down. It would be my hope, Mr. Chairman, that the federal government will see the error in its ways and if they really want, if it is really the intention of parliament that necessary exploration and development should be held up because of narrow political considerations, they would see fit to enact proper legislation so that it could be done and that this type of thing would not happen under the land use regulations which were not at all designed for that purpose.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Mr. Pudluk.

MR. PUDLUK: I will speak in Inuktitut.

HON. DAVID SEARLE: I have an extremely important telephone call from the Minister's office on a matter of extreme urgency. I will have to leave the chamber and this will constitute the lack of a quorum. Would that be agreeable?

THE CHAIRMAN (Mr. Fraser): The House will recess for five minutes due to lack of a quorum.

---SHORT RECESS

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum. Information Item 1-60, Land Use Permits, Somerset Island. Any discussion of a general nature? Mr. Pudluk.

Situation On Somerset Island

MR. PUDLUK: Mr. Chairman, I want to say something about Somerset Island. I made a motion last year about it, how it could be helped. In the area where we hunt caribou I know for a fact that the government is stronger than we are but for us Inuit people who have no authority it is the only island where we hunt, Somerset Island which was aerial photographed. I know the island is full of game and outpost camps too. I know that if they found work there there would be a lot of people getting involved on that island and if you get a lot of people on that island and run short of game, it will become less and less. The Inuit people will not be able to hunt any more on that island. If there is no more game there or employment, what is going to happen? I made a motion last year about that island, whether there could be help in any way. I live in that area and I know the island itself and the other island does not exist any more for hunting. Thank you, very much.

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

MR. BUTTERS: I directed a question which I hope maybe the Deputy Commissioner could answer relative to the statement made by the former minister. I wonder if he has anything specific on that? I have a few more remarks relative to that.

THE CHAIRMAN (Mr. Fraser): I wonder if you could repeat the question? Did you get the question, Deputy Commissioner Parker?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Chairman. Mr. Butters was inquiring as to whether the present Minister for Northern Development, Hon. Warren Allmand, was on record as expressing views which may have differed from those which came from the Hon. Judd Buchanan who provided the reply that is contained in Information Item 1-60. I have no knowledge of any position that Hon. Warren Allmand has taken which is different in this area from that taken by his predecessor.

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

Environmental Protection, Main Consideration

MR. BUTTERS: I guess I was waiting for a little bit more. I just wish to pursue this matter to suggest that in agreement with what the Hon. Dave Nickerson was saying, that when the land use regulations were originally drawn the main consideration was environmental protection that they would give and the environmental-social protection where individuals taking a livelihood from the land would be able to pursue that activity. Certainly this House at that time made sound representations on behalf of people in such a position. I do think that in some situations political aspects have been pursued to the possible detriment of all the people living in the area and these political aspects have been pursued for short-term gains and we have been blinded to the long-term gains that result. For example, the one I am thinking of particularly is the Gulf Oil requirement to do 63 miles of seismic; seismic which, if satisfactory results were proved, might result in an exploration hole and possibly a new source of oil for people in the Delta and as far east as Spence Bay.

I do not think we fully realize just how fortunate we are who live north of Norman Wells and along the coast, how fortunate we are that there is a producing well at Norman Wells because we in the Delta I think enjoy a much better price for fuel oil than is paid in this capital city itself by residents so that sometimes these short-term political gains are detrimental to the long-term benefits of northern residents. I did want to point out too the situation which might appear to be changing on the part of the ITC, Inuit Tapirisat of Canada. We will remember that ITC five or six years ago was a little bit more concerned about development than it would appear to be now as a result of the Fort Chimo assembly, quoting from

Mr. Jon Ferry in the Edmonton Journal, "Development is now important to the ITC providing it has no detrimental effect on the environment and wildlife and has no prejudicial effect on land claims." I think this is a forward looking step by the ITC body and should make for a much easier negotiation when the negotiations proceed.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Butters. General discussion on Somerset Island, anybody else? Mr. Butters.

Position Of The Minister

MR. BUTTERS: Sir, might it be possible just to ascertain if the Hon. Warren Allmand supports the position contained in the Hon. Judd Buchanan's letter of whatever date it was, that he too "reserve" the right to permit any land use activity which I think to be in the interests of Canada?

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

DEPUTY COMMISSIONER PARKER: I suppose we could ask the question of the Minister, Mr. Chairman, but the reply before us says that the people of the nearby settlements will be consulted and then he goes on to say, and my interpretation of it is that he says he will apply, or see that the regulations are applied as they should be and the regulations are created to give protection and to look after the basic rights of all Canadians and not any one group. However, he has said that as far as the people in the area are concerned, they will be consulted. If the Members wish, we can seek some elaboration from the Minister. I would think that he would find it difficult to say much more than has already been said here. However, that is up to him to say.

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

MR. BUTTERS: Just that we have a new Minister and if the Deputy Commissioner feels that the new Minister's provision is contained in this letter then I am satisfied, but I think there is an expectation among many people in the North, different from my colleagues from the High Arctic, that such consultation does permit and does allow those consulted to have some kind of veto power on the program being applied for. I think as long as that feeling exists there will be frustrations when a project is permitted to go ahead over the general disapproval of people in the particular area.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Butters. Is there anyone else who wishes to speak to Information Item 1-60, Somerset Island, Land Use Permits? I recognize the time at 10:30 o'clock a.m. and we will recess for 15 minutes because I believe Mr. Pudluk has something he wants to look up. We will take a 15 minute coffee break, is that agreed?

---Agreed

---SHORT RECESS

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum, Information Item 1-60, Land Use Permits, Somerset Island. Mr. Pudluk.

Reading Of Motion From Previous Session

MR. PUDLUK: Mr. Chairman, I just found the motion I made last year, and the wording was changed. I wonder if the Clerk could help me to read it and then I could explain it more.

THE CHAIRMAN (Mr. Fraser): Mr. Remnant, would you read that motion for the rest of the Members?

CLERK OF THE HOUSE (Mr. Remnant): "Whereas that portion of Somerset Island lying west of a line from the intersection of the 74th parallel of north latitude and the 95th meridian of west longitude to Fury Point is a good hunting area visited by residents of Frobisher Bay and Spence Bay ..."

MR. PUDLUK: Thank you.

THE CHAIRMAN (Mr. Fraser): Could you give us that motion number?

MR. PUDLUK: Motion 15-58. Now, what the Hon. Dave Nickerson was saying this morning, on the island, I have been there, and I think it is outside that line, what we were asking for. We are not asking for the whole island but only that given area which we would like to reserve and there has been activity happening on that island, and they do not mind because it was outside of that line. That is all for now.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pudluk. Land use permits, Somerset Island, anybody else?

MR. STEWART: Mr. Chairman, I wonder whether somebody could give me an indication of just exactly what damage these land use permits are doing. Is there any scientific data to back up the point being made that the game and so on are suffering, or is it just an opinion that the game is being interfered with? On what basis really is the point trying to be made? I could see a group going in to do any kind of work, if those persons are allowed to hunt indiscriminately and this sort of thing where damage could be done, but if it is just a matter of movement of equipment in and out and the place is left reasonably as it was found, I just wonder whether or not they are actually doing any damage to the game.

Reservation Of A Particular Part Of Somerset Island

THE CHAIRMAN (Mr. Fraser): Mr. Stewart, you were not here when Mr. Pudluk was on the floor on the land use permits on Somerset Island. Apparently they set aside a certain area on the island and it was to be left. They were not doing any hunting or trapping on that particular part of the island, and I think that is the part they were concerned about, is that right, Mr. Pudluk?

MR. PUDLUK: Like I said last year, we were able to hunt on Foxe Island which was closer to us than Somerset, but activities have been going on on Somerset, and the place where we used to go is now gone. Now, we recognize that caribou moved because of the activity and we would not like to see it happen again on Somerset Island, if the activities go on so much. We believe as a result of that activity the caribou will move again and that is why we would like to reserve only that particular area, not the whole island.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pudluk. Anybody else on Somerset Island, land use permits? Mr. Stewart.

MR. STEWART: I do not pretend to be an Arctic expert but I do know that in the southern part of the territories the location of the caribou varies from year to year and it is certainly not dependent upon any activity, they just do not always necessarily go and stay at the same places and that is true in this case and I know there is no activity in the areas that they are leaving. Actually, often they leave an area that has no activity at all and are moving into areas where there is activity. I am just wondering if it is a natural reason that the caribou are not on Broughton Island where they used to be, or whether it was caused by people with land use permits actually frightening them away. I do not believe caribou are frightened far from anything and I am just wondering whether or not this is a real problem.

THE CHAIRMAN (Mr. Fraser): Mr. Pudluk, do you want to answer that?

MR. PUDLUK: Mr. Chairman, we believe ourselves that the caribou move only in the wintertime and spring, before the ice breaks up, and move to other islands. Now, they might go back to the same island when they get married or have kids, but anyway that is the way we see it, when they start using dynamite, the explosions, it is harming the caribou. It might not harm the polar bear or any other animal but it is harming the caribou the way I see it.

MR. STEWART: Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Thank you. Anyone else on land use permits on Somerset Island? Mr. Evaluarjuk.

Support For The Inuit

MR. EVALUARJUK: Mr. Chairman, I do not really know about Somerset Island but I know for a fact that the Inuit has seen many times in the past, where they never seem to get any support at all, especially from the Minister of Indian Affairs, he seems to be the only one who could do anything about the land use permits. Whenever we try and get his support he never really seems to want to listen to what the Inuit people want. It seems that the Inuit people are just fooling around or saying anything they want to say and if they say they do not want research in the area or exploration around their hunting grounds, the reason they speak like that is because they are guarding their way of life, it is their food and they do not want the wild animals destroyed. From here on it seems much more difficult to do anything in any way and maybe if we talked to the Prime Minister, maybe we would get more support for what they want. Of course the Minister of Indian Affairs seems to be listening to the voice of people who want to do exploration but he does not seem to care about the Inuit way of life, and their wildlife, on which they are depending, and they always give permits to the oil exploration people.

For that reason I would like to support this, as I know much more than you, my knowledge is more than yours, towards the caribou and other wildlife. I know how they migrate, they do not go to any particular place at all, but they have certain routes to follow, especially in the wintertime and the springtime. They always use the same pattern of migration and I would like to support this very much but I am pretty sure we will get nothing, nowhere with it.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Evaluarjuk. Somerset Island, land use permits, anybody else? If there is no further discussion on Information Item 1-60, we will consider Information Item 4-60, Control of Dogs.

HON. DAVE NICKERSON: It is not on the order paper, Mr. Chairman.

Information Item 8-60: Inland Fisheries Responsibility

THE CHAIRMAN (Mr. Fraser): Information Item 8-60. I guess Information Item 4-60 is not on the order paper. Information Item 8-60, Inland Fisheries Responsibility, Hon. Dave Nickerson.

HON. DAVE NICKERSON: Mr. Chairman, the information concerned in this item must surely be completely unacceptable to everyone here. Time and time again we have asked that the responsibility for inland fisheries be turned over to the Government of the Northwest Territories. This is one of the areas which, everywhere else in Canada, is a matter that comes under provincial jurisdiction, and it would seem to me, that there is no reason why this could not be done in the Northwest Territories. I can see no reason why the Department of Fisheries are trying so tenaciously to keep hold of this. It is obviously something which should not be under their jurisdiction, it should be under ours.

The type of stuff they come up with in these replies is completely erroneous, it is just not true, Mr. Chairman. If you read this, for instance, "The present request for transfer of responsibility for inland fisheries, if granted, would further fragment responsibility, research commitments, enforcement procedures and statistical data required for management of the fisheries resources." You will see that this is just not true, this is the very reason why we want the responsibility transferred to ourselves. If we were to have it all under one jurisdiction it would not be so fragmented as it is now. Right now the fishermen have a whole host of different regulatory agencies to deal with, they have territorial people, they have several different federal organizations with which they must deal and they are in an impossible situation. We have to take over the responsibility for the fisheries, and rationalize the whole thing. You can not have people, one set of people drawing up rules and regulations just for the benefit of keeping the fish, another set of people drawing up further rules and regulations trying to encourage fishery development. We have from time to time got into this silly situation where one branch of government sells fishermen nets and another branch seizes them back. This has not stopped yet, it is still going on and, Mr. Chairman, I think it is deplorable that the Hon. Romeo LeBlanc can come out with a position such as he takes in this information item.

Motion To Express Dissatisfaction With Information Item 8-60_

I have, Mr. Chairman, prepared the following committee motion which I will read out. This has been circulated: "This committee records its dissatisfaction with the position taken by the Minister of Fisheries and the Environment as presented in Information Item 8-60 and desires that the Minister be made aware of the continued support of the Northwest Territories Legislative Assembly for the transfer of responsibilities for inland fisheries to the Government of the Northwest Territories." I would right now like to move that motion, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Have we a seconder? Hon. Peter Ernerk. To the motion, Hon. Dave Nickerson. Mr. Butters.

MR. BUTTERS: I would like to make a few general comments because I think the reason this item is on the order paper is because it was requested by myself and Mr. Steen. I raised the point during the estimates debate on the division of fisheries and wildlife as to why they were using the name "fisheries" when it appears they have no responsibility or authority for fish resources in the Northwest Territories. I think that one can not fault the department because at one time there was a very real expectation that control of fisheries and especially inland fisheries would be the first, if not among the first, to be turned over to this administration. Apparently, there seems to have been a dragging of feet on the part of the federal government and I would like to have some indication from that knowledgeable member of the administration, here I do not cast aspersions on the knowledge of our three Ministers, but I think the Deputy Commissioner might have some better explanation why fisheries did not get turned over, as it was scheduled to be turned over, I think in 1976. I think that was the timetable for the turnover of this responsibility and I am just wondering why the responsibility still remains in the hands of the federal government.

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

Turnover Of Responsibility For Fisheries

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I think that it has to be remembered that there has never been a commitment from the federal government to turn over the responsibility for either freshwater or inland fisheries to the territorial administration, the territorial government. There was an agreement that some aspects of the administration of fisheries would be placed in our hands, but there has never been any agreement that there would be more than that. As long ago as the time when the Hon. Jack Davis was the minister of Fisheries, that must be three or four years ago, the position that he took was that the fisheries service should remain in fact with the federal government and he told us that he had no intention of turning fisheries over to the territories. I am not arguing for or against that policy, but I am just reporting what he said. As I recall it, his views were that the federal government had the officers and the service set up from a scientific standpoint and a functional standpoint and he felt that they were better able to do the job. I recall one of the concerns was that fisheries matters invariably crossed territorial and provincial boundaries as do some of the lakes and many of the rivers and for that reason he felt that they should remain federal. I recall a statement to the effect that perhaps there had been too much transfer already in the fisheries field. Those are the recollections that I have of the federal position.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Deputy Commissioner. Have you a copy of that motion that can be circulated? Thank you. Mr. Butters.

MR. BUTTERS: The Deputy Commissioner was a Member of this House, fully and duly seated as a Member of this House when the timetable was drawn up for the turnover of fisheries to this administration. If I recollect correctly I think the Deputy Commissioner was a Member of this House and approved that timetable along with other Members at Inuvik when the timetable was tabled by the Hon. David Searle's committee for the turnover of such federal-territorial responsibilities. If the Deputy Commissioner as a Member of this House would be confident that such a turnover was reasonable and desirable, how is it that it would appear now that the federal government has seemingly not been as willing as it appeared to be then to make the transfer? Is there any reason for the Deputy Commissioner's change of position on this matter?

Committee Seeking Transfer Of Functions To N.W.T. Government

DEPUTY COMMISSIONER PARKER: Just a minute, Mr. Chairman. I did not say anything about changing my position. The committee to which Mr. Butters makes reference looked to all of those matters which are now under the control of the federal government but which were believed to be matters of a provincial type of nature, and set a timetable for seeking the transfer of those functions to the territories government. Among them was the matter of inland fishery control. To the best of my knowledge the committee had no agreement from the federal government that they recognized these functions as being provincial in nature, nor had they any indication that they would indeed be transferred, but we did, and I say "we" because I was a Member, we pressed as hard as we could for the transfer of all of the items on that list. It would seem that the one item that perhaps is not recognized by the federal government as being a provincial matter is the matter of fisheries.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Deputy Commissioner. Anyone else wish to speak to the motion?

SOME HON. MEMBERS: Question.

THE CHAIRMAN (Mr. Fraser): Question being called. Mr. Stewart, to the motion.

MR. STEWART: Mr. Chairman, I support the motion on the basis that I believe we are working toward provincial status in the Northwest Territories. One thing about fisheries, however, is there is a great financial burden, particularly in this department. It is certainly not the type of industry which is going to make money for the government. It is certainly an operation on the deficit side. The present position and, of course, I do not think we are ever going to get it changed unless the Minister of Fisheries goes to the people within the fisheries department and asks people in the fisheries industry whether they wish to give a third of the land mass of Canada to someone else to administer and it is quite obvious the answer is going to be "no" forever.

Reduction In Mesh Sizes And Limits

We have had lately, however, some very disturbing things happening, particularly with regard to the Great Slave Lake fishery and that is the reduction in mesh sizes, reduction of the limits on Great Slave Lake. At the insistence of federal fisheries people and really being done with admission from them that they really have not proven that this reduction in mesh size is something that will work out for the lake and it appears to be a test type of thing, lowering the size of the mesh and they have also lowered the limits. From my experience with the Department of Fisheries, once the limits are lowered it is very difficult, if not impossible, to get them back up. We are faced with a problem of having a fish plant trying to be economically viable in Hay River which requires somewhere between five million and six million pounds of fish to go through it every year and now under the new deal we are talking in terms of three million pounds so the economic viability of fisheries in Great Slave Lake is destroyed. Mind you, this three million pound limit does not include rough species but with present market conditions you can add jackfish and northern pike to the limit and in most years you do not catch more than half a million pounds. Really economic viability of the plant in Hay River is being completely destroyed by the type of actions they have taken. They are taking them, as I say, without any biological proof that what they are doing is right.

Somebody got the idea nets should be reduced to five inches and the big problem there is that we know a five inch mesh net will catch a higher preponderance of spawning fish which in the over-all long run will probably really affect the production of this lake. History should tell us something. This sort of thing has happened right across Canada and it is evidenced everywhere it has happened that with a reduction in the size of mesh for fishing that it is just a matter of time and in most cases the time is ten years and there are no fish left. I am

not sure that the federal Department of Fisheries do not have this in mind, to knock out commercial fishing in Great Slave Lake. They are sure going about it in the right manner.

Motion To Express Dissatisfaction With Information Item 8-60, Carried

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. To the motion. The question has been called. All in favour? Information Item 8-60. Six. Carried.

---Carried

Information Item 15-60: Norman Wells Oil Refinery.

Turning to Information Item 15-60, Norman Wells Oil Refinery. Mr. Butters.

MR. BUTTERS: Mr. Chairman, these items are rather stale dated as they were first raised in the summer session. There are two references here to Imperial Oil undertaking a six month study. I think that study should now be available and it would be of interest to Members of this House. Also on page two in the last paragraph it says "A joint government-industry group under the chairmanship of Barry Yates is taking a new look at the Norman Wells situation." Perhaps the Legislative Assembly would be interested in their findings. I think if those findings are available they might be made available or turned over to Members as well for study and examination.

I have a request relevant to this reply and that is two questions. One is a specific question relevant to this reply and that is related to part of the answer that occurs in the first paragraph, the last part where it says: "... has a heavy excess of heavy oil which the refinery is obliged to flare off." I am just wondering if heavy oil in this case is what is termed bunker C?

DEPUTY COMMISSIONER PARKER: Yes.

MR. BUTTERS: The reason I asked that is that I understood the Deputy Commissioner to say yes, and one of the factors contributing to the increase in the generation of power is the increase in cost of bunker C fuel, and I could be corrected but I believe the Northern Canada Power Commission is now paying around 26 cents a gallon for this fuel which there is a heavy excess of and which is obliged to be flared off. There is no other market in the territories I am aware of for bunker C and so since it is a one consumer product the price must be set between the federal government and Imperial Oil Limited. It would appear to me that this would be one place in which the federal government could move to ease the burden on consumers of NCPC power by looking at their cost assessed NCPC for their heavy oil.

Price Of Bunker C Oil

DEPUTY COMMISSIONER PARKER: I have a good deal of sympathy for what Mr. Butters says, and I am aware that officers of NCPC have made the strongest possible application to Imperial Oil and to Indian Affairs, who constitute a pricing committee, to hold the line on that price for bunker C, to hold it down. It seems though that there is a feeling that the price should approach a market price, and I am not exactly sure how they decide on the market price when the bunker C turns out to be a product for which they have not a broad market. They produce more bunker C than the market will absorb and there is no doubt about that. I want to advise Members that NCPC is not the only customer, because the Giant Yellowknife mine uses a considerable quantity of bunker C as does the Yellowknife Public School District No. 1.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Deputy Commissioner. I wonder if we could have those two information items that Mr. Butters was talking about put before the rest of the Members? Is it available?

MR. BUTTERS: The reports.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we have not received any more information but we will certainly seek the information to which there is reference made in this item.

THE CHAIRMAN (Mr. Fraser): The reports I take it are not available, Mr. Deputy Commissioner?

DEPUTY COMMISSIONER PARKER: No one has sent any further reports to us on this subject.

THE CHAIRMAN (Mr. Fraser): I wonder if we could check it out and see if there are reports and if there are have them directed to all of the Members? Thank you. Mr. Stewart.

Market For Bunker C.

MR. STEWART: Relative to the point brought up by Mr. Butters, I think that really, to say there is no market for bunker C is not entirely correct. There is a market because of the value of bunker C. At the time that this paper was written, it was such that it did not pay Imperial Oil to put in proper storage facilities to be able to hold it, and there was not capacity enough on the Mackenzie River to move the bunker C as it was produced and they had no holding storage for the holding of it, that is to speak of. However, this has been changed and they are now in the process of bringing in a large storage capacity in Norman Wells for bunker C, or they are supposed to be and there is a contract signed by the government which is escalating the price of bunker C. I am going by memory and I might not be exactly correct, but it is in the 50 cent bracket to be scaled within the next two or three years. So, bunker C instead of being a product of waste as it has been in the past, it certainly is a viable product, to more people, especially with the cost of diesel fuel rising. Actually this fuel can be used quite adequately for the production of power and even at 50 cents it is going to be quite a bit less than the other diesel fuel which would be available for the production of power. I know that Alberta Power changed their diesel system to use it or they would if they could get it, but they can not get it because it is under contract to NCPC, to take the whole of the production except for customers who have been on line for many, many years, but they are not looking for customers. So, it is kind of a closed shop deal and smothered in a great deal of federal and Imperial Oil smoke screens because basically this is not as reported in this paper. There is a market for it and the price, as I say, will go up to somewhere around 50 cents a gallon and be scaled for the next two or three years. So, the report as it stands really is misinformation. It was probably true when written but not applicable today.

THE CHAIRMAN (Mr. Fraser): Thank you. Hon. Dave Nickerson.

Independent Petroleum Consultant Suggested

HON. DAVE NICKERSON: Most of what I was going to say has already been said by Mr. Stewart, but one of my points is that somebody has been less than completely honest with us. When we talked to Imperial Oil some time last summer they told us that they were not flaring off any valuable products such as this and now we find that they are. Somehow it seems to me that you can never get the complete factual story on what is going on in Norman Wells, and I remember also last summer, there was a suggestion that maybe we should hire an independent petroleum consultant to find out really what the situation is there, what the reserves are, what the markets are and this type of thing. I do not know whether that has ever been gone ahead with but it might be something we might like to reconsider.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Mr. Pearson.

MR. PEARSON: Mr. Chairman, just an inquiry. Does the word "flare off" mean to burn off? How could anybody in this day and age considering the problems that seem to be developing around the world and particularly in the United States over the last couple of weeks, afford the luxury of burning valuable oil?

THE CHAIRMAN (Mr. Fraser): If I could enlighten you a little bit. They have four flares and they burn 24 hours a day, not one, but four, and it is burning off this excess gas and bunker fuel that they have no storage for. Those flares go 24 hours a day and have been going for the last 20 years.

MR. PEARSON: How many gallons would they be disposing of in this way, per 24 hour period?

THE CHAIRMAN (Mr. Fraser): Actually it is the waste gas, natural gas that comes out of the separators. They separate the gas and the stuff that goes to the flares is all dirty gas coming out of the separators, I believe.

MR. PEARSON: Does anyone know the amount of oil that is burned off, excess oil that is burned off every day?

THE CHAIRMAN (Mr. Fraser): I imagine we could find out. I saw Mr. Workman was here earlier but he is gone now but he could probably give us something on it. He was the superintendent at Norman Wells for two or three years. Mr. Deputy Commissioner, I wonder if we could have somebody in to maybe give us a little more on the refinery?

New Paper To Be Prepared On Norman Wells Refinery

DEPUTY COMMISSIONER PARKER: Mr. Chairman, clearly this information item does not supply the information that Members wish and, it does in fact make reference to two more reviews, the one being the Imperial Oil six month study and the other reference is to the government industry review. I would like to suggest that we make up a proper paper on this subject for the May session and I will give a commitment that we will go into it in considerably more depth than has been done to date. In fact, I am moved to apologize for the lack of information that is supplied here and I would like, on behalf of the administration, to have an opportunity to bring in a much more detailed paper for the Assembly. Perhaps it was not possible before but in light of the two studies that are mentioned in this information item, I think we had better go back and come forward with a proper paper for the next session.

THE CHAIRMAN (Mr. Fraser): I think this paper would be very interesting to the rest of the Members. I am pretty well aware of just what the paper would probably say, but it would be very interesting for the rest of the Members if we could have this. So, if we agree to drop Information Item 15-60 until the May session then we could have more information. Mr. Stewart.

MR. STEWART: I just wonder whether as part of this updating, whether we could also have the new contracts that Imperial Oil have set up relative to the sale of bunker C?

THE CHAIRMAN (Mr. Fraser): Would that be available?

DEPUTY COMMISSIONER PARKER: Yes.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. Are we agreed then to leave this Information Item 15-60 until the May session? Mr. Pearson.

MR. PEARSON: How many millions of gallons do you think they would have burned off between now and the May session or wasted? Considering the incredible hardship that people are up against in the North, in paying for electricity, to see this energy wasted, is just ridiculous, and very unfortunate, but as you say I guess there is not much we can do about it. That is the way these idiotic people operate.

A Matter Of Economics

DEPUTY COMMISSIONER PARKER: After all, Mr. Chairman, it is a matter of economics and I think if Members look the world over, economics have dictated that some things are producible one day and waste another. No one has set out to waste energy. I would not make that charge but they had no market until recently and they have a market for the lighter ends of the oil, and they could produce them efficiently and sell them, but for the lower end of the scale, until recently, they had a very restricted market so they had to make a choice, they could not afford to store it all and so it was burned off. Perhaps unfortunately but that has happened the world over. I would not be that surprised over it.

THE CHAIRMAN (Mr. Fraser): If I could just say something here, from the Chair, in 1943-44, when they had the refinery going full blast, and they had no storage for this bunker C, as you call it, they went ahead with bulldozers and dug big pits and pumped the bunker C into these big pits. I think that one pit held 800,000 barrels of bunker C, that is what was estimated in that one pit, and in the spring of the year, when the ducks and geese came in, the lakes all thawed out and froze over again. There, thousands of ducks, once they hit that oil, could not move, and Imperial Oil had men standing by with guns and we put out flags and put ribbons on them and did everything to keep them away from that oil but the oil seemed to attract them. So, I would just as soon see it burned in a flare rather than see it lay in an open pit if they do not have the proper storage facilities at present. Thank you. Mr. Stewart.

Feasibility Of A Hydroponics Station

MR. STEWART: Mr. Chairman, we have a study which was done two or three years ago relative to hydroponics and the site at Norman Wells was one of the sites studied for hydroponics, studying cheaper electricity. I wonder now with the change in the costs of energy what was not economically feasible three years ago, whether it may be today. This is one manner of using the lakes into which we were inquiring and I do think we have enough pure fuels to run a hydroponics station at Norman Wells. From the indication I have there is sufficient there that it should be able to feed the whole of the Mackenzie Valley. Possibly this is something we should have another look at.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. Mr. Butters, do you have some more on this information item?

MR. BUTTERS: Just a general comment besides the specific one. If you are speaking of the specific one, then I will make my general one.

THE CHAIRMAN (Mr. Fraser): I think there is a suggestion on the floor we leave Information Item 15-60 until the next session.

MR. BUTTERS: I agree with that but I still have a general comment.

THE CHAIRMAN (Mr. Fraser): Go ahead with your general comment.

Supply Of Energy And Control Of Infrastructures

MR. BUTTERS: It seems to me there is growing recognition that there must be some way of turning over to the control of people the very, very important aspects of our society, whether it is the supply of energy or the control of certain infrastructures. We have seen recently capitalist socialism as it is practised in Alberta. We have seen socialist socialism as practised in the neighbouring province of Saskatchewan and both of these are carried out to do just that, to put within the hands of the people through its government, control of very important resources or infrastructures in Alberta, in the case of an airline, and in Saskatchewan, potash or oil or something else. What I am suggesting is that maybe we could suggest to the federal government a new mechanism for use in the Northwest Territories and that is that the first of the non-renewable resources in the territories which should be turned over to the people of the territories which would be Norman Wells oil field and that, rather than being turned over in the form of a crown corporation, it be turned over in the form of a public corporation in which we all own shares and all have some say in the management of that resource. This would then get away from the type of situation which is occurring here where we all say, "Well, what can we do about it?" Maybe this is a form of public control which would permit input by the people of the North with regard to the management of a very important resource. I just drop that on the table. Maybe the federal government would look at that.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Butters. I think this report when it comes out will maybe change your mind. I do not know. Mr. Pearson.

MR. PEARSON: Mr. Chairman, another inquiry. Is there not a pipeline which runs from Norman Wells over the mountains to the Yukon?

DEPUTY COMMISSIONER PARKER: No.

THE CHAIRMAN (Mr. Fraser): There was a pipeline built in 1942 and most of it has been salvaged.

MR. PEARSON: It has been pulled apart now. I see. Thank you.

THE CHAIRMAN (Mr. Fraser): Anybody else on Information Item 15-60? We have a suggestion on the floor that we defer it until the May session when we can get further information and reports. Agreed?

---Agreed

Information Item 16-60: Federal Subsidies To Northern Air Transportation

Thank you. Information Item 16-60, Federal Subsidies to Northern Air Transportation. Any general comments? Mr. Butters.

MR. BUTTERS: Sir, this too has been placed on the order paper as a result of my request. I go back to June 17th, 1975 in the Edmonton Journal and in the Edmonton Journal the report of the then minister of Transport's statement in the House of Commons relative to the user-pay concept. The headline is, "Marchand says Canadians must pay for transport." A paragraph in that news item says, "The Transport Department, the minister explained, will decide which areas or parts of Canada lack real competition among various modes of transportation. Those areas will likely benefit from government subsidies." Subsequent to that a statement motion was passed by this House that the Commissioner approach the Minister of Transport armed with encouragement contained in the former Transport minister's statement made in the House of Commons last June and make application for the Northwest Territories to be designated a frontier region and as such subject for consideration for the application of federal subsidies. That motion was dated May 21, 1976.

The material provided in Information Item 16-60 is the report in reply to that motion and suggests that that is still the position of the federal minister, though one of equivocation possibly or at least taking the most charitable aspect on it, indecision as to how to deal with the transportation needs of the North. Last summer the minister was in Yellowknife. He attended a meeting of the Northwest Territories Association of Municipalities and while present in this community he met with a number of Members of this body. I recollect Hon. Dave Nickerson was there, Hon. David Searle was there, Hon. Peter Ernerk was there, Hon. Arnold McCallum was there and I was present. We raised this point or I raised this point of user-pay with him especially as it applies to the North. He, for a while, had difficulty in seeing why the concept could not be extrapolated out into the small northern communities but I think that at the very close of the discussion he agreed that we would never get commercial service into the smaller communities such as Paulatuk or Sachs Harbour on a competitive basis and that to achieve such a service there must be some move on the part of government to subsidize or provide benefits to the carrier who was providing the service to these remote communities.

Federal Government Subsidies For Northern Zone

I know when that meeting broke up I asked whether or not the minister might be able to give us some indication or clarification of his policy in that area that would give us hope for development by the federal government of a northern zone or a northern area in which subsidies could be recognized as being legitimate and desirable on the part of the federal government as being in the national interest. I did get a letter back from him following that meeting which I would have tabled at Rankin Inlet if I had had it with me but unfortunately I left it at home. I do have it now and I will table it during this session. One of the paragraphs of the letter which he sent to me says: "User-pay guidelines are intended to apply only to those areas of the country with enough volume in travel and shipping to justify cost recovery. All of Canada must share in the cost of developing the North." I think this is the statement that Hon. Jean Marchand made two years ago. The Hon. Otto Lang obviously is saying the same thing now and I wonder if the Deputy Commissioner would pursue the resolve of that motion again, Motion 11-59, to see whether we can not get something a little bit more concrete with regard to how Canada is going to share in the cost of developing the North and especially in this area of transportation. How, sir, can we provide adequate and reliable transportation services into these small communities, into communities which at the present time are not economically viable for any licensed carrier to serve on a regular basis?

THE CHAIRMAN (Mr. Fraser): Thank you. Deputy Commissioner Parker.

Northern Airports Program

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I will be pleased to see if I can obtain any further information on this subject, particularly with reference to Motion 11-59. The Members who met with the Minister of Transport should be more up to date on the subject than I am. I think, though, we should not lose sight of the fact that the federal government, through the relatively new northern airports program, is in fact providing a very, very substantial amount of assistance to air travellers. It may not appear to be as direct as we would like, but the provision of good safe airports, properly maintained, with weather facilities is certainly a very major step and that is a new program. I think that must be one of the things that the federal minister was making reference to.

MR. BUTTERS: Mr. Chairman, I would wish to pursue just one more question on this. I agree that that is probably what the minister was pursuing during our discussion but I think it does not take too much examination to realize that the bulk of the benefit for that improvement is southern Canada. The bulk of the benefit for a lot of the money being spent in the North in the large airports is related to the opening up of the North in the national interests of this country. Do you think that the money being put into these areas in major air centres in the North, if there were not exploration going on in the territories today, do you think they would spend all that money for a handful of people? No, they would not.

All I am saying is let us be honest about the reason for this expenditure, it is in the interest of all Canadians, but I think that there should be some advantage as well to people living in small communities, and people living in small communities are not going to get their service under the present manner in which air service is provided unless it is economic. I know that there are transportation modes and systems in use in Canada today which are subsidized by the federal government. We heard recently in British Columbia that the north coast received less than the transportation service that they had grown to expect, and I am not talking about Canada here, I am talking about the people who live in the small communities and I think more could be done for them.

Work Being Carried Out Under Northern Airports Program

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I just wanted to make clear that the bulk of the expenditures under the northern airports program are to be carried out at small airports. You know, over the past year the Eskimo Point strip has been finished, there has been substantial work at Rankin Inlet, there is work just being started at Sanikiluaq, next year the work commences at Spence Bay, to be followed by Gjoa Haven. Therefore, it is abundantly clear that this new program is indeed aimed at providing the necessary facilities in the smaller communities which, hopefully, will reduce the cost of air services to those communities.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Deputy Commissioner. Mr. Pearson, did you wish to speak on that?

MR. PEARSON: I just wanted to follow up something the Deputy Commissioner said, and that is the matter of improvement of flying conditions and runways, etc., facilities. Rankin Inlet is not what I consider, and I do not know too much about flying, but it is not what I would consider a very well equipped facility, considering the strategic importance of Rankin with the territorial government's own airline, the G-1 that flies a considerable number of hours back and forth. They are using Rankin on a regular basis. It seems to me to be a very badly equipped operation and I wonder if they had any plans to upgrade the navigational aids, particularly, at Rankin, particularly the weather reporting systems for the pilots on the airplanes and some kind of strobe light perhaps, and even some of those lights that provide an approach system, that indicate the attitude of the aircraft to the pilot on approach under dicey weather conditions as is often the case in a place like Rankin Inlet.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pearson. Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: The development of the Rankin Inlet airport is only partially completed and, in the coming year, there will be weather and air radio facilities put in, plus additional navigational aids, plus additional work on the airstrip itself. When the airport work has been finished it will result in a very good facility for that area.

Completion Of Work On Rankin Inlet Airport

THE CHAIRMAN (Mr. Fraser): Thank you.

MR. PEARSON: The airport is now in pretty extensive use and I wonder, you know, on a recent trip into there the aircraft in which I was flying lost a headlight, a landing light, and also hit a snowbank, all in a matter of minutes and then they could practically not get to the gas tanks because of the snow on the airport. The wind at that point had died down but there seemed to be no effort being made at the time by the residents, the facilities in the community to get the thing into a safe operation, and when the Deputy Commissioner says "a year" does he mean this year, this spring that those lights will go in or does he mean within the next 12 months, because anything could happen in the next 12 months with the amount of use that place is getting.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I would have to review the schedule to give a definite time, but the work will recommence in the spring and continue until the late fall, and I am reasonably confident that it will be completed in time for the darker days of next winter.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Deputy Commissioner. Anything else, Mr. Pearson?

MR. PEARSON: Not just at the moment.

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

HON. DAVID SEARLE: Mr. Chairman, I would like to offer one or two comments about the user-pay principle. However, before I do I should make it clear for the benefit of the House in accordance with the Rules of the House that I am a director on the board of Pacific Western Airlines but I will not say anything, I do not think, that puts me in conflict between the House and PWA but rather just give the House the benefit of some of the experience I have gained and hopefully, assist the discussion.

User-Pay Policy

This business of user-pay has the unfortunate result, of course, of causing airlines to have to pass on all of these costs through their tickets to the public. I have often wondered how the Department of Transport can justify that principle when certainly, the users of a highway, for instance, do not have to pay in that manner. The Department of Transport probably is the worst federal department of all of them, it is probably the most inflexible, the most monolithic department in the federal government.

MR. BUTTERS: Hear, hear!

HON. DAVID SEARLE: Just to give you an example, the northern traveller, say he is travelling anywhere into Edmonton and having to land at the International airport, not downtown at the Edmonton Industrial, that is probably one of the best examples of bureaucracy at its worst. That decision was made between the city of Edmonton and MOT, the Ministry of Transport, and MOT first of all, of course, putting on unrealistic limits of maximum number of movements and then the city, of course, within that maximum number of movements deciding what would and would not come in out of its airport. Of course, they decided that the traffic serving the people of Edmonton, essentially, in other words, the flights going out to Syncrude and back, and McMurray, the air bus would have the priority because they were directly serving the people of Edmonton.

So, all of the flights therefore serving northerners were moved to the International airport. The reason the MOT wanted to do that was because they wanted to justify the construction of that airport back "X" years ago. Now, of course, that they have got all of the northern flights going into the International airport the next thing that happens is the Hon. Jean Marchand, probably the worst transport minister this country has ever had, came along and in discussing the bilateral agreements between the United States and Canada, in order to get Air Canada in eastern Canada into the various routes going into the United States of America then gave away, of course, to the American carriers the bilaterals in the West.

Expansion Of Edmonton International Airport

In other words, in order for Canadian carriers, that is Air Canada, to get into the United States and the East, he gave away in the West to the American carriers those routes into the West. It had the effect of expanding the American carriers routes which had previously terminated at Calgary, extending them into Edmonton. That then resulted in that airport being over utilized for the facilities it had, the gates and boarding ramps. So, now what is happening, would you believe, is that MOT are considering a major expansion of the facilities at the Edmonton International airport because, by forcing PWA in there and then giving away all of the bilaterals in the West to the American carriers, those facilities are over used. Now, I personally said to the Minister of Transport that he could save those millions of dollars simply by permitting PWA, in the interest of northern travellers, to go back into the Edmonton Industrial airport.

MR. PEARSON: Hear, hear!

HON. DAVID SEARLE: However, that is oversimplistic for them, it is in the interests of the bureaucracy to spend millions at the International airport and keep PWA there. However, it is not just that, it is the whole thing at

the airport, having to use those personnel carriers, all in the use of security, and with the security fetish no one can now walk from the terminal building to an aircraft out on the ramp because they are afraid you will throw a bomb in the motor or something. So, instead you have to go that 15 or 20 feet which is all that it amounts to, but if you do a couple of circles in those things, those personnel carriers, then it makes you think you have gone a lot further. However the tragedy is, of course, they charge 50 cents a person loaded and 50 cents a person unloaded, that is added to the price of your ticket to use those crazy things.

So, you know, this whole MOT structure, this dreadful fetish that they have, making everything much more complicated, the cost of all of these security people, that is reflected in the price of your ticket, the cost of using that machine, and that is reflected in the cost of your ticket, and the carriers have no choice, they are required to use them. That machine runs into an airplane every week or two and puts holes through it. So you wonder why there are late departures and arrivals in the North. The whole thing is just an utter complete mess at the International airport, and, it is the best example of the user-pay principle. There must be hundreds of people in MOT somewhere who sit around and dream up how much more they can do to cause the public to lose more and more time boarding and deplaning, and how much this will cost. It is just utterly fantastic!

Travel Time Other Than In Flight

Now, you can get from Yellowknife to Edmonton in a direct flight in about an hour and a quarter or an hour and 20 minutes and you then spend approximately that same period of time deplaning through this personnel carrier and slowly proceeding to the terminal, marching through great corridors, claiming your baggage and then waiting while the Yellow Cab bus fills, it sits there until every seat is taken, and then you enjoy the sights as you proceed slowly downtown, visiting five or six hotels, as everybody gets off and by the time you get to your hotel, you are so enraged and frustrated that it has taken you about three hours for an hour and a half flight. Of course, you then repeat the same process on the way out. I must say that I have suggested to PWA that if I had my druthers I would have the flights leaving Edmonton about 9:00 o'clock every night to the North so you could just bypass Edmonton altogether, no matter where you came from, it would be a matter of sitting an hour or two at the International airport and taking the late flight home, just to avoid the whole dreadful situation and maybe one day that will happen. However, I have even suggested I might say to Members that Edmonton be overflown, go directly to Calgary and put everybody free of charge on the air bus down to the Industrial airport. Just avoid Edmonton and pretend it does not exist. However, for scheduling and other reasons that is impractical but really northerners, I should think, should seriously contest that whole Edmonton airport situation, not in the interests of the airline but in their own interests because of the dreadful high costs and loss of time because of the cost of the use of paper which is passed back to the northern people. It is a serious situation. I am sorry for taking so much time on this but if there was any way we could wipe the Edmonton International airport off the face of the map, we should consider it.

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

MR. PEARSON: I was just going to suggest to the Hon. David Searle that a well aimed airplane might do it or perhaps a well aimed passenger transport -- whatever they are called, personnel carriers and stick a few holes in it instead of in the airplanes.

Frobisher Bay Airport

We in the Eastern Arctic are concerned with MOT and one of the latest stunts on their part at the "Frobisher Bay International Airport", do not all laugh at once, is the matter now of locking up the airport after a certain hour in the evening.

About 7:00 o'clock the airport is locked and no matter what time a flight may arrive from the settlements it is impossible to get hold of a phone; to get into the facilities to use the bathrooms, if necessary; or to use the airport. The airlines are not blameless. I think they have contributed much to the problem of a phone call to a cab company or something like that before the aircraft arrives. Many occasions in the past during very inclement weather a plane has landed at 2:00 o'clock in the morning and dumped a load of people on the runway and from there they have to struggle home or struggle to the hotel or wherever. That is where they are deposited, the airport being locked. I could go on all day about MOT, as I am sure other Members could. It is obvious this Assembly or this government, the Northwest Territories government again is a victim of federal bungling all the way across the Northwest Territories and this incredible bureaucratic monster which they have developed in the MOT is one day going to choke us all to death.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pearson. Any more comments on Information Item 16-60? Mr. Butters.

MR. BUTTERS: Just as we are about to leave it I would like to point to the statement by the Minister of Transport and I note that he says, "I am hopeful that by early 1977 we can produce improved policy framework on the basic transportation needs of the North." Then he says further on, "You may be assured that there will be provision for significant input from the territorial Council."

I am just wondering as early 1977 is where we are at the present time, whether the Deputy Commissioner can advise what approach he may have had from the Minister of Transport indicating what "significant input" may be?

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

Assembly Input Into Policy Documents

DEPUTY COMMISSIONER PARKER: Mr. Chairman, that sentence reads a bit like a catch phrase. I am not just sure what is intended. I would interpret that as meaning that if on receipt of this letter from the minister the Assembly had strong comments to make and made them, then these would be taken into consideration in the development of any policy document. I could not interpret it in any other way. I do not believe that we have had any more communication since that time, since the time of this letter.

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

MR. PEARSON: I just wanted to say that perhaps the territorial government would undertake an examination of a policy that applies in Scandinavian countries on subsidies to northern regions. The cost of food, for example, in Greenland is standard right across Greenland as it is in Norway, Finland and all other parts of northern Scandinavia. I think it would be an interesting little exercise to have the Department of Planning and Program Evaluation do something on this.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pearson. Hon. David Searle.

HON. DAVID SEARLE: Mr. Chairman, I notice that the response indicates an early 1977 policy paper. Obviously we are in early 1977 now and hence I think it is incumbent upon us to inquire as to the status of the policy paper. That is number one. Secondly, I think that we should respond to the minister indicating our willingness to be consulted in whatever form is most expedient. That may be by way of establishment of a special committee of this House for that purpose, maybe even something much less formal, but I know that each and every Member here is a very accomplished traveller who has experienced many frustrations. I think that we could certainly put together some very useful comments that should form part of any policy paper. To that end I would like to suggest that this

committee, therefore, if I may run the risk of repeating myself, firstly inquire as to the status of this policy paper and, secondly, indicate to the Minister of Transport that we are ready, willing and very able to take part in any consultative process with respect to the paper that he may care to involve us in. Transportation, surely, in the Northwest Territories, is the life's blood of any meaningful development. I would think that that is the type of response this committee should make to this paper.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. Mr. Deputy Commissioner would you have anything on this paper? Would you have anything on this paper the Hon. David Searle is requesting as to early 1977?

DEPUTY COMMISSIONER PARKER: We have heard nothing on this paper, Mr. Chairman.

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

MR. PEARSON: I wonder if there is a response to the subject I raised about having a look at the Norwegian and Danish subsidies?

Study On Subsidies

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we could do that all right. The only reason that I hesitate is I wonder how fruitful a planning study like that would be. The case for subsidization has been put by this Assembly on a number of different occasions on a number of different topics and in general the answer has been that the government has wished to avoid special subsidies because of the similar conditions which may well exist in the provinces and would, therefore, need to be covered by those subsidies and by the sort of long-term difficulties that governments get into by establishing special subsidies. For those reasons I would just like to be certain that the Members of this committee want such a review to go forward. I was serious the other day when I said that we do not want to have a planning unit that is just there for the sake of planning. You know, I do not want to see it grow. I want to see it doing good, vital work.

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

MR. BUTTERS: I suggest we are chasing rabbits. The moose is the Hon. David Searle's suggestion and I think that should be a motion. If he is not going to make it, I will make it.

THE CHAIRMAN (Mr. Fraser): Hon. David Searle, would you like to put that in the form of a motion?

HON. DAVID SEARLE: The first thing I wanted to do was see if generally Members thought that approach to life was feasible and, if it is, I have since then drafted something which I think may express the views I stated but subject to anyone else wanting to make a comment, Mr. Chairman, I would be prepared to move it.

THE CHAIRMAN (Mr. Fraser): Agreed?

---Agreed

Motion On MOT Policy Paper And Consultation On Transportation Program_

HON. DAVID SEARLE: I move, one, that we inquire of the Ministry of Transport as to the status of that department's policy paper, and two, indicate to the Minister of Transport that we are prepared to be consulted in whatever form may prove useful, for example, by way of a special committee or otherwise.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. To the motion? Mr. Butters.

MR. BUTTERS: Just to say that the motion should refer and relate to the letter which is under consideration because there may be a number of other policies and things on his mind -- relate specifically to this matter which is now under debate.

THE CHAIRMAN (Mr. Fraser): Is that okay with you, Hon. David Searle, that we refer to that information item number?

HON. DAVID SEARLE: The difficulty is that the response does not refer specifically to federal subsidies. It says "As you know, the Council are no doubt aware the emerging transportation policy takes account of the problem of remote areas ... and costs," etc.

As I see the so-called emerging policy it may mean partially federal subsidies but I think it is going to be much broader than that and what I would like to

see is a policy in total and that is what number one is designed to do and secondly discussing the program. In other words, I think what we dealt with in the motion, federal subsidies, is just one aspect of it. I think that policy paper will go much further than that and I would not want to make a specific reference to subsidies and leave anybody under the impression that I for one would be prepared to talk only about subsidies. I think I would like to talk about the standards that the MOT set, the lavish standards they set, the things that really cost the taxpayer a lot of money because the problem that we have, Mr. Chairman, is the MOT and MOT alone determine what facilities shall be, how grandiose an air terminal for instance would be, how it will be decorated, etc.

Unilateral Decisions

They then levy a unilateral cost per square foot for the users of it. They then levy unilaterally a cost per passenger loaded and unloaded and, unilaterally determine that thou shalt use that personnel carrier, for instance. They unilaterally determine the design of that piece of equipment and unilaterally decide that they will pay \$350,000, or whatever the price is, for it. That is what is costing the traveller. I would like to, for instance, suggest to them that they should not be making those decisions solely, that the users somehow be able to have some input into whether or not you need a personnel carrier, what its design should be if you have to use it so that the costs are not enormous.

MOT, putting it simply, is pricing air transportation out of the market simply because of what it unilaterally decides should be done and, hence, the rates that it charges the users, and that is what is doing it. Now, if I am going to talk about MOT I would like to talk about more than just a subsidy, I would like to talk about how we get to the costs that we are then expecting the government to subsidize. Frankly if they were more reasonable in their facilities and equipment you may not need a subsidy. Very much of what they require the public to suffer through, if they did not require the public to suffer through it there would obviously be a reduction in cost.

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

MR. BUTTERS: Hon. David Searle did not hear me, I referred to subsidies earlier in the debate but when I introduced this subject, I referred to this matter of policy and quoted that reference into the record if the Hon. David Searle had been listening, and that refers back to the emerging transportation policy. That is what I was referring to, not at that moment subsidies per se. Why I asked the motion be tied somehow in with this letter is because he makes to us I would think a very clearcut invitation, "You may be assured that there will be provision for significant input," and that is what I would like to see referred to. Of course discuss the policy and the emerging transportation policy, but make sure we are telling him that we accept his invitation and are very desirous of making that significant input.

THE CHAIRMAN (Mr. Fraser): To the motion?

SOME HON. MEMBERS: The question.

Motion On MOT Policy Paper And Consultation On Transportation Program, Carried

THE CHAIRMAN (Mr. Fraser): The question is being called. All in favour? Contrary? It is carried.

---Carried

That completes Information Item 16-60 for a time.

Information Item 1-61: Northern Control Of The CBC

Information Item 1-61, Northern Control of the CBC. Any comments of a general nature?

MR. PEARSON: What was the number again?

THE CHAIRMAN (Mr. Fraser): Information Item 1-61. It is a black-edged binder. Mr. Pearson.

MR. PEARSON: Is there in fact anyone from the Northwest Territories on the board of directors of CBC?

MR. BUTTERS: There is.

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

DEPUTY COMMISSIONER PARKER: I do not think so.

MR. BUTTERS: There is, Frank Hansen of Inuvik.

THE CHAIRMAN (Mr. Fraser): Frank Hansen of Inuvik?

MR. BUTTERS: Frank Hansen.

THE CHAIRMAN (Mr. Fraser): Information Item 1-61, any general comments?

HON. DAVE NICKERSON: I think Mr. Butters wanted to speak.

MR. BUTTERS: Go ahead.

HON. DAVE NICKERSON: If you want me to go first I will. This is another one of those things, Mr. Chairman, where time and time again we have asked for a greater degree of control for northerners, not necessarily ourselves, I do not think we as a Legislature would want to get mixed up in controlling what does or does not occur on radio or television, but at least have a certain amount of control by northerners on what goes on with the CBC. The answer here, it takes two pages to do it but they say, "No, you can not," and that is basically what it says and quite frankly, that is not good enough. I am rapidly coming to the conclusion that what must happen in the Northwest Territories is that we have to have private radio and television stations, some form of encouragement has to be given to an alternative to CBC. It is no use repeating what was said at Rankin Inlet about the appalling coverage of the Berger Inquiry, and a lot of things like that, but what really gets me mad is that I can come here and listen to Bryan Pearson, for instance, or Mr. Pearson, I should correct myself, give a fantastic speech, something of momentous importance to the Northwest Territories and I go home at night and at 7:00 o'clock switch on the news and there is Mr. Dave Barrett from British Columbia saying something. Similarly they just do not, the CBC just does not seem to put any importance to what goes on in the Northwest Territories. It is more important to them to put on a speech by the Lieutenant Governor of Alberta rather than a similar announcement or speech by the Commissioner of the Northwest Territories. Until such time as we can either gain a degree of northern control over what goes on on the CBC in the Northwest Territories or, alternatively, encourage the development of private broadcasting, this is going to continue and we are going to continue to get these two page answers saying, "No," whenever we bring this up.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Mr. Butters.

Communication Advisory Committees

MR. BUTTERS: I lost my snowballs, I thought I had them here. There was a letter, if I recall correctly by Mr. Doug Ward which appeared in a number of northern papers which I thought might have been an indication of new times with regard to the CBC's relationship to the North, and talking about establishing communication societies in the various communities. I must say that I was very impressed with Mr. Doug Ward when he appeared before us at Rankin Inlet, and I felt that he was a very receptive and responsive director of the corporation. Now, I have to go by memory because I can not remember what the Northwest Territories Association of Municipalities' resolution read, and it was made last summer, but I thought it was something in the order of establishing communication advisory committees in a number of communities ...

THE CHAIRMAN (Mr. Fraser): They can not hear you up there, I do not know why. The interpreters must be out.

MR. BUTTERS: I will go slower.

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

MR. BUTTERS: I think the resolution dealt with establishing of communication advisory committees which could liaise and work with the various production and distribution centres in the Northwest Territories, in relation to both radio and television programming. Somehow I got the impression that that was not too well received. I may be wrong, and maybe they did look much more favourably on that suggestion than I am indicating here. However, it seems to me that the CBC has been the slowest of all national agencies of government or quasi-government to set up what you might call advisory committees in the North. We have had advisory committees on health, advisory committees on local government before hamlets were established, we have had advisory committees on education, advisory committees on many areas of importance in people's lives. For some reason the CBC seems very loth or very slow in setting up these committees. I feel that this would be a quantum step towards improving the northern programming and also making the programs a lot more responsible and responsive to the northern listener, both in television and in radio. I would hope that maybe Mr. Ward would look favourably on that and encourage the establishment of such bodies, even though they function in an advisory capacity or an advisory nature only.

THE CHAIRMAN (Mr. Fraser): I think the problem was that you were talking maybe a little too fast for the interpreters, so if we could perhaps slow down. Hon. David Searle, I think you are next.

CBC Board Of Directors

HON. DAVID SEARLE: Mr. Chairman, first a question. I am wondering who it is who is on the CBC board of directors?

THE CHAIRMAN (Mr. Fraser): Can you give us a list, Mr. Deputy Commissioner?

HON. DAVID SEARLE: I mean from the territories.

DEPUTY COMMISSIONER PARKER: Mr. Hansen from Inuvik.

THE CHAIRMAN (Mr. Fraser): Is that the only one from the territories?

DEPUTY COMMISSIONER PARKER: I believe so.

HON. DAVID SEARLE: I am wondering, can Mr. Butters tell the committee about Mr. Hansen? I do not think I have ever heard the name before and maybe I am just displaying my ignorance but if he is in effect the regional representative on the board of directors, too bad CBC would not give some publicity to it because it would be in everybody's interest to know that so we could direct our communications to him that indeed we feel very strongly about CBC and he might be prepared to come before this House as a witness and receive our list of problems which he could then take, as an informed northerner, to their next board meeting.

MR. BUTTERS: In reply, the Hon. David Searle does know Mr. Hansen. His name appeared as a member of our science, the Northwest Territories Science Advisory Board and his biography described him as born in Aklavik, having acquired an engineer's degree at the University of Alberta and latterly employed in his own business. I believe he has served as a director of the CBC board for the last three years and I would think that if he were to receive an invitation from this body he would be delighted to come and would feel that it would be very helpful to him in carrying out his responsibilities as a director of the corporation.

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

HON. PETER ERNERK: Mr. Chairman, I am very disappointed to hear that there is only one northern member, or one member from the Northwest Territories on the board of directors of CBC. That does not sound very good, and mainly because I would have thought that CBC would have had more members on their board.

Now, if we have other members from the Eastern Arctic it would be so good, and these members, or a member from the Eastern Arctic could have some input into the kind of programming that should be displayed, that should be part of the programming of CBC.

Motion That CBC Increase Its Northern Board Members

I would like to make a motion, if I may, and it simply states that: "I move that CBC be asked to increase its northern board members."

THE CHAIRMAN (Mr. Fraser): You do not want to specify the number, just to increase the number of members?

HON. PETER ERNERK: I am not sure of how many members they have presently but I understand there is only one member on their board and it would be nice to have another member, one say from the Eastern Arctic.

THE CHAIRMAN (Mr. Fraser): Hon. David Searle, do you have an answer to that question?

HON. DAVID SEARLE: I just wanted to express concurrence. Now having Mr. Butters response it does cause me to recall that indeed I had met Mr. Hansen. The other thing that I wanted to point out, however, was the last paragraph of the paper on

page two where the writer of this letter indicated: "Each year, a wide range of communities, groups and individuals in the North will be asked for their constructive criticism of our programming." I am wondering if that process of consultation has begun and who to date has been consulted and specifically what form of consultation will be taking place in Yellowknife because I think my constituents would like to be able to comment on the programming. I honestly say constructively. I appreciate that this may not be within the knowledge of our administration because this is not their responsibility, but I would support, therefore, a request to CBC as to what they mean and when and where they propose to do these consultations on programming.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. It would not be those questionnaires they send out once a year to people? We have a motion on the floor: To the motion. Mr. Lafferty.

MR. LAFFERTY: Mr. Chairman, in speaking to the motion, I do not know how many boards the CBC have. Are we talking about the CBC board of directors as CBC or are we talking about the administrative boards that they have? I know that they have several boards in different areas. They have a policy board which is fairly well comprised of members of individual broadcasting firms. I do not think that the answer to the problems that we are having rests with the members of the board, but, rather, in the regions.

Privately Operated Affiliated Stations

I do not think that we could in any way reform the CBC policy which must happen if we are to get into regional administration. CBC, as I understand it, is a national organization organized to inform the Canadian public and they have failed to do this across the country and I do not see where they will do it in the North. Such problems as they have experienced in the Maritime provinces, if you look at the radio broadcast system in Nova Scotia, for instance, most of those stations are all affiliated CBC stations. Perhaps that would be the move to make in the North, to set up radio stations, privately operated affiliated with the CBC as Hon. Dave Nickerson suggests.

I can not see any reason why we can not do that through the territorial government, through its growing Information Department. There are many things that we have mentioned about the dissatisfaction with CBC in the Northwest Territories and we continually hear these problems. For instance, you can not even get out on a lake for more than 30 miles and you can no longer hear the CBC. There is a blank spot between here and Rae, a simple 70 miles. We have a radio station here in Yellowknife with a wattage and a station big enough that could be serving directly to Hay River. The fantastic amounts of money that they spend in the installation of equipment they do not use and in turn the people are not properly serviced. You take in Rae, you get seven miles out of town you can not hear the local station. In Fort Simpson you can not hear the local station ten miles out. Subsequently, people are not informed unless they get to these communities. Up the Liard River there is hardly any CBC at all. You can hardly hear it at Fort Liard. You can hear it at Trout Lake. I think that I would do a lot of thinking before I would support any motion but I rather favour Hon. Dave Nickerson's comments. Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): I have a motion: I move that CBC increase its northern board members. To the motion. Mr. Butters.

MR. BUTTERS: I tend to support the motion but in so doing I recognize that in terms of population our representation on the board is probably greater than we could expect as against other parts of Canada which have less representation in an equivalent sense to that we have at the present time, but I will support the motion.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Butters. CBC northern service, one member on the board. To the motion, Mr. Pearson.

Northern Service A Minor Part Of CBC

MR. PEARSON: I certainly support the motion but what one additional member or two additional members, the difference they are going to make to the organization, the quality and the attitude that the organization has to the North, you know, I do not know. We also must bear in mind that the northern service branch of CBC is a very minor organization and one which is sort of a tolerance thing. It is the policy of the CBC, the national organization is committed to a program of squandering of taxpayers' money, building for itself magnificent buildings scattered across hither and thither. An example, of course, can be seen right here in Yellowknife, the facility they have just built themselves is really magnificent, a stunning piece of architecture and I compliment them on their style of architecture as I compliment them on their style of architecture of the building in Ottawa and their building in Montreal, \$75 million, a beautiful thing. Great buildings, not the garbage that comes out of them or the garbage that goes into them to start with in the chain of events!

We have a long way to go in the North with regard to local broadcasting and I think there should be encouragement. The territorial government was hot to trot on this issue a couple of years ago and funded Mickey Mouse types of operations in several communities, small local stations, two of which I know positively blew up the minute they were plugged in ...

DEPUTY COMMISSIONER PARKER: That was called their spectacular.

MR. PEARSON: ... at Sanikiluaq and Broughton Island and the CBC in fact had to be called to go and assist these communities to set themselves up in competition with CBC which is always kind of amusing. Since then I have heard little from the territorial government in regard to establishment of a local broadcasting facility. The CBC's policy at the national level toward the North is one of token tolerance and that is about all. Again I support the motion but wondered just what effect it will have.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pearson. Are you finished?

MR. PEARSON: Yes. I just heard some funny comments from my colleague on my right.

THE CHAIRMAN (Mr. Fraser): Anyone else to the motion?

SOME HON. MEMBERS: Question.

THE CHAIRMAN (Mr. Fraser): Question being called. All in favour?

HON. DAVE NICKERSON: Could you please restate the motion?

Motion That CBC Increase Its Northern Board Members, Carried.

THE CHAIRMAN (Mr. Fraser): The motion made by the Hon. Peter Ernerk: "I move that CBC be asked to increase its northern board members." The question has been called. All in favour? Three. Again, all in favour of the motion? Six. The motion is carried.

---Carried

That now completes information item ...

MR. PEARSON: I think we have completed the motion but surely that is not the end of the discussion. If that is the end of the discussion, then CBC has nothing to fear from us.

THE CHAIRMAN (Mr. Fraser): Information Item 1-61, go ahead.

MR. PEARSON: I do not think the inclusion of another ten board members from the North on the board of directors is going to change it but surely this Assembly could develop a strong position, some strong case or some strong words. If you would like to clear the room, I can suggest a few. Perhaps it should be examined. Perhaps the Legislative Assembly should develop some kind of ongoing examination of CBC. CBC again is another one of these outfits that likes to examine itself and, as the territorial government admitted to doing the other day, which I jokingly referred to as "self-abuse". I think CBC could do with a watchdog, a committee perhaps, a communications committee to be established by this Assembly to examine the quality and the views of the people that we represent to see just whether they feel they are getting adequate programming. For example, this morning we are fortunate to have with us the notorious Mr. Whit Fraser and that is it. There are no native people from the Western Arctic. There is nothing going out directly from here in Inuktitut which is unfortunate because people do listen to the radio and like listening to the radio. There is absolutely no coverage of this session whatsoever by television cameras when a momentous occasion in history arose when the Speaker was presented with his new chair. I added a few things to it the other night but at least the thing could have been televised. You know, just for the record it could have been shown across the Northwest Territories to the communities that their Legislature now has a new chair. That is about the only exciting thing that has happened at this session so far.

---Laughter

Northern Programming

However, it was not covered and it is unfortunate, and I think putting another member on the board of CBC, whoop-de-doo, but the fact of the matter is that people are being bombarded by this southern Canadian dribble, the majority of the time, the morning program, the afternoon programming in some cases, in the West here leaves quite a bit to be desired. The quality of music, the quality of social affairs programs, you know, we have unique and distinct problems in the Northwest Territories which could be dealt with very effectively by a worth-while broadcasting service to the North, directed toward the North, not just some offshoot of a southern Canadian system. Perhaps a committee could examine this.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Pearson. Hon. David Searle.

HON. DAVID SEARLE: At the Rankin Inlet session we had a very thorough discussion on the CBC when Mr. Doug Ward was before the House. Frankly I do not think it is a productive use of time to just regurgitate that, and by "he" I mean Mr. Ward went away with a very exhaustive and complete list of the various Members' thoughts. I am not going to attempt to itemize that list, but there were quite a few, and what I would like to suggest is that this committee ask Mr. Ward for a response to those thoughts. This particular paper we are discussing is simply a response to one aspect, but there were many, many other comments and suggestions of a very fine constructive nature that were made, and we have not had a response to those.

So, I would like to recommend that the administration get in touch with Mr. Ward and ask for a further definitive response to all of those matters that were raised at the Rankin Inlet session and I think that will carry us along the road more constructively and frankly than talking about additional board members, because they are such a high policy level and concerned with the national interests of the CBC that frankly there is very little that you can do of those sorts of things we are concerned with. So, I think a following up of that discussion is what is needed at this time.

THE CHAIRMAN (Mr. Fraser): Is that in the form of a motion or are you just suggesting that we try and get this information from the CBC?

HON. DAVID SEARLE: I was checking it out as a suggestion of how to get off centre line and to avoid hopefully a complete regurgitation of each and every one of our suggestions which we just had in October, in Rankin Inlet and that was a very full and complete discussion as I recall it. If other Members thought that would be useful I would be prepared to propose a motion suggesting that but I hate to propose motions until I feel there may be a consensus.

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN (Mr. Fraser): Mr. Butters, I think you were ahead of Hon. David Searle and I am sorry, do you want to speak now?

Motion About Establishment of N.W.T. Northern Communications Advisory Board

MR. BUTTERS: I was, sir. I think one of the things that was not brought up at Rankin Inlet was the suggestion of establishing some kind of committee along the lines that Mr. Pearson suggested and I would like to move a motion, and move that this House inquire of Mr. Doug Ward, director CBC northern service, whether he would countenance and avail himself of the services of a Northwest Territories northern communications advisory board if such were established to improve CBC northern programming and services.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Butters. Would you give me that motion? Have you got it written out?

MR. BUTTERS: I do not know if it can be read.

THE CHAIRMAN (Mr. Fraser): Would you repeat it?

MR. BUTTERS: I move that this House inquire of Mr. Doug Ward, director CBC northern service, whether he would countenance and avail himself of the services of a Northwest Territories northern communications advisory board if such were established to improve CBC northern programming and service.

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

HON. PETER ERNERK: Mr. Chairman, I would say that I support this motion. However, I wonder, or I am wondering if this particular motion should not be directed to the Ministry of Communications rather than the CBC, mainly because the communications department has responsibility as I understand it for all of the communications facilities or programs in the country. So, those are my short comments.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Peter Ernerk. To the motion. Hon. David Searle.

Motion Already Made At Previous Session

HON. DAVID SEARLE: Mr. Chairman, if you look at the paper, the very first paragraph says, "A motion was adopted at the 59th session of the Legislative Assembly concerning the proposed establishment of regional advisory committees to the Canadian Broadcasting Corporation. This matter was referred to the office of the Secretary of State in Ottawa and the following information was received: ..." And essentially, without reading the response it says "No." So, the motion Mr. Butters has made is just a repeat of that is it not, asking that a regional advisory board be established? They have already said that they will not go for the establishment of a regional advisory committee, so to move that a regional advisory board be established surely would meet with the same response, would it not?

MR. BUTTERS: Well, there is a new man at the helm now.

HON. DAVID SEARLE: With all due respect the response seems to come from the Secretary of State in Ottawa and it is not a decision that is made at the Mr. Doug Ward level, it is a response from the Secretary of State to whom the corporation reports. Now, unless there is a new or different Secretary of State, or a change in national policy, surely you could expect only the same response.

MR. BUTTERS: Mr. Chairman, I suggest that it has as much pertinence as our motion on fisheries.

HON. DAVID SEARLE: I do not mean to suggest that Mr. Butters should not move his motion but I just wanted it clear to the House that it is essentially the same motion that was made in the 59th session which was rejected by the Secretary of State. So, you can make motions continually, I suppose.

THE CHAIRMAN (Mr. Fraser): To the motion. The question being called.

SOME HON. MEMBERS: The question.

Motion About Establishment Of N.W.T. Northern Communications Advisory Board, Carried

THE CHAIRMAN (Mr. Fraser): The question being called. Could I have that motion again? Does everybody understand the motion? All in favour? Seven. Contrary? The motion is carried.

---Carried

Information Item 1-61, Northern Control of CBC. Are there any more comments?
Hon. David Searle.

Motion That Administration Follow Up Suggestions On CBC Made At 60th Session.

HON. DAVID SEARLE: I would like to move that we ask the administration to follow up with CBC and obtain the responses from them to the many suggestions made by Members at the Rankin Inlet session.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. To the motion? Mr. Pearson.

MR. PEARSON: That is exactly what I think should happen. I think the Hon. David Searle hit it right on the head and I think it should happen in many other cases at this session, at these Assembly meetings, because recommendations are made and everyone agrees and it is wonderful and you get your name in the paper and then that is the last you ever hear of it because there is no follow-up. Of course one of the problems is that this Assembly has no staff of its own with which to follow these things through for us and I am sure that if we asked the Clerk to do something for us it would be done but the Assembly needs a staff for this very thing, to follow these things through, the political things through, because unless the individual Members remember exactly what it was that transpired at the previous session, or they happen to come up in an information item like this, they are forgotten and so the whole thing is a waste of time, it is foolish.

THE CHAIRMAN (Mr. Fraser): Thank you. Mr. Pearson. Deputy Commissioner, did you get that motion?

DEPUTY COMMISSIONER PARKER: No.

THE CHAIRMAN (Mr. Fraser): A motion made by Hon. David Searle that we ask the administration to follow up CBC and obtain a response...

DEPUTY COMMISSIONER PARKER: I am sorry, I did not realize you were referring to the one of Hon. David Searle. I understand that motion.

THE CHAIRMAN (Mr. Fraser): Could this be followed up and could this information be obtained?

DEPUTY COMMISSIONER PARKER: Yes, certainly. I would expect that the earliest time would be for the May session, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Deputy Commissioner. Mr. Pearson.

MR. PEARSON: Could the record show there is no one here from CBC?

THE CHAIRMAN (Mr. Fraser): There is, there is one person here from CBC.

MR. PEARSON: Where?

MR. STEWART: Not me.

MR. PEARSON: To my knowledge I understand the gentleman is from the Native Press, not CBC.

THE CHAIRMAN (Mr. Fraser): I think he is from CBC. Is that right? You had better save your dirty words for later on, I guess.

SOME HON. MEMBERS: The question.

Motion That Administration Follow Up Suggestions On CBC Made At 60th Session,
Carried

THE CHAIRMAN (Mr. Fraser): The question is being called. All in favour of the motion? Nine. Contrary? Carried.

---Carried

Information Item 1-61, Northern Control of CBC. Are there any further comments? I realize the time is now 1:00 o'clock and we therefore will recess until 2:30 o'clock p.m. Is that agreed?

---Agreed

--LUNCHEON ADJOURNMENT

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum and I call the meeting to order.

MR. PEARSON: We are still on information items, Mr. Chairman?

THE CHAIRMAN (Mr. Fraser): Information Item 1-61, Northern Control of CBC.

MR. PEARSON: We dealt with Hon. David Searle's motion?

THE CHAIRMAN (Mr. Fraser): We have a motion that was passed which was made by Hon. David Searle.

MR. PEARSON: I move that we move onto something else.

THE CHAIRMAN (Mr. Fraser): If we are all through with Information Item 1-61, Northern Control of CBC, I would like to report progress. Agreed?

---Agreed

MR. SPEAKER: Mr. Fraser.

Report of the Committee of the Whole of Information Item 1-60, Land Use Permits, Somerset Island; Information Item 8-60, Inland Fisheries Responsibility; Information Item 16-60, Federal Subsidies to Northern Air Transportation; Information Item 1-61, Northern Control of CBC.

MR. FRASER: Mr. Speaker, your committee has been dealing with Information Item 1-60, Land Use Permits, Somerset Island; Information Item 8-60, Inland Fisheries Responsibility; Information Item 16-60, Federal Subsidies to Northern Air Transportation; Information Item 1-61, Northern Control of CBC.

MR. SPEAKER: Those items are completed with motions respecting each of them.

MR. FRASER: They are all completed with more information pending for the May session.

MR. SPEAKER: That is with respect to Information Item 15-60, the Norman Wells oil refinery.

MR. FRASER: Yes.

MR. SPEAKER: Anything further on Item 12, Motion 24-60, Formation of a Special Committee for the Development of Territorial Legislation before the Construction of the Mackenzie Valley pipeline? Mr. Butters, are you prepared to discuss that now?

MR. BUTTERS: No, sir. I just learned about ten minutes ago that it might be ready for discussion this afternoon. I left all my material upstairs and I just do not have it with me.

MR. SPEAKER: Mr. Butters, what about your Motion 5-61, Canada's Economy, Adoption of Austerity Condition. Possibly we could return to Item 8 and deal with that motion.

MR. BUTTERS: If it has been translated, I guess that is satisfactory.

MR. SPEAKER: Has that motion been translated, Mr. de Vos? Motion 5-61 in your book? Do you have a translation, Mr. Pudluk?

MR. PUDLUK: I have not got it.

MR. SPEAKER: I guess the translation is not ready yet. I see that the translations have just been handed out for Motion 5-61. Should we return then, gentlemen, to Item 8, motions and deal with Motion 5-61? Any objection to that? Agreed?

---Agreed

ITEM NO. 8: MOTIONS

MR. BUTTERS: Mr. Speaker, if the Members have had no opportunity to read it, it might be a little early, but I am willing to go ahead on it. However, I would ask a question. I thought there were a number of pieces of legislation that had been given second reading and were ready for discussion in committee of the whole. I realize they are not on the order paper today but I understood there were a number of pieces of legislation which we could discuss.

MR. SPEAKER: That is a problem, of course, that they are not on the order paper and, rather than receive unanimous consent to put them on, we thought we would put everything on for tomorrow and subsequent days but there are certain things we can, of course, deal with that are on the order paper and tidy them up. For instance, your Motion 24-61 and Recommendation to the Legislature 2-61, Policy Respecting Loan Guarantees. Of course, there is Motion 5-61 which we can properly deal with. I understood Members to agree that we go back to Item 8 and deal with motions, i.e., your motion. Any objection to that? No objection. Item 8, motions. Motion 5-61, Mr. Butters.

Motion 5-61: Canada's Economy, Adoption Of Austerity Condition

MR. BUTTERS: Mr. Speaker:

WHEREAS Canada's economy in recent years has been considered by the federal government to be so endangered as to require massive intervention in the nation's traditional market place through the hobbling of the law of supply and demand with stringent and restrictive wage and price controls;

AND WHEREAS many economists have identified as a major and contributing factor in Canada's economic malaise as the imbalance between the rate of increase of government spending, at all levels, and the rate of increase of our nation's gross national product, or in other words the imbalance between the rate of increase in government social welfare type programs and the increase in the amount of real goods produced by our farms and factories, by our free enterprise system, for both home consumption and sale abroad;

AND WHEREAS it is conceded that federal government expenditures have increased fourfold in the last decade with attendant increases in the numbers of persons employed in the public service of Canada;

AND WHEREAS parallel increases and growth have been witnessed in the territorial government's public service and the expansion of its social welfare type programs;

AND WHEREAS one of the first positive steps of any government or central banking facility toward regaining economic stability and self-sufficiency is through rigid material cost control, through incisive program cost benefit analysis, and increased staff efficiency through incentives and pruning;

NOW THEREFORE, I move that this administration during the fiscal year 1977-78 adopt an austerity condition and (a) cease to fill

staff vacancies, with the exceptions of (1) all training positions, (2) accounting and treasury officer positions and management audit and program evaluation positions, and (3) all positions approved by the House on full and complete consideration of Bill 3-61; in any department or section of the Government of the Northwest Territories until the strength of such departments or sections reaches 90 per cent of its approved establishment; and (b) ensure the continuing efficiency of the territorial government public service and program delivery capacity through facilitating any transfer of money, grants, or loans between votes or objects, and of personnel between programs and departments on the authority and approval of the Executive Committee of the Government of the Northwest Territories.

HON. DAVE NICKERSON: On a point of order, Mr. Speaker.

MR. SPEAKER: Hon. Dave Nickerson.

Consent Of The Legislature

HON. DAVE NICKERSON: It would appear to me, sir, that this motion is out of order in that part (b) of the resolve would direct the Government of the Northwest Territories to act in contravention of section 14(3) of the Financial Administration Ordinance.

MR. SPEAKER: What does section 14(3) of the Financial Administration Ordinance say?

HON. DAVE NICKERSON: It is my understanding, Mr. Speaker, that reallocations between votes can not be made except with the approval of the Legislative Assembly of the Northwest Territories. Were this motion to go through it would, of course, direct that reallocations and transfers be made without that statutory requirement of consent by the Legislature being met.

MR. SPEAKER: What do you have to say on the point of order, Mr. Butters?

MR. BUTTERS: I do not know if Hon. Dave Nickerson read from the Financial Administration Act or quoted it from memory. First of all I would like to see the particular reference to which he is referring. If his memory does serve him correctly, I would suggest that section (b) puts the power in the hands of the Executive Committee of the Government of the Northwest Territories. That Executive Committee is made up of three Members of this House, Members in whom we have sufficient faith and trust to carry out the directions and objectives of this Assembly and I would suggest that I for one would be pleased to empower these three Executive Members to act in a manner as laid out here. I feel that is what the senior administration and Executive administration is all about.

MR. SPEAKER: On the point of order, the Chair will have to take the matter under advisement and deliver a ruling. I do not see any point in recessing at this point to consider it. We will stand the motion down for the day and the Chair will have to give a ruling on the point of order tomorrow morning under motions, after due and proper consultation with the Legal Advisor and others.

Unanimous Consent To Deal With Bills 1-61, 4-61, 5-61, 7-61 and R to L 2-61

Gentlemen, I have an indication from Deputy Commissioner Parker that the administration is ready to proceed with -- what does R to L mean? Reference to the Legislature? Recommendation to the Legislature 2-61, Policy Respecting Loan Guarantees. As well, though they are not on the order paper today, the Executive are prepared to deal with Bills 4-61, 5-61 and 7-61 as well as 1-61. Can we have unanimous consent to add to the order paper Bills 4-61, 5-61, 7-61 and 1-61?

---Agreed

Is there any objection to that? Those would be added under Item 12 for consideration in committee of the whole, bills and other matters. If you just add Bills 1-61, 4-61, 5-61 and 7-61. Now then, having done that, should we go into committee of the whole for Recommendation to the Legislature 2-61 or do we want to get into bills?

SOME HON. MEMBERS: Bills.

MR. SPEAKER: Shall we deal with Bill 1-61 first?

---Agreed

This house will resolve into committee of the whole for consideration of bills and other matters, Bill 1-61 with Mr. ...

MR. BUTTERS: Mr. Speaker, Bill 1-61 is -- what is Bill 1-61 again?

MR. SPEAKER: Bill 1-61, An Ordinance to Amend the Council Ordinance, to provide for the payments of actual expenses necessarily incurred by a Member for the purpose of attending a Council session, committee meeting or special meetings.

MR. BUTTERS: That is what I thought it was, sir. I suggest that an amendment be made to that motion to instead of referring it to committee of the whole, to refer it to the standing committee on indemnities and allowances because it has not been considered by that committee to my understanding.

MR. SPEAKER: What tab is Assembly committees under, Mr. Clerk? Mr. Butters, if I may say so, if I recall the way that matter was left, it was left up to me and I forget if anyone else, to discuss the matter with the Legal Advisor, the Anti-Inflation Board, and others to come back with a suitable arrangement of paying indemnities authorized by our legislation. What the bill contains is the substance of those recommendations and with all due respect it seems to me that we should go into committee of the whole and hear from our Legal Advisor and others who were involved in the necessary examination. If after that you still feel the indemnities and allowances committee should look at it, that is fine, but my understanding of the direction was that I should follow it up with the Minister, the AIB and others, which we have done. I think you should hear that report if the House is satisfied and then we will not have to go to indemnities, allowances and members' services. Agreed?

---Agreed

REVERT TO ITEM NO. 12: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

This House will resolve into committee of the whole for consideration of Bill 1-61, An Ordinance to Amend the Council Ordinance, with Mr. Stewart in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Bill 1-61, Council Ordinance, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 1-61, COUNCIL ORDINANCE

THE CHAIRMAN (Mr. Stewart): The committee will come to order to study Bill 1-61, An Ordinance to Amend the Council Ordinance. Firstly, are there any comments of a general nature? Mr. Deputy Commissioner.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, as part of the exercise that the Speaker made reference to, the administration followed up this matter with the Anti-Inflation Board. We made as strong a case as we possibly could but regarding whether or not the Anti-Inflation Board should or should not rule on a Council Ordinance, and I am not sure that we have heard the final answer to that. However, concurrently, we also put forward the proposal which would see Council Members being paid their actual expenses which is the matter taken up with this bill. This was a back-up procedure because we were anxious, I think as Council Members were, to ensure that their higher costs would be recognized in one way or another.

On January 24 I received a letter from Mr. B.W. Foley who is the director of the public administration division of the Anti-Inflation Board and he says, in part: "Thank you for your letter of December 17, 1976 regarding the proposed changes regarding expense allowances contained in your Council Ordinance. The proposal to pay actual expenses on an accountable basis is quite acceptable within the anti-inflation guidelines." That is all I have to say, Mr. Chairman.

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

Exclusive Jurisdiction

HON. DAVID SEARLE: I think I would like to just make a couple of brief comments and take Members back, if I could, to the Rankin Inlet session when one of the items raised, I think it was in caucus, concerned this matter of Members not having been paid on the basis of our legislation. At that time, we took the view with the Minister that this was one thing that had been delegated to our exclusive jurisdiction and we therefore, could properly set whatever indemnity and expense allowance we wished. We felt that we should look into it a little further and I think ultimately it was indicated to us that it was a question of the Anti-Inflation Board not yet having approved what we had done.

When Mr. Remnant and I went to Ottawa he and I believe, Mr. Stewart, and I went around to see the Anti-Inflation Board people to make sure that we knew clearly and precisely what the objection was. It turned out that they were not concerned with the increase in the indemnity because that was quite well within the guidelines, but what they were concerned with was the flat sum of I think it was \$70 we were paying per diem for the expense allowance, in other words, it was the expense side that they were concerned with, the unaccountability of it.

Concurrent with this, I asked Ms. Flieger to look into the legal side of it to determine whether or not it came within the AIB guidelines, and so she undertook certain examinations there. After she did that, and you may wish to have her report on what she looked at, but after she did that it turned out that what it essentially came down to, was that the AIB would likely approve both the increase in indemnity and of course the expense allowance if the expense allowance part of it was converted from a flat daily rate to an accountable thing. In other words, they readily admitted that if you had to pay \$85 a day, as long as you accounted for that \$85 that that was acceptable, but they were not prepared to approve a flat rate.

AIB's Refusal To Approve

So, of all of the alternatives available to us, it seemed to those of us who had been asked to look into it that this was the only way that we could get the allowance and the indemnity approved in that they refused to approve part of it. They insisted on looking at the two as a package, appreciating of course, that they had no serious objection to the indemnity part of it, but they insisted that we sort this around before they would approve either. Now, from my recollection that is the way it stood. Ms. Flieger may feel compelled to add something but that is really about all I can recall on the subject.

THE CHAIRMAN (Mr. Stewart): Thank you, Hon. David Searle. Is there anything further, anything you would like to say?

LEGAL ADVISOR (Ms. Flieger): No, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Bill 1-61, are there any further comments? Clause 1, expenses. Mr. Butters.

MR. BUTTERS: The reason I am disappointed that it did not get into committee is because there are a number of problems related to this amendment to the ordinance. One problem is that we are going to be required to account with a piece of paper for every expenditure we make, and every day we will have a whole handful of pieces of paper, or some statements saying "I swear I spent this money in carrying out my responsibilities as a Member of this House". This has never been requested of Members before, for the simple reason that you lose these things and it is going to require, those of us who come in and commute, possibly not at those who live here, but those of us who come into the community are going to have quite a bookkeeping job to do to determine our taxi fares and laundry bills and whatever else is required for each days time spent on either Council or Assembly work or committee work.

The other thing is too, or the other problem is that actuals are really a licence to spend. You know, years ago it was very simple to go over the expenses allowable and so I think that the two points of view, one, that it will put a bookkeeping load on each Member that I can only think in the end we see them losing money, losing some of the actuals or forgetting to record them, and the other, living in the hotel here, eating here and paying for your accommodation, I think you could easily go over the \$70 which is now the approved amount.

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

Different Practices Of Members

MR. LAFFERTY: Mr. Chairman, the production of receipts, and all documentation that is required to meet our expenses, which I note some Members can do, but I am rather concerned in this area because we differ so greatly in our practices of economics at home, our relationship with people, our dealings with people that I can not see where this type of legislation would benefit the majority of the Members of the Legislative Assembly. I know from my own experience that even with the present system I have had difficulty. In most instances, I am unable to meet my expenses, the demands on my time to confer with my constituents is impossible. I can not get around my constituency more than once a year, my income is below the standard for the hours I work, below the minimum wage level and I am expected to devote all my time doing my political work.

I can very well appreciate Yellowknife and other larger communities where they do not have this kind of problem, it is a matter of crossing the street, but for those of us who are in lesser communities and are spread out across broad areas, and the only means by which we can communicate is long distance telephone, at a telephone rate at a maximum of about \$300 a month. I do not see how some of us could survive. I think I would be better off working as a washer of dishes for

the Calgary firm in Yellowknife than I am as a territorial Member. I think there has to be some other means by which we can compensate our Members for their efforts. I think the previous practice of having a flat rate which could be increased from year to year is the appropriate step to take.

Not In The Best Interests Of Members

Secondly, speaking to the anti-inflation ruling, and their recommendations, I do not see where an anti-inflation ruling should apply to the Northwest Territories Legislative Assembly when civil servants are getting increases in wages, while all other workers in the country have controlled income, including Members of this Legislature. I think it is within this House and government to determine what will be paid to the Members of this House, who are expected to do our homework and, on the other hand, we must struggle to survive. I would give this bill some serious thinking before I would favour it or disfavour it. I am of the opinion that this is not in the best interests of the Members. Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Lafferty. Bill 1-61. Hon. David Searle.

HON. DAVID SEARLE: After listening to the Honourable Member it seems that I did not get the point through. We have to start back at section 17 of the ordinance which says that there shall be paid to the Members of the Legislative Assembly an indemnity (a) for the year commencing April 1, 1975, an amount calculated at the rate of \$9180 per annum and (b) for each subsequent year the amount shall be increased by the lesser of eight per cent or the percentage increase in the consumer price index. Now, that is the indemnity. Okay? Now, we are still back at \$8500. So, in other words, we have not had that April 1, 1975 increase to \$9180, nor have we had, yet of course, the eight per cent, or percentage increase of the consumer price index for the next year. In other words, we are soon going to be in effect two years behind our indemnity increases and the reason we are back at \$8500 instead of at about \$10,000 plus is because of the expense allowance, the flat rate of \$70.

Retroactive Pay

Now, in order to be able to pay retroactively from April 1, 1975 at \$9180 plus the additional increase which I am advised is at April 1, 1977, will be \$11,500 a year, to be able to pay that as at this April 1, instead of the \$8500 we are getting paid per year, we must correct the expense allowance section. In other words, the Anti-Inflation Board does not object to us paying as at April 1975, \$9180, nor do they object to that going to \$11,500 as at April 1, 1977. The reason they have not approved that part of it, however, is because of the flat rate \$70 expense allowance set out in this bill. If we changed that to an accountable expense, in other words, you collect whatever you spend, then the Anti-Inflation Board as I understand it will authorize the payment, retroactively from April 1, 1975 to end of March, 1976 of the rate at \$9180 and then, of course, as of April 1, 1977 will be on the \$11,500 rate. I hope now the point is clear. In other words, they look at your indemnity and your expense allowances as a total package. We have stayed way back at the \$8500 level not because of the indemnity as set out here but because of the expense allowance. They do not argue even that \$70 is not reasonable. They just say it is not accountable and as soon as you make it accountable, even if it means that you are spending \$80 a day and recovering \$80 a day, that is what is important to them. I do not know. Am I getting through?

Not An Anti-Inflation Board Matter

THE CHAIRMAN (Mr. Stewart): Thank you. You are coming through loud and clear, Hon. David Searle. Since when is the Anti-Inflation Board's prerogative to have to look after the accounting system of the Northwest Territories? If \$70 meets their requirements, why are they playing games in the bookkeeping system of the territorial government? I strongly suspect it is at the request of the administration of the territorial government. I do not think it is really an Anti-Inflation Board matter to start with and should have never been there.

SOME HON. MEMBERS: Agreed!

HON. DAVE NICKERSON: On that score, Mr. Chairman, I can give you assurance that this was not done or the Anti-Inflation Board ruling was not made at the insistence of the Government of the Northwest Territories. This is purely a matter between the Legislature and the Anti-Inflation Board. The government as such has had nothing to say on the issue.

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

HON. DAVID SEARLE: I would just like to say one other thing. If you decide not to pass the bill, then it all stays back the way it was at \$8500, so you end up cutting off your nose to spite your face. Because the Anti-Inflation Board will not approve a payment by this government of the indemnity based either on last years rate or the forthcoming years rate until the expense allowance provision is brought into line.

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

MR. LAFFERTY: I have a question here of the Deputy Commissioner. Is there any way that the Members' allowances can be met by the Executive without having to go through federal jurisdiction?

DEPUTY COMMISSIONER PARKER: I know of no way that the Members' expenses can be met except as authorized under the Council Ordinance, either as the ordinance now exists or amended. It is not my part to debate this subject but if I could make a suggestion, I think that Hon. David Searle has made it quite clear that it is a choice between keeping your receipts and getting your proper expenses or holding matters as they are. If you were to go ahead with this amendment as it is placed before you, I should think that at such time as the Anti-Inflation Board ceases to function then it would be possible to come back to the House with another amendment putting the expense clause in the terms you may choose.

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

Receipts For Expenses

MR. FRASER: Mr. Chairman, just further to what Mr. Speaker was talking about, I will not support the motion for bringing in receipts for the expenses incurred. I think the Anti-Inflation Board, if that was their decision, maybe they are looking the wrong way. We have a number of Members on the Legislative Assembly who would need help in making out an ordinary expense claim of \$70 per day, let alone having to keep receipts. I am sure some of those people up in the High Arctic who travel around for a week or two weeks, if they have to carry receipts wherever they go, half of them are lost. They are not going to get paid and they possibly will run over the \$70. I can not see trying to get receipts for all expenses.

What I would like to do right now, Mr. Chairman, is make a motion that we defer this bill and take it up with the indemnities committee at a luncheon or 9:00 o'clock in the morning, whenever.

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

HON. DAVID SEARLE: Mr. Chairman, we have a caucus meeting scheduled for 9:00 o'clock tomorrow morning.

THE CHAIRMAN (Mr. Stewart): Yes. Did you hear that, Mr. Fraser? There is a caucus meeting schedule for 9:00 o'clock tomorrow morning.

MR. FRASER: We will leave it until Thursday morning.

HON. DAVID SEARLE: I think what Members do not understand, Mr. Chairman, is that they do not have to account in the government sense. We can set up an indemnities committee, whatever rules we want with respect to that accountability. You know, in other words, the Members can simply indicate that they had spent so much for this, that and the other thing, that could be sufficient. They do not have to come armed with receipts from other persons for everything, just for things of a very large nature. The AIB said that we have to be accountable to someone, but they said as to how you are accountable, in other words, what receipts, if any, you require is up to us. In other words, if you provide to the committee a statement that you spent so much, assuming the committee sees that as reasonable, they are not going to ask for anything further. They can go on only your word that you spent that but if you reject this, let me just tell you this: I do not care but you are going to be losing \$3000 a year of your indemnity as of April 1st of this year. You have lost the sum from last year.

A Simplistic Form Of Accountability

The other thing is you have to say to yourself how long is the AIB going to be in existence? I suspect we might have to put up with this form of accountability for as long as a year and then once the AIB goes into oblivion, as a lot of people hope it will, then we can put the flat rate back in and make it unaccountable. The form of accountability can be as simplistic as we want to make it. If you do not even believe that a simplistic form of accountability is worth working at, then go ahead and you can just suffer the loss of \$3000 a year of your indemnity. That is what you are faced with.

MR. FRASER: Mr. Chairman, we have one of the Members who is quite concerned about this and he has gone to see the doctor right now. I am sure he would have something to say if he were here. That is Mr. Lyall. I think he will be back shortly, maybe after coffee, and he said to make sure to get hold of him if this came up and I tried to get hold of him but he has gone to see the doctor.

Further to Hon. David Searle's accountability, have we got the support staff right now, are we going to have to increase that by two or three more stenographers to look after all this accounting or have they got enough staff to do this? It is going to be more work for them all the way along the line.

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

HON. DAVID SEARLE: Mr. Remnant can answer that.

Clerk Of The Council Staff

THE CHAIRMAN (Mr. Stewart): Mr. Remnant, would you care to give us your opinion on this?

CLERK OF THE HOUSE: Mr. Chairman, I think we can probably handle the processing of these accounts with the existing staff we have got. I would like to point out that I believe the requirement for receipts and for accounting is not quite as forbidding perhaps as some Members believe. In the regulations which exist now which apply to the submission of accounts by Members where these are required it states that all expenditures for hotels, transportation other than taxis and single expenditures over \$25 are required to be supported by a receipt. In other words, if it is an expenditure under \$25 you do not need to have a receipt for it.

MR. FRASER: I understand anything under \$25 you do not need a receipt for, is that right?

CLERK OF THE HOUSE: According to the regulations in existence now which govern the submission of Members' claims and other financial matters.

MR. FRASER: You say that you can support all this accountability with the present staff you have right now?

CLERK OF THE HOUSE: I believe we can, Mr. Chairman. If in the experience of working with it we find down the road that we are having to work excessive amounts of overtime, then we will have to take a second look at it and see if we have to beef up the staff in some respect but I think we can handle it with the people we have got.

MR. FRASER: It looks like you are having a rough time now and there are no accounts in.

THE CHAIRMAN (Mr. Stewart): You did not think you would get the Clerk of the House to admit that he did not need some more staff somewhere down the line. Mr. Lafferty.

Impossible To Operate

MR. LAFFERTY: I can appreciate the effort being made here but there are still things that do bother me very, very much because in the expense, section 18 it says: "... receipts or other documentation satisfactory to the Commissioner, the actual expenses ..." and surely that means every little incidental that comes across. My gosh, in my constituency I doubt like heck if I could find a receipt every time I turned around, it would be impossible to do because I know, I have lost over \$3000 last year I did not collect and that is in the records if you wish to see it, and that came out of my personal pay, because I could not find the receipts at the time.

It is very easy to sit here and say document everything but it is a different matter when you are out in the communities. There are some places where you may go and you would have no way of recording unless you wanted to take a secretarial pool with you. We have not even got telephone expenses for long distance calls, to meet that sort of set-up. Most of my work is done by chartered aircraft, other than maybe Fort Providence, that is the only place I can go by car and all the rest of the communities are done by charters at \$350 per return flight. If I want to make a long distance telephone call I must do it by radio telephone which is another \$6 a call. It is impossible for me to operate, it is literally impossible for me to live, period.

THE CHAIRMAN (Mr. Stewart): Have you concluded, Mr. Lafferty?

MR. LAFFERTY: Yes.

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

MR. PEARSON: I find it difficult to follow Mr. Lafferty's rationale because if most of Mr. Lafferty's travel is done by charter aircraft I am sure there is not one airline flying in this company that does not have a receipt book under the seat, who can not rip off a receipt and give Mr. Lafferty a receipt for every trip he does. If that is not sufficient then I suggest Mr. Lafferty buy a receipt book in Yellowknife before he goes home and lug it around with him so all they must do is write them out. It states very clearly anything under \$25 does not necessarily have to be accompanied by a piece of paper, that a Member's word is his honour as far as the Clerk is concerned and that is all that is necessary.

Now, we have sat around this House for the last couple of years talking and complaining about the stipend, we have been to the government, we have asked for an increase which I think is quite justifiable, the government has come back and said, "No, under the guidelines it is not possible." We then set up a special committee with the Clerk of the House, Mr. Remnant, and Hon. David Searle as members of it, they have carried out the wishes of the Legislative Assembly, they researched it, they went to Ottawa, they came back with the findings and it is right there, it is a simple matter, it is all we can get. We have discussed it for years and all you need is a receipt book if you want to do it. I am sure you can find people who can give you receipts in Fort Simpson for anything you buy and phone calls, you do not need them unless they are over \$25 and if you get a statement from the telephone company every year as I do or every week or every month, you can ship it off to the Clerk of the House and that is what I do if I feel inclined, and I happen to have a couple with me now. Let us not spend any more time. I move we accept this Bill 1-61, that it be read and approved by the session this afternoon and let us get on with business and cut out the talk.

THE CHAIRMAN (Mr. Stewart): Can I have a recording of that last part when we get to the Education Ordinance?

---Laughter

MR. PEARSON: When we talk about interesting things that are necessary, important things but this is not. It is already done, the talk is all done, yea or nay.

THE CHAIRMAN (Mr. Stewart): Thank you. Bill 1-61, clause 1. Mr. Lafferty.

Eventual Tight Control Of Members

MR. LAFFERTY: Mr. Chairman, I appreciate the comments of the Honourable Member for South Baffin but what I am afraid of is that when we pass this legislation, where it says actual expenses it could eventually lead, maybe even within the next year to the extent that we would have to receipt every trivial little matter. Of course I respect and know the honour of Mr. Remnant, I have had a very good working relationship with Mr. Remnant, but that is beside the point. The fact is you are passing legislation that could lead to eventual tight control on Assembly Members who can not meet those tight controls. We have to have flexibility. I know I could get a receipt for everything, I have all kinds of receipt books, but some receipt books must be signed by X's.

MR. PEARSON: That is fine.

MR. LAFFERTY: It is this accountability and I would have to find witnesses and then there is added expense. Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Bill 1-61, clause 1? Is it agreed?

MR. STEEN: Just a question here. Could I ask about clause 1, is it over and above our constituency fund?

THE CHAIRMAN (Mr. Stewart): My understanding is that this is just for travel expenses when you are away from your home base and has nothing to do with your money actually spent.

MR. STEEN: You see, each Assembly Member is allowed so much for constituency funds, to go and visit his constituency. For instance, this year we went way over our constituency allowance in visiting the communities and now we have a whole bunch of bills that we are unable to pay, telephone bills and so forth, is this a separate one?

HON. DAVID SEARLE: Yes.

Accommodation, Meals And Related Incidentals

THE CHAIRMAN (Mr. Stewart): If you read clause 1, it says: "To provide for payment of actual expenses incurred by Council Members in attending sessions and meeting."

MR. PEARSON: Or performing an assignment.

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

MR. FRASER: Mr. Chairman, I would like to know why the underlining of "accommodation, meals and related incidentals necessarily incurred for the purpose of attending ..." why those words are underlined when they tell me you do not need a receipt for anything under \$25. Could someone tell me why that was underlined?

THE CHAIRMAN (Mr. Stewart): It is usual in legislation to underline the pertinent sections but I do not know if there is any particular reason for this or not. They are actually the new words that were used in this amendment.

HON. DAVID SEARLE: So you do not have to compare the old with the new, the underlining gives you the new words.

MR. FRASER: Thank you.

Clause 1, Bill 1-61, Agreed

THE CHAIRMAN (Mr. Stewart): Clause 1, expenses is it agreed?

---Agreed

The ordinance as amended. Is it agreed?

---Agreed

Shall I report Bill 1-61 ready for third reading?

---Agreed

MR. SPEAKER: The House will come to order. Mr. Stewart.

Report of the Committee of the Whole of Bill 1-61, Council Ordinance

MR. STEWART: Mr. Speaker, your committee has been studying Bill 1-61 and wishes to report this bill now ready for third reading.

MR. SPEAKER: Bill 4-61, would that be the next one?

HON. PETER ERNERK: We would like to move on to Recommendation to the Legislature 2-61, Policy Respecting Loan Guarantees.

MR. SPEAKER: This House will resolve into committee of the whole for consideration of Recommendation to the Legislature 2-61, Policy Respecting Loan Guarantees and, Mr. Stewart, would you like to be in the chair or Mr. Fraser? Mr. Fraser, would you take the chair on this one please? With Mr. Fraser in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Recommendation to the Legislature 2-61, Policy Respecting Loan Guarantees, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER RECOMMENDATION TO THE LEGISLATURE, POLICY RESPECTING LOAN GUARANTEES

THE CHAIRMAN (Mr. Fraser): The committee will come to order to deal with Recommendation to the Legislature 2-61, Policy Respecting Loan Guarantees. Any comments of a general nature? Hon. Dave Nickerson.

HON. DAVE NICKERSON: I was just discussing this matter with the Minister of Economic Development and it was decided that I was to defend this recommendation to the Legislature. It is not really my department, but for some reason or other my name appeared on the order paper as being the person to defend this. What it does, Mr. Chairman, is very simple in fact. What it will enable us to do is to guarantee loans to small businessmen. What would happen is that the small businessman would approach a normal lending institution, such as a bank for instance, and would negotiate the loan with the bank, very much along the same lines as a normal lender would, but in cases where he had insufficient collateral to assure the bank that he would of course be able to repay the loan, we would step in and guarantee that loan. It would not cost us anything except for bad loans.

In my opinion, the government guarantees of loans is preferable in many cases to actually making the loans ourselves. We do not interfere in the normal supply and demand for loan money and we do not use our own money. With the Small Business Loan Fund for instance, we have to loan out our own money and in this particular case we do not, we would not have to. So, I think at minimum expense to the taxpayers, the small businessmen of the Northwest Territories could receive a lot of assistance if this were to be adopted.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Mr. Pearson.

MR. PEARSON: Did I understand Hon. Dave Nickerson to say they would receive a lot of assistance? Looking at page three the municipalities might but businessmen would not receive very much, \$20,000, and that is the amount authorized under this, is it not?

HON. DAVE NICKERSON: It would appear that the Honourable Member for South Baffin is looking in the wrong book.

THE CHAIRMAN (Mr. Fraser): I think you are. You will have to get back on track, Mr. Pearson. We are dealing with Recommendation to the Legislature 2-61.

Amount Of Money Available

MR. PEARSON: Fine, now I am out of the darkness. There is no schedule of amounts, and is there a limit on this, will there be a limit of the amount of money available to the government from Canada?

THE CHAIRMAN (Mr. Fraser): I think there is in one of those paragraphs under Recommendation 1.

HON. DAVE NICKERSON: I should stress again that it is not us or Canada who will be making the loans, we will be guaranteeing them. That means that if for some reason the debtor is unable to pay to the normal lending institution, which would normally be a bank, we would then, in effect, be co-signers and we would have to cough up. Then of course we would be able to take the normal recourse open to a creditor to recover the moneys that we had laid out from the debtor. Normally, if we judiciously looked at which loans are to be guaranteed we would not expect a very great loss. The loss would probably be less than five per cent I would imagine, and that is what we would hope for anyway.

So, it is not really our money, we are just providing the guarantee, and the maximum to any one applicant that we will guarantee is \$100,000. Presumably there will be a sum total. We have not yet determined what this will be but presumably there will be a total maximum over which we will not be able to issue further guarantees.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Mr. Stewart.

Guaranteeing Loans

MR. STEWART: Mr. Fraser, in this day and age \$100,000 would seem to be quite a bit of money as far as small businesses are concerned but I can assure you as a small businessman in the field operating in the territories \$100,000 really is not that much. It might have been five years ago when \$100,000 really meant something. My question would be, say a company is well established in the territories and through their own line of credit could borrow one-quarter million dollars but they needed an extra \$100,000 they could not put up collateral for at that time, could that be used for a loan that was already held properly covered by collateral? There is an approach on this.

THE CHAIRMAN (Mr. Fraser): Could you just slow down for the interpreters who are having a little trouble there? Thank you.

HON. DAVE NICKERSON: There is no reason why we should not be able to guarantee loans in addition to loans that a business has in the ordinary course of its business. I think initially we would concentrate on businesses that were in the process of establishing themselves or businesses which could really put a good case forward for needing the loans. If somebody was in a position to negotiate a half million dollar loan from some kind of lending institution, they would probably be people who could look after themselves but there is no restriction herein laid down which would prevent us from guaranteeing this \$100,000 or an amount less than that to people who already had loans outstanding.

MR. STEWART: The point I am trying to get at is that this type of loan may well be something that very large businesses operating in the territories make use of and be very valuable to them for stock or something like that for a six month period. This is where loan money often is difficult to come by for a business which may have too much on its books or something and be caught now and again with a cash shortage situation.

HON. DAVE NICKERSON: The type of usage we envisage these guarantees to be used for, as with anything else the government does, it would probably take time to negotiate one of these guarantees. We are not really in the business of interim funding, very short-term loans. Really what we are trying to do with this money is to encourage new businesses to start up or small businesses to expand. You will note that the maximum term is to be 15 years for these loans and generally the term would be in excess of a number of years so it is not really for interim financing.

MR. STEWART: Too bad. It could do a good job if it were.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Mr. Speaker.

Examples Of Loans

HON. DAVID SEARLE: Mr. Chairman, I wonder if we might just have some examples of the sorts of businesses and loans that may be obtained through normal financing agencies which would be guaranteed? Are these co-ops essentially? For instance a co-op running a sawmill or something like that, what businesses would be able to seek these guarantees?

HON. DAVE NICKERSON: I think a small sawmill might be a very good example. This policy is not really geared up specifically for co-operatives but I would see no reason why a co-operative or certain types of co-operatives would not be eligible. I can see a lot of businesses that heretofore approached the Small Business Loan Fund which would now be able to negotiate one of these guarantees rather than approaching that body. We hope that the administration or all the red tape you have to go through might be rather less than with the Small Business Loan Fund. In effect we are looking for the same type of clientele.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Go ahead, Mr. Speaker.

HON. DAVID SEARLE: Mr. Chairman, when we refer to a maximum of \$100,000 I assume that means for any single loan, that is not a maximum for the loans in total, is it?

HON. DAVE NICKERSON: No, that is the maximum for any single loan. There is no over-all maximum specified as of yet. We will be looking into this matter and probably we will have an over-all maximum. Although I said that we would hope for a very small loss on this, obviously there is going to be a danger of loss, unless the economic climate in the Northwest Territories improves considerably so we would not want to overextend ourselves and we would probably play it fairly close to the ground to start off with to find out what kinds of losses we were experiencing. If the loss ratio was fairly small, then of course we could expand the over-all maximum.

Strength And Weakness Of The Policy

HON. DAVID SEARLE: If I may say so, Mr. Chairman, this policy has one great strength and of course one great weakness. The strength that it has is to enable people to get money in a conventional way where they otherwise would not get it and it does not require the Government of the Northwest Territories to put out any cash of its own. In other words, it just signs a guarantee. However, the great weakness of it is that guarantees are required by conventional lending agencies where there is some possible question of a lack of success. Mind you, they ask for them whenever they can get them generally, but still with the government getting into them the only thing I am worried about is that a banker, for instance, may feel a thing which is totally and completely unworkable and doomed to failure but with the proper government guarantee, they could care less. That is the big fault with it. The administration of it to make sure you guarantee loans where there is a very, very high likelihood of success and not guarantee them where there is a high likelihood of failure will be the trick, to accomplish that.

I guess my question would be who in government would be really able to make that essential business judgment that a particular loan is one which has a high possibility of success, low risk and therefore should be guaranteed? That is the problem I see. Who is going to be making these decisions because if they are not made directly on a loan by loan basis the Government of the Northwest Territories is going to take a terrible beating.

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

MR. STEEN: Mr. Chairman, since the paper here is just one piece of paper, one leaf, it does not tell you very much so I think we are going to get a lot of questions here. First of all I would like to know since the Minister for Economic Development said that it would not be recommended to be used to buy a truck and then when you look at setting up a new business to buy a truck at the end of 15 years, the truck is going to be in pretty bad shape. You will not be able to -- if you want to collect your money the truck will be in such bad shape it is useless. I would like to know two things. How long would it take to complete one of those loans, the application for one of those loans and also what would the interest be, what interest would be charged?

THE CHAIRMAN (Mr. Fraser): Hon. Dave Nickerson, do you want to answer that?

A Lender Of Last Resort

HON. DAVE NICKERSON: First of all I will attempt to answer Hon. David Searle's question. The point that he brings out is of course a real one. We are always treading on dangerous ground when we put ourselves forward as a lender of last resort. One thing we would not want to encourage by getting into this policy is

for bankers to automatically come to us on every particular occasion to give themselves extra security. We would have to be very careful about that. Generally a request for guarantees would be looked after at least initially by the staff of the Department of Economic Development. We have people in there who are business oriented and will be able, we hope, to give good judgment on these. We would also be able, of course, to consult with outside people. Although we have not developed the actual administration of this policy to such a great extent at the present time because it has not been adopted by the Legislature and before we really got into the details of it we would come to this House to see if it met with their approval. We could probably have a board similar to the Small Business Loan Fund board which looks after that, people with expertise in financial matters on that.

We are aware of the danger and we will try our best to minimize that danger but at the same time we have to recognize that our services will only be called upon when people have difficulties in raising money as they normally would so we would, of course, anticipate a little larger loss than would a normal bank.

Interest Rates

In reply to Mr. Steen, I think the second question related to interest rates, and what would happen here is that the borrower would negotiate interest rates with the lender. We are not the lenders we are just the guarantors. So, we would not normally get mixed up in interest rates. We would, of course, look at each individual loan, say if a case came to our attention where a loan was not on an arm's length basis, where really excessive rates of interest had been charged, we will certainly look into that. So, the answer to that question is that normally it would not be us who set the interest rates, interest rates would be set according to normal supply and demand for money.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Mr. Steen.

MR. STEEN: I was not quite finished yet. So, the way I understand it then it is not guaranteed, that you will guarantee or the government will guarantee being a co-signer of any loan.

HON. DAVE NICKERSON: I wonder if the gentleman could repeat that.

THE CHAIRMAN (Mr. Fraser): Could you reword that?

MR. STEEN: What I have been hearing is that you will back up the banks and make the loans if the bank does not get paid and you will pay the bank.

HON. DAVE NICKERSON: That is quite correct, that is the policy that is being outlined.

MR. STEEN: But it does not necessarily mean that you will do that with every business, if you see a business that has poor potential of gaining or cleaning up its loan, you will not guarantee to be the co-signer.

HON. DAVE NICKERSON: As I explained in reply to Hon. David Searle's question, we would look carefully at each case. We are in a rather difficult position because obviously if somebody does not need our assistance and need our guarantee he will not come to us and we will be getting people who in the eyes of the banker are perhaps a little doubtful and so we will have to be very careful about which loans we guarantee and which we do not.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. I recognize the time as being 4:00 o'clock p.m. and the House will adjourn for 15 minutes for coffee. Is it agreed?

---Agreed

---SHORT RECESS

THE CHAIRMAN (Mr. Fraser): I call the committee to order. Hon. Dave Nickerson.

HON. DAVE NICKERSON: Mr. Chairman, in reply to Hon. David Searle's original question, it would appear to me that I probably did not give as detailed an explanation as I probably could have about what this funding is designed for. We will take again the example of a sawmill, somebody setting up a sawmill business. Now, he would need funds for the purchase of the physical plant, the purchase of the lot on which his operation is to be set up and his saw and his planer and everything else, and this is a long-term type of financing that would be required for that. Banks do not normally get into the long-term financing, they perform short and medium-term loans. So, this part of the financial requirement would be something that the Small Business Loan Fund could handle and that is what it is primarily designed to accommodate. The long-term type of loan, using as collateral the physical plant, the real estate that is tied up with the operation.

Medium Or Short-Term Loans

Now, the type of loan that we would guarantee here is not really short, not the 90 day money type of thing, or the 30 days, to cover accounts receivable because obviously we could not, being a government, and being as inefficient as governments sometimes are, we could not process things that quickly. But we are looking with these guarantees to get into the area of short and medium-term loans, normally handled by the banks. This would be working capital, the provision of working capital which is not really covered that well under the Small Business Loan Fund. In this area, the medium-term area, we would be in direct competition with the banks because this is their specialty. That is another reason why we do not want to interfere with the free market of supply and demand for money. So, this is the area where people could turn to us for our assistance, for the provision of working capital, for inventory that is tied up permanently not for financing real short-term inventory requirements, but for that part of the inventory which is more or less permanently in place.

THE CHAIRMAN (Mr. Fraser): Thank you. I wonder if you could clear something up for me. You are the Minister of Social Development and the Small Business Loan Fund comes under Economic Development. Could you clear that up for me and maybe the rest of the Members?

HON. DAVE NICKERSON: I am sorry, I have not been able to say anything for three days so the Honourable Minister of Economic Development kindly consented to let me say something.

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

MR. PEARSON: So I gather all the administration wants from us is a nod, a nay or a yea. I move that we approve the recommendation.

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

The Source Of The Money

MR. BUTTERS: I wonder if the Minister, either one, could advise me how the money described in this paper is being obtained. At one time there was five million dollars that Mr. Chrétien set up, the interest for which would be used for the granting of small business loans. Is this still the source of the money or how much money is available now and how much will be available every year?

THE CHAIRMAN (Mr. Fraser): Hon. Dave Nickerson.

HON. DAVE NICKERSON: If things work out well, we will not need money, all we will be doing is using our good name. Now, obviously there will be losses,

you can always expect a certain amount of loss, and this money will be provided for in the Economic Development budget. Perhaps Hon. Peter Ernerk could tell you exactly where it comes in that budget, but we do not have a big pot of money, \$500,000. That is not the point behind this at all. What we do is we use our good name as collateral, so to speak.

THE CHAIRMAN (Mr. Fraser): Mr. Butters, do you wish to pursue that?

MR. BUTTERS: Yes, I do. Even if you are using your good name, you must have something to back that good name up. If you are guaranteeing say, \$100 million in loans or five million dollars in loans, there must be some pot which the bank requires you have frozen to meet the anticipated number of failures. I am just wondering what that need may be or where it comes from.

DEPUTY COMMISSIONER PARKER: Perhaps I could help. No, we would not have a pot of money frozen. The banks simply have reliance on the consolidated revenue fund of the Northwest Territories. I suppose that within our regulations we would describe an all-up total of money that we would let out as a guarantee at any one time. We would not vote the money in advance. We would have to come to the Legislature after the fact, if it was necessary to cover a bad loan, an eventuality which we would hope and would not expect to occur at least any more frequently than five per cent of the time.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker. Do you want to pursue that, Mr. Butters?

MR. BUTTERS: I want to clarify something in my own mind, Mr. Chairman. If no money is required to guarantee these small business loans any longer that fund then ceases to exist, is that correct?

THE CHAIRMAN (Mr. Fraser): Hon. Dave Nickerson.

Two Different Sources Of Financing

HON. DAVE NICKERSON: I thought I had already explained that there is a need for two different sources of financing for the entrepreneur. The first is the type for which loans would be made under the Small Business Loan Fund, and these are loans which are actually made by government, the type that we have to have a pot of money for. These are generally loans of a long-term nature, secured by physical assets, the real estate, the plant. Now, the loans that we will be guaranteeing are loans of a different nature, they are mainly to provide working capital and that type of thing, loans which are normally made by the banks.

So, there is a difference, it has come to our attention that there is a requirement for this kind of financing because what has happened in the past is that businesses have been set up and they have just been able to borrow enough money to get themselves into trouble, so to speak. They have been able to borrow the money to buy the real estate, to set up the plant, but they have not then been able to get sufficient working capital, sufficient money to allow them to keep a sizeable permanent inventory on hand. So, these are two alternative sources of financing that we wish to make available to the local businessman, and we hope that they will be complementary.

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

Past Experiences

MR. STEWART: I do not oppose this recommendation but it brings up a lot of types of things that we know have happened. For example, because Central Mortgage and Housing Corporation, for example, in the Northwest Territories has

made money available to build houses in the territories, then the banks entirely backed away from the housing field in the territories. I am just wondering when we start getting into something of this nature in a \$100,000 capacity, whether or not we might not arrive at the same place where they say "Well, this thing is set up so let us be sure of all of our loans, let us put them through this route." Now, I know that this is not the intention of the government, but the intention of the bank is usually to make long-term -- they are usually the ones that win out. I know that has happened under CMHC, originally the banks loaned the money for the houses, but now because CMHC did not make a lot available, the banks are in on a first refusal basis which they give you and you go to CMHC to get the money.

The same sort of thing also existed with the Industrial Development Bank. If you wanted to borrow money from the IDB you had to get first a refusal from the normal banking institute which says that you really should not have the money and then you go to IDB and prove you should have the money. So, around and around in circles we go again, and where would this fit, does this mean the bank turns you down, IDB turns you down and then you come to this one? Is this the third step in the banking ladder or where does it actually belong because this sort of dance has been going on for quite some time and I just wondered how much further it would be extended.

Encouraging Lending Activities

HON. DAVE NICKERSON: Mr. Chairman, the first point is that we will not be scaring the normal lenders out if this policy is put into effect because we will rely on them to make it workable. It is not a government loan, we are just guaranteeing them and the loans will still be made by the banks and other lenders. So, we will rely very heavily on them and hope to encourage them in their lending activities in the Northwest Territories. So, I do not see that danger happening.

I think Mr. Stewart's second point is that banks might get into the habit of coming to us all the time just to provide added security for themselves. That is obviously a very real danger and a risk we will have to face. I think that there are certain manners of persuasion which we have and, if it looks like this is happening all the time, if we get in a lot of trouble with one particular bank we will just have to arrange for a luncheon meeting with the local bank manager and the guy from Calgary or wherever his head office might happen to be and speak to them and use a little bit of the influence that we might have to say "No, you just come to us when you really need it."

THE CHAIRMAN (Mr. Fraser): Deputy Commissioner Parker, do you want to talk a little on that?

DEPUTY COMMISSIONER PARKER: I think there is one little thing that could be added here and that is this. Probably we would not be taking 100 per cent of the loan as a guarantee. We would not be guaranteeing 100 per cent. More often than not we would be guaranteeing perhaps 60, perhaps 80, in the odd case 90 per cent of the loan. That means that the prime lender, the bank, would have its own stake in the matter and therefore the bank's officials would be doing the normal level of research and homework, since they themselves could not rely entirely on the territorial government for guarantees. The purpose, as has been stated many times is because there are a considerable number of businesses in the Northwest Territories which are just getting started, do not have the kind of credit rating and background that their counterparts in the South might have and we perceive that they need help. This is the kind of help that we think will be the best possible kind, that is, to continue to ensure that they work with the established lending agencies but that we stand back to be of assistance to them.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner. Mr. Stewart, you are next.

Refusal To Lend Money

MR. STEWART: I do not disagree with the principle involved here. In actual practice generally speaking, when the chartered banks and IDB refuse to loan money the chances of recovery are pretty slim. I am not sure you are doing the applicant any favour to put him another \$100,000 down the drain but as long as there are proper safeguards in such a thing it could be a good thing but it is also very dangerous. One hundred thousand dollars does not seem much but if you have to pay ten per cent on it, it does not take long until the fellow if he has not got basic experience, there is no end of trouble and you have not helped if you have further shoved him down the hole.

HON. DAVE NICKERSON: First of all I would like to point out we are not really in competition with IDB. In fact, if anything, our Small Business Loan Fund might be in competition with IDB but I do not think entering into these kinds of guarantees and issuing money for the types of purposes is really envisaged. It will not be a case of somebody going to a bank, being turned down and going to the IDB and being turned down and then coming to us. What will happen is they will go to the bank and the banker will say, "That looks like a reasonable idea but because you live in the Northwest Territories we are going to require a little bit more by way of collateral than if you lived in Edmonton or Moose Jaw," which has been known to happen before. In those cases, after carefully checking it out, we might be able to come forward with help in the form of this guarantee.

I would tend to agree with Mr. Stewart that we have to be very, very careful when we look into each particular case. Each case has to be checked out thoroughly and judged on its own merits. Otherwise we could, as Mr. Stewart so logically points out, be hindering people by getting them further into debt than they can stand. We will just have to rely on the good judgment of our employees in the department and from such outside people as we might be able to bring in to get advice from them.

Federal Guaranteed Loan

MR. STEWART: One last final question, Mr. Chairman. I know that there was a federal guaranteed loan which was available to business people in the territories of \$50,000 for a similar type of financing as outlined here. Is that loan still available or has it been cut off? I know the banks, by nature, never pushed that loan. Unless you were aware of its existence, and very few people were, it was not used very much. Banks did not push it but there was such a thing five years ago, a scheme backed up by the federal people below \$50,000 for exactly the same purposes.

HON. DAVE NICKERSON: They must have kept it very secret because I never heard of it.

THE CHAIRMAN (Mr. Fraser): Deputy Commissioner, do you know anything about it?

DEPUTY COMMISSIONER PARKER: No, Mr. Chairman.

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

MR. STEEN: Mr. Chairman, I think it is all very well to introduce loans in the territories and I say that for all loans, including the ones we are talking about now. The reason why I say that is because I know a few years ago Northern Transportation Company Limited introduced a whole slew of trucks into the Mackenzie Delta area when there was a number of people, enough people with freight trucks to carry all the business of the oil companies, to handle all the business but NTCL came in with all these trucks of theirs and began competing with the local business. They are still doing it yet, even though they took out some of their trucks. They are still doing it in the summertime in the communities of Inuvik and Tuktoyaktuk.

The Use Of Local Businesses

I think that since Deputy Commissioner Parker is on the board of NTCL that he perhaps could bring this to their attention, that the business people in that area are not very happy with NTCL competing. Their haul in places like Tuktoyaktuk is all the freight from the Hudson's Bay from the dock-side and all this money goes out and the local businesses are doing it for the same price and even cheaper than NTCL and no one seems to want to help local businessmen. As I say, it is all very well to help new business or give loans to business people but we have to help them out and make sure that no crown corporation competes with them. I would hope that Deputy Commissioner Parker would bring this to the attention of NTCL because perhaps they could be pressured into using local business for the Hudson's Bay.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I will be glad to draw that to the attention of NTCL. As a matter of fact, it has been a concern of mine and I thought that they had changed their pattern somewhat and were starting to withdraw from that sort of local trucking. It seems that is not the case and I will look into it.

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

MR. STEWART: I wonder if the Deputy Commissioner could also try and look into that \$50,000 loan guaranteed by the federal government for business?

DEPUTY COMMISSIONER PARKER: Yes.

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

HON. DAVID SEARLE: Mr. Chairman, I would like to suggest that we accept the recommendation subject to the current concerns expressed by the Members.

THE CHAIRMAN (Mr. Fraser): Agreed?

---Agreed

I would like to report progress at this time. Hon. Dave Nickerson.

HON. DAVE NICKERSON: On a point of order, Mr. Chairman. It is my understanding that we have now completed our deliberations on loan guarantees. Would it not be in order, sir, that you as chairman of this committee should report completion rather than reporting progress?

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. I take it we have now completed the policy respecting loan guarantees, agreed?

---Agreed

I wish now to report the completion.

MR. SPEAKER: Mr. Fraser.

Report of the Committee of the Whole of Recommendation to the Legislature 2-61, Policy Respecting Loan Guarantees

MR. FRASER: Mr. Speaker, I would like to report that the Recommendation to the Legislature 2-61, Policy Respecting Loan Guarantees, was accepted by this Assembly.

MR. SPEAKER: Thank you. Hon. Peter Ernerk, government House leader, what bill do you want to deal with next?

HON. PETER ERNERK: Mr. Speaker, I would propose we deal with Bill 4-61, An Ordinance to Amend the Municipal Ordinance.

MR. SPEAKER: This House will resolve into committee of the whole for further consideration of bills and other matters, Bill 4-61, An Ordinance to Amend the Municipal Ordinance and I assume, Mr. Stewart, you would like Mr. Fraser to take the chair on this one, would you?

MR. STEWART: It does not make any difference to me. It is very short.

MR. SPEAKER: I see. With Mr. Stewart in the chair.

--Legislative Assembly resolved into Committee of the Whole for consideration of Bill 4-61, Municipal Ordinance, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 4-61, MUNICIPAL ORDINANCE.

THE CHAIRMAN (Mr. Stewart): The committee will come to order to study Bill 4-61, An Ordinance to Amend the Municipal Ordinance. It is a very small amendment to paragraph 13(2)(a). It is repealed and the substitute therefor is: "(a) is a judge or magistrate other than a justice of the peace." The reason is obvious, to remove the provision of prohibiting the justices of the peace from being members of municipal councils and the definition of magistrate includes a justice of the peace and paragraph 13(2)(a) now reads: "No person is eligible for election as a member of a council or shall remain a member thereof if he (a) is a judge or magistrate." Hon. Dave Nickerson.

HON. DAVE NICKERSON: This matter was discussed in great detail in the standing committee on legislation. I think it is obvious what we are trying to do here. If I remember correctly and obviously it would be more proper for Mr. Lyall to say these words, but because he is not here at the present time I will stand in his stead.

There was a lot of discussion on whether or not a justice of the peace should in fact be allowed to sit as a member of a municipal council. The conflict is quite obvious in that one day he might be there passing the bylaws and the day after he will be sitting in court and passing judgment on those bylaws, so there is obviously a conflict situation here. The impetus for this change came about largely from the very small settlements, or the hamlets where there are very few people with the time available, and who wish to engage in public service. That is where it was causing the difficulties. In hamlets also the hamlet council does not have as much bylaw making responsibility as would be the case in a tax-based municipality.

Motion To Amend Clause 1

The committee recommended that clause 1 of the bill be amended to read as follows: "Section 13 of the Municipal Ordinance is amended by adding thereto, immediately after subsection (3) thereof, the following subsection (3.1) Notwithstanding paragraph (2) (a) a justice of the peace is eligible for election as a member and may remain a member of the council of a hamlet." So this would in effect only apply to hamlets and would not apply to the larger municipalities.

THE CHAIRMAN (Mr. Stewart): Thank you. I believe if my memory serves me correctly that should be moved to "hamlets" where you have exceptions for hamlets and not go into this section at all but leave it the way it is. No?

HON. DAVE NICKERSON: No.

THE CHAIRMAN (Mr. Stewart): Hon. Dave Nickerson.

HON. DAVE NICKERSON: Perhaps I feel uncomfortable doing this because it is not really my job, it is Mr. Lyall's, but the amendment as proposed by the standing committee on legislation is the document that I have here and perhaps it would meet with your approval were this to be copied and circulated to Members.

THE CHAIRMAN (Mr. Stewart): Please do, Hon. Dave Nickerson. Can we deal then with discussion of a general nature on this amendment while that is being done? Mr. Butters. Pardon me, Hon. David Searle is next on the list.

HON. DAVID SEARLE: Mr. Chairman, I recall very well the debate, I do not know how many years ago, when this particular exclusion of justices of the peace was put in the ordinance because I was the one who recommended it go in. The ordinance came forward then and did not accept justices of the peace and I know then I took the position that most municipal bylaws create offences which are enforced by way of summary conviction that 99 per cent of the traffic and other such cases, offences against curfews etc., would be matters dealt with by justices of the peace. That, therefore, being the case it seemed to me to be entirely in conflict. Firstly of the general principle of the separation of the executive and the judiciary function as well as legislative functions, the separation between those persons, and particularly in the case of a municipality, for an alderman or member of a council to be legislating today and then sitting on the bench and enforcing that tomorrow.

Various Pressures

The problem you have as a politician on the one hand is that you get various pressures, you decide a problem is serious, you legislate a bylaw, you indicate a fine and then, when you sit as a court you bring whatever biases or prejudices or preconditioned reflexes you may have, then, to bear against the individual. I have always believed, particularly with justices of the peace who are not legally trained people, who do the very best they can using their local knowledge, that they should not be in that position. At the same time when we had the debate, though, these very same points were made that if you in a small settlement take the justice of the peace out of it then you lose him for other purposes.

Well, be that as it may, it may be the price that you have to pay in a democratic society to make sure you do not have the same person who makes the law dealing out punishment for an offence of it. I recall the debate then was very hot and heavy and I think, Mr. Chairman, if I recall correctly I think at that time you may have been a justice of the peace as well as a member of the town council in Hay River.

MR. CHAIRMAN (Mr. Stewart): There is no doubt about it at all, Hon. David Searle.

HON. DAVID SEARLE: But, I am sorry, I probably should not interject that but I think, gentlemen, it is wrong in principle to have people in those positions. Now, you may be interested to know that the judges can not even vote simply so that they are in a position that if there is a contested or controversial election that they can and must then bring to bear a totally and complete unbiased view. They have had to go through the exercise of making up their mind on candidates and then sit and judge which one should or should not be declared a winner, or is guilty of an infraction.

I am still, I must say, completely opposed to, certainly, the bill as worded. The amendment advanced by Hon. Dave Nickerson, although equally as bad in principle is somewhat easier to stomach, but on the bill I would certainly personally oppose it as being bad in principle and the amendment, although on the face of it is not as bad in principle. In a small settlement it still surely is bad because you could have one person who is virtually a tyrant and, in that case, it could be even worse, if I may say so than in a larger community, such as in Yellowknife where you could conceivably have, and where I know we do have half a dozen justices of the peace. If you had one sitting as a city alderman as well he would surely be able to declare a conflict of interest for those matters that might come before him as bylaw infractions and stand them over for any one of the other five justices of the peace who were not aldermen.

Small Settlement Approach To Life

So, you have to be careful in adopting the small settlement approach to life, because if he is the only justice of the peace in a small settlement and as well on the hamlet council he may not have that ability to stand them over, but would be tempted instead to deal with them himself and then would be in that dreadful position of conflict. So, at first blush, even the amendment appears intolerable, but on cross examination it might even be less tolerable than the substantive amendment. So, those are the pros and cons.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, if I could just have a moment, I would like to make clear the position of the administration on this matter. Hon. David Searle's review of the history of the subject is entirely accurate. I recall at the time of that original debate, personally being opposed to justices of the peace being permitted to serve in a dual role of council members and as justices of the peace, for all of the reasons that have been outlined. Indeed the debate was very strong, the position put forward was that if the justices of the peace were ruled out of sitting on hamlet and other councils, the communities would often lose the leaders, the community leaders, and the vote went in favour of permitting justices of the peace to serve on municipal councils.

The administration was instructed to prepare the necessary amendments. We did this but my understanding is that there was a little fault in that preparation and the fault was that the definition of a magistrate included a justice of the peace. So, the administration set out to do as the Assembly had instructed it to do, and thought it had done it right, but lost on a technicality, or made a mistake.

The purpose of this bill is to simply continue to do as the Assembly had instructed and correct that anomaly. The administration is not saying that the justices of the peace should or should not be permitted to sit on councils, the administration is simply coming forward in answer to earlier instructions received from this Legislature.

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

Permitting Justices Of The Peace To Sit On Councils

MR. BUTTERS: I thought the debate had occurred in the previous Assembly, the seventh, and I have a recollection too, that the question had been put to permit

justices of the peace to sit on municipal councils and hamlet councils and had been lost, very narrowly lost when the Municipal Ordinance was discussed. So, you can see recollections are unreliable. Now, I remember that my position then as it will be now, was to support this amendment, that is, that justices of the peace in small communities should be entitled to serve on municipal bodies, the hamlets in this case. Certainly at the time it was discussed before, in the case of Inuvik, there were two justices of the peace serving on our town council. However, there was no problem of them having to judge bylaw matters because there were two other justices of the peace in the community who could handle the cases. I think in many of the smaller communities also there are one or two justices of the peace and in the rare event of a bylaw matter coming before a justice of the peace, it could be referred by the justice of the peace to the next sitting of the magistrate's court.

So, I can see the concerns expressed by Hon. David Searle but I think that the provision allowing community leaders of the type that get nominated for the justices of the peace responsibility should be entitled and should be available to sit on the settlement and hamlet councils. So, I support this amendment.

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

MR. FRASER: No thank you, sir.

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

Power In The Hands Of A Few.

MR. PEARSON: Just to register my protest at the idea of a mixing of the judiciary and the legislative, no matter at what level, and if the thing is to be done properly and the development in communities is to move along in an orderly fashion, I do not think you can keep amending the rules that have been laid down for many centuries because they may apply to some small community. I understand one of the issues involved in this was the matter of the community of Fort Smith, which recently appointed a justice of the peace, or some time appointed a justice of the peace to its council because as you know there is no bylaw provision in the Municipal Ordinance and the justice of the peace had to get special dispensation, I guess, to serve. However, there is a very thick line between the judiciary and the legislative, and I think that line should be maintained.

What happens is, as Hon. David Searle has indicated, you could have a character in a community who would become incredibly important because he suddenly found himself on council and a justice of the peace. One of the troubles I find with the smaller communities is that you have the same people doing the same things and it seems as though other people never get the opportunity. I think there are lots of jobs in the communities so let us spread them out a little bit. By appointing the justices of the peace to be on community settlement councils or hamlet councils, you are allowing the power to remain within the hands of these few individuals.

There are lots of people around and lots of jobs for everybody. If you want to be a justice of the peace, you can be a justice of the peace. If you want to be a legislator, you can run for council. Keep them separate. It is very dangerous if you do not.

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

The System Is Different In Smaller Communities

HON. PETER ERNERK: Mr. Chairman, in support of the amendment, I suppose things are usually different when you live in small communities. I am thinking about the one, for example, in Whale Cove where you have usually a few people at this point in time who are not ready to take on the responsibilities of the people who are presently holding onto the kinds of responsibilities they have. I can not think of too many people in a place like that where the population is only about 175 or so. I really can not see an individual, a few individuals in that community who are community councillors today who could be replaced by older people, the older generation group.

I understand full well what Hon. David Searle is trying to say but in the Northwest Territories in smaller communities the system is still a bit different than in a number of places in southern Canada. I am mainly thinking about places where the population is so low that it is sometimes difficult to get native leaders into various positions such as a community councillor's position. It is going to be the usual thing for a few years to come I think to see justices of the peace taking on other responsibilities. I would think it is fine in places like Yellowknife, Fort Smith, Inuvik or Frobisher Bay or Hay River for that matter, but when you look at the smaller communities, the system is different than in those larger communities.

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

MR. PUDLUK: Mr. Chairman, I know in some of the communities settlement justices of the peace are on the local council right now. If they are now allowed, they will have to resign being a councillor.

THE CHAIRMAN (Mr. Stewart): They have two choices. They could resign as a justice of the peace or resign as a councillor. That is not a settlement because a settlement does not come under this act. The smallest would be a hamlet that this would affect. It would not affect settlement councillors.

MR. PUDLUK: Mr. Chairman, in Hall River the justice of the peace is the chairman of the hamlet and he will have to resign.

THE CHAIRMAN (Mr. Stewart): Yes, he would unless this suggested amendment to the amendment that I presume Hon. Dave Nickerson is going to make passes and then a hamlet would be outside of the framework.

MR. PUDLUK: I understand. Thank you.

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

Better Knowledge Of Community Bylaws

MR. STEEN: Mr. Chairman, from my experience being chairman of a hamlet, I ran a hamlet for ten years prior to being in this Legislative Assembly and I see no real great problem in this area. I think that Hon. Peter Ernerk has said what I was thinking also. A number of other Members also mentioned the same thing, that there are just so many people who are interested in running for council and as justices of the peace so what you have left in the hamlet, there is hardly anybody you can use any more. I think it is beneficial to some extent for a justice of the peace to be on the council because he has a better knowledge of the community bylaws. The only place where I can see there may be some conflict of interest is at election time when he can say "If you do not vote for me, I will give you a light sentence." He may say "If I am on council and you get me on council, I will give you all light sentences." I think a justice of the peace is well respected in the community and in actual fact he is one of the leaders of the community so I would support the amendment to the Municipal Ordinance, this amendment.

THE CHAIRMAN (Mr. Stewart): Thank you. Hon. Dave Nickerson, I understand that your proposed amendment is ready to be moved at this time or do you want some further discussion?

HON. DAVE NICKERSON: I will formally move the amendment you have before you. Would you wish that I read it out again, Mr. Chairman?

THE CHAIRMAN (Mr. Stewart): Yes, if you would.

HON. DAVE NICKERSON: The amendment proposed by the standing committee on legislation reads as follows: "delete clause 1 of Bill 4-61 and substitute the following: 1. section 13 of the Municipal Ordinance is amended by adding thereto, immediately after subsection (3) thereof, the following subsection (3.1). Notwithstanding paragraph (2)(a) a justice of the peace is eligible for election as a member and may remain a member of the council of a hamlet."

THE CHAIRMAN (Mr. Stewart): Ms. Legal Advisor, is this technically in order?

LEGAL ADVISOR (Ms. Flieger): Yes, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): As amended, as I understand it, what we have in our books is stricken and the original clause remains with the addition at the bottom so in effect what you are saying is that if you are a justice of the peace, you can not stand for municipal office with the exception of a hamlet. Mr. Steen.

MR. STEEN: Mr. Chairman, maybe we can have some explanation or another explanation why they have taken out the smaller communities. Maybe someone could explain a little bit why they have not allowed justices of the peace to run in smaller settlements other than a hamlet.

Motion To Amend Clause 1, Carried

THE CHAIRMAN (Mr. Stewart): Anything under a hamlet does not come under the ordinance so they can in effect have justices of the peace on settlement councils because they are outside the ordinance. Is that correct? On the amendment, question being called. All those in favour? Seven. Against? The amendment is carried.

---Carried

An Ordinance to Amend the Municipal Ordinance has been amended. Shall I report this bill now ready for third reading? Agreed?

---Agreed

MR. SPEAKER: Mr. Stewart.

Report of the Committee of the Whole of Bill 4-61, Municipal Ordinance

MR. STEWART: Mr. Speaker, your committee has been studying Bill 4-61 and wishes to report the bill is now ready for third reading as amended.

MR. SPEAKER: Thank you. Do Members wish to proceed with another bill or recognize the clock?

MR. PEARSON: Let us get going.

MR. SPEAKER: Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, Bill 5-61.

MR. SPEAKER: Bill 5-61. This House will resolve into committee of the whole for continued consideration of bills and other matters, Bill 5-61, An Ordinance to Authorize the Northwest Territories Housing Corporation to Borrow Funds. Mr. Stewart, have you any objection to taking the chair?

MR. STEWART: No.

MR. SPEAKER: With Mr. Stewart in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Bill 5-61, Northwest Territories Housing Corporation Loan Ordinance No. 1, 1977, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 5-61, NORTHWEST TERRITORIES HOUSING CORPORATION LOAN ORDINANCE NO. 1, 1977

THE CHAIRMAN (Mr. Stewart): The committee will come to order to study Bill 5-61, An Ordinance to Authorize the Northwest Territories Housing Corporation to Borrow Funds. Comments of a general nature on the bill? Hon. Dave Nickerson.

HON. DAVE NICKERSON: Mr. Chairman, this is one of the housekeeping bills that we look at every year, that is passed every year. The wording in the clauses 1 through 4 is the same every year. What we should direct our attention to, Mr. Chairman, is the SCHEDULE. You will see the reason behind this particular ordinance is to give the administration, the Commissioner, authority to borrow from the Central Mortgage and Housing Corporation the sum of \$25.5 million. This is made up as follows: For the rental purchase program, in section 43 of the National Housing Act, a sum of \$21 million is to be borrowed and this, of course, is the great bulk of the funds. Under section 15 money in the amount of \$3 million for single persons' accommodation and senior citizens' special care housing and further section 42 money \$1.5 million for land assembly. This, of course, this fund together with the front end money put up by the Government of the Northwest Territories will be the funding with which the Northwest Territories Housing Corporation operates for the 1977-78 fiscal year.

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

Rate Of Increase

MR. PEARSON: What is the increase this year over the previous years and what is the rate of interest?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the rate of interest that is applied is the prime rate at which the federal government lends to the territorial government and it is set on a quarterly basis. Therefore, it is not known until the time the funds are actually drawn down.

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

MR. PEARSON: What is the increase over last year?

DEPUTY COMMISSIONER PARKER: I can not recall, I will have to look it up, Mr. Chairman. I would like to say that these totals here, by program, represent a high expectation. It does not necessarily mean that CMHC will loan us these amounts of money, but it behooves us to put the highest figure in that is likely to be needed rather than have to come back for further borrowing authority. I think the total capital program for the current fiscal year for the Housing Corporation reached \$17 million or \$18 million, and this would foresee the program reaching perhaps \$30 million with \$25 million coming from CMHC and the rest as the territorial share. In all likelihood we do not expect to draw down this much money, particularly under section 43, we might well be able to draw down something in the neighbourhood of \$16 million to \$17 million. However, if CMHC part way through their year find that they can make additional money available to the Northwest Territories and we in fact are in a position to spend it wisely then we would like to have that authority available to proceed.

THE CHAIRMAN (Mr. Stewart): Any further comments of a general nature on Bill 5-61?

SOME HON. MEMBERS: Clause by clause.

THE CHAIRMAN (Mr. Stewart): Clause 2, definition. Is that agreed?

---Agreed

Clause 3, Corporation may borrow from CMHC. Is it agreed?

---Agreed

Clause 4, agreement as to repayment of principal and interest. Is it agreed?

---Agreed

SCHEDULE. Is it agreed?

---Agreed

Short title. Is it agreed?

---Agreed

Bill 5-61, ready for third reading?

---Agreed

MR. PEARSON: That is only \$21 million, give us some big ones!

---Laughter

MR. SPEAKER: The House will come to order. Mr. Stewart.

Report of the Committee of the Whole of Bill 5-61, Northwest Territories Housing Corporation Loan Ordinance No. 1, 1977

MR. STEWART: Mr. Speaker, your committee studied Bill 5-61 and reports it ready for third reading.

MR. SPEAKER: Thank you, Mr. Stewart. Just looking at Bill 7-61, it only deals with \$5.7 million.

MR. PEARSON: It will probably take a bit longer than the other one. The small ones usually do.

MR. SPEAKER: This House will resolve into committee of the whole for continued consideration of bills and other matters, Bill 7-61, with Mr. Stewart in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Bill 7-61, Loan Authorization Ordinance No. 1, 1977-78, with Mr. Stewart in the Chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 7-61, LOAN AUTHORIZATION ORDINANCE NO. 1, 1977-78

THE CHAIRMAN (Mr. Stewart): Committee will come to order to study Bill 7-61, An Ordinance to Authorize the Commissioner to Borrow Funds from the Government of Canada and Make Loans to Persons in the Northwest Territories During the Fiscal Year 1977-78. Any comments? Hon. Dave Nickerson.

HON. DAVE NICKERSON: I see they have got me down here to say a few words on this one also. This again, Mr. Chairman, is another housekeeping bill, the same bill we go through every year, and the only difference being in the SCHEDULE under our Financial Administration Ordinance, the authority of the Legislative Assembly is required before the Commissioner can borrow funds. The vast bulk of the funds herein envisaged has been necessary for the Commissioner to borrow, in fact \$5,680,000 out of a total of \$5.7 million, are our loans that we will get from Canada and relend to the municipalities. These loans will be made on the security debentures and we have already gone through the Department of Local Government budget where we did vote those particular funds.

THE CHAIRMAN (Mr. Stewart): Any comments of a general nature? Clause by clause? Clause 2, authority to borrow from Canada. Is it agreed?

---Agreed

Clause 3, Commissioner may execute agreement. Is it agreed?

---Agreed

Clause 4, authorization to make loans. Is it agreed?

---Agreed

Clause 5, conditions of loans. Is it agreed?

---Agreed

Clause 6, guarantee. Is it agreed?

---Agreed

Clause 7, power to implement obligations and rights. Is it agreed?

---Agreed

Clause 8, regulations. Is it agreed?

---Agreed

SCHEDULE 1. Is it agreed?

---Agreed

SCHEDULE 2. Is it agreed?

---Agreed

Short title. Is it agreed?

---Agreed

Is the bill ready for third reading?

---Agreed

MR. SPEAKER: The House will come to order. Mr. Stewart.

Report of the Committee of the Whole of Bill 7-61, Loan Authorization Ordinance No. 1, 1977-78

MR. STEWART: Mr. Speaker, your committee has been studying Bill 7-61 and wishes to report that this bill is now ready for third reading.

MR. SPEAKER: Gentlemen, with respect to announcements there is a caucus meeting at 9:00 o'clock a.m. tomorrow morning, Executive boardroom, Arthur Laing building. I understand there are several very important topics and all Members are encouraged to be there. If you run into any of the Members who are absent today kindly tell them to be there.

Secondly, a finance committee meeting, 1:00 o'clock p.m., in other words following the caucus meeting, room 303 in the Members' lounge here in the Explorer Hotel.

Mr. Butters, with respect to your motion, Motion 5-61, I have considered the objection raised by Hon. Dave Nickerson on a point of order which was that the motion offended the Financial Administration Ordinance, particularly section 14. I disagree with that submission and as I read the ordinance and your motion, subsection (3) of section 14 permits a transfer of funds between items. However, I am looking closely at your motion, and although it does not offend section 14 of the Financial Administration Ordinance it does offend section 5 of the Northwest Territories Act which is the section which gives the Executive authority to the Commissioner and your motion as drafted would instruct the Commissioner as to how he should exercise his executive authority. The motion of course can be corrected by recommending rather than directing and I think that is a simple enough change which you may wish to make.

MR. BUTTERS: It just so happens that I have that change right here and I will do that tomorrow.

MR. SPEAKER: So you win one and lose one. Mr. Clerk, orders of the day.

ITEM NO. 13: ORDERS OF THE DAY

CLERK OF THE HOUSE: Orders of the day; February 8, 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. First Reading of Bills: Bill 9-61, Bill 10-61
11. Second Reading of Bills: Bill 9-61
12. Consideration in Committee of the Whole of Bills and Other Matters: Bill 3-61, Bill 6-61, Bill 11-61, Motion 24-60, Sessional Paper 1-61, Territorial Government Policy as to Pricing Liquor, An Integrated Housing Policy for the Northwest Territories
13. Orders of the Day

MR. SPEAKER: This House stands adjourned until 2:30 o'clock p.m., February 8, 1977, at the Explorer Hotel.

---ADJOURNMENT

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