



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES
DEBATES

61st Session

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Official Report



WEDNESDAY, FEBRUARY 9, 1977

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

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YELLOWKNIFE, NORTHWEST TERRITORIES

WEDNESDAY, FEBRUARY 9, 1977

MEMBERS PRESENT

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

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. David Searle): Item 2, questions and returns.

ITEM NO. 2: QUESTIONS AND RETURNS

Are there any returns? Deputy Commissioner Parker.

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

DEPUTY COMMISSIONER PARKER: Mr. Speaker, on Monday, January 31, 1977, Mr. Butters asked Question W16-61, concerning representation of the Northwest Territories Legislative Assembly at meetings scheduled later this month between the Northwest Territories Indian Brotherhood and the Government of Canada re land claims.

The meetings scheduled between the Government of Canada and the Northwest Territories Indian Brotherhood will be the first to take place since the Indian Brotherhood filed their land claim last fall. As such they are of a very preliminary nature, and it will thus be some time before major issues are considered. The practice which has evolved in the Yukon concerning involvement of members of the Legislative Assembly in land claims discussions has been to name the territorial Commissioner as chief representative of the territory, and allow him to designate other territorial representatives as he sees fit. In this instance the executive committee member for Local Government, who is an elected executive member, has represented the Legislature. The Yukon practice, however, has not called for the involvement of the senior territorial representatives until discussions reached definitive stages. Discussions recently held between the administration and the office of native claims have indicated that a similar arrangement between the Government of Canada and the Government of the Northwest Territories in the matter of Assembly representation in the land claims negotiations would be acceptable.

MR. SPEAKER: Are there any questions? Mr. Lafferty.

Question W34-61: Power Rates, Fort Simpson

MR. LAFFERTY: Mr. Speaker, since NCPC, Northern Canada Power Commission, power rate per kilowatt hour is one of the highest in Canada at Fort Simpson, and continued increases in electrical power rate is seen by NCPC management, and since the private residents of this village can not meet these increases or any future increases in power rates, and since the community has protested these rate increases over the past several years, is the administration seriously looking into the financial problems of Fort Simpson residents due to NCPC power rate increases? If yes, what are they doing to help the private home owner and private tenant to overcome the high cost of this power to equalize their costs with low cost housing tenants, employees of southern corporations and governments who receive some kind of assistance from their respective employers?

I have further questions, Mr. Speaker, and may I ask them now?

MR. SPEAKER: Continue.

Question W35-61: Employment Of Northern Trained Equipment Operators, Mackenzie Highway

MR. LAFFERTY: Since there is a great deal of interest in the development of the Mackenzie Liard highway which will be economically beneficial to all Mackenzie River area residents and with the British Columbia government's response to this interest and whatever need they place on this vital and necessary road from the Northwest Territories to Fort Nelson, British Columbia and because of British Columbia's action by initiating work on the British Columbia portion of this highway, what steps has the administration taken to employ northern-trained equipment operators, mechanics, labourers and other skilled persons who are native or long-time native residents in the construction of the Northwest Territories' portion of this highway?

Question W33-61: Mackenzie River Bridge

My third and final question. In the light of the proposed developments in the Mackenzie Liard highway, in the event that this construction occurs within the next three to five years, there will be a need, as there is now, for the construction of a Mackenzie River bridge to serve the increased traffic needs to and from the vicinity of Yellowknife and, with the announced extension of DREE, Department of Regional Economic Expansion, programs to the Northwest Territories which enhances economically viable construction operations in the Northwest Territories, is the administration looking at tentative bridge construction plans for a Mackenzie River crossing near or at Fort Providence?

HON. DAVE NICKERSON: On a point of order.

MR. SPEAKER: Hon. Dave Nickerson.

HON. DAVE NICKERSON: Is it not customary, Mr. Speaker, to ask for the unanimous consent of the House if more than two questions are to be asked?

MR. SPEAKER: I believe it is more than two notices of motions. I do not think it is two questions. Am I not correct, Mr. Clerk?

CLERK OF THE HOUSE (Mr. Remnant): Yes, sir, you are.

MR. SPEAKER: So you do not have a point of order, Hon. Dave Nickerson. Any further questions? Mr. Whitford.

Question W36-61: Interpreters, Stanton Yellowknife Hospital

MR. WHITFORD: Mr. Speaker, to Minister of Social Development: Where there are so many native people in the Yellowknife hospital, who can not or speak very little English, what is being done in regard to having interpreters for them?

MR. SPEAKER: Hon. Dave Nickerson.

Return To Question W36-61: Interpreters, Stanton Yellowknife Hospital

HON. DAVE NICKERSON: Mr. Speaker, there is some other problem at Stanton Yellowknife hospital with the provision of interpretation services. Generally they can use a staff member who is not really an interpreter to act in that capacity where necessary and, apart from that, they can call on the services of our Interpreter Corps. When somebody goes into the hospital, if the doctor needs to interview them, to make his diagnosis, I am told that usually somebody can be found, usually an interpreter can be found. The trouble arises in that very often people will stay in hospital for a period of time and apart from these isolated instances where they have to speak to a doctor officially they can sit there without finding anyone to talk to and I imagine they would be better off in jail, at least they would have someone to talk to there. So, it is a pretty disturbing set of circumstances. The hospital administration is aware of this, they know that this problem exists and they would like to do something about it, but I understand it is just a matter of dollars and cents. I think that this is a serious problem, Mr. Speaker, and I will undertake to look into it and see if there is any way that possibly one person who is particularly proficient in languages, maybe one person who could speak three or four languages, it might be possible to hire that person on a part time basis. It depends to a large extent whether Mr. Butters next motion goes through because if it does we will not be able to go around hiring additional staff to do these type of things, but it is certainly something I would like to see done.

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

Question W37-61: Fire Truck, Cape Dorset

MR. EVALUARJUK: Mr. Speaker, I would like to ask a question and would like to direct this question to the administration. The residents of Cape Dorset have asked me to ask the same question that I asked last year concerning the fire truck they have in their community. The truck is in very bad shape and is much too slow. If there was a fire anywhere the truck would finally reach it when it was too late. The water truck could be used but if a two storey building or the power house caught fire, dry chemical powder would have to be used. I would like to ask the administration if Cape Dorset would be getting a fire truck. Thank you.

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: I will take the question as notice and try to have an answer for the Member tomorrow morning.

MR. SPEAKER: Are there any further written questions? Hon. Dave Nickerson.

Question W38-61: Tuning Fork Tests

HON. DAVE NICKERSON: I know that Members of the Executive Committee are not really supposed to ask questions but a matter has come to my attention that I think I should bring up. I notice, Mr. Speaker, that pursuant to Order 588-76, signed by the Commissioner, a certain Mr. W. Singma has been appointed the official Northwest Territories tester of tuning forks. So, I guess the question is this, Mr. Speaker, and should properly be addressed to the Executive Member responsible for tuning forks: How many tuning forks have been tested by the tester of tuning forks during the current tuning fork year?

---Laughter

MR. SPEAKER: Mr. Butters, have you an answer to that question?

---Laughter

MR. BUTTERS: No, sir, I wish to rise on a point of order. I would hope that the Honourable Member of the Executive would keep these startling disclosures to himself and the Executive body, and away from us poor simple peasants in the rest of the House. Yesterday he brought up a point of lions roaming the streets and today it is the tuning of tuning forks and I wish he would keep these very serious problems out of this chamber.

MR. SPEAKER: Believe it or not there is a lion loose.

MR. BUTTERS: I saw him too, actually it is a lioness.

MR. SPEAKER: Mr. Evaluarjuk.

MR. EVALUARJUK: Mr. Speaker, could you explain to me what a tuning fork is, please?

---Laughter

MR. SPEAKER: I will ask the Hon. Dave Nickerson to do that at coffee break. We are quite a jovial little group this morning, are we not? Are there any further written questions? Mr. Lyall.

Question W39-61: Maternity Ward Visitors, Yellowknife

MR. LYALL: Mr. Speaker, I would like to ask Social Development: Viewing the fact that in this hospital the rule for women in the maternity wards are for husbands only to visit them, I would like the Minister of Social Development to undertake to see if the women from the settlements who are in the maternity wards be given special privileges in visitation because their immediate families and husbands are not in Yellowknife.

MR. SPEAKER: Hon. Dave Nickerson.

Reply To Question W39-61: Maternity Ward Visitors, Yellowknife

HON. DAVE NICKERSON: That certainly makes a great deal of sense, Mr. Speaker. I know that in Hay River the hospital administration there have taken the view that they are going to be a lot more lenient with regard to visits to maternity cases. I would certainly be very pleased to follow that one up. You must realize of course that the hospitals in the territories are generally not operated by ourselves, and Inuvik for instance is operated by Health and Welfare Canada, the Stanton Yellowknife hospital is operated by the Hospital Society. So, it is not something that we can dictate but I will certainly be very pleased to follow this up and use my powers of persuasion.

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

MR. EVALUARJUK: Mr. Speaker, will we be able to ask more questions tomorrow? For instance I would like to know when I could talk on a subject that I mentioned about Coral Harbour. Can we talk about this matter when we are having a committee of the whole meeting later on this afternoon because of the fact that the people from Coral Harbour are going to be asking this question again and I would like to know when I could talk about this matter. Thank you.

MR. SPEAKER: I do not recall, Mr. Evaluarjuk, what the question about Coral Harbour was. If it is the one you raised previously, I think it dealt with government spending in Coral Harbour and I indicated then that committee of the whole would be the proper place, under the budget, particularly when we were dealing with Local Government. Unfortunately the budget of Local Government has

been completed. So, if you want to talk about something in Coral Harbour, the only two ways you can do it now would be either by raising a question which does not really permit any discussion, just ask a question and get a reply or, through notice of motion, and I would say at this point in time possibly notice of motion would give you the greatest opportunity to discuss what you wanted and possibly the Hon. Peter Ernerk could undertake to assist you with the preparation of a notice of motion in the appropriate form so you would be able to discuss the matter. Would that be acceptable? Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, perhaps I could be of assistance. I would suspect that with the indulgence of Members, the Member could ask his question when we study the supplementary appropriations.

MR. SPEAKER: Yes. I forgot we had the supps coming. That would be the best course.

Item 3, oral questions.

Item 4, petitions.

Item 5, reports of standing and special committees.

Item 6, notices of motions.

Item 7, motions for the production of papers.

Item 8, motions.

Item 8, motions.

ITEM NO. 8: MOTIONS

Motion 5-61, Mr. Butters.

MR. BUTTERS: Not today, with your permission, sir.

MR. SPEAKER: Motion 5-61 will be stood down, Motion 6-61 was withdrawn, Motion 7-61 was passed yesterday, Motion 8-61 would seem to be the next one, a motion by Hon. Dave Nickerson.

Motion 8-61: Appointment Of Mr. Peter Fraser To The Standing Committee On Indemnities, Allowances And Members' Services

HON. DAVE NICKERSON: This motion is presented on behalf of the standing committee on indemnities, allowances and Members' services and reads as follows:

WHEREAS the standing committee on indemnities, allowances and Members' services at present consists of four Members;

AND WHEREAS it is desirable to increase this number to five;

NOW THEREFORE, I move that Mr. Peter Fraser be appointed to the standing committee on indemnities, allowances and Members' services.

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

SOME HON. MEMBERS: Question.

Motion Carried

MR. SPEAKER: Question being called. All in favour? Down. Contrary? The motion is carried.

---Carried

Are there any other motions from the floor?

Item 9, tabling of documents.

Item 10, first reading of bills.

ITEM NO. 10: FIRST READING OF BILLS

Bill 2-61, Hon. Arnold McCallum.

First Reading Of Bill 2-61: Supplementary Appropriation Ordinance No. 3, 1976-77

HON. ARNOLD McCALLUM: Mr. Speaker, I move that Bill 2-61, An Ordinance Respecting Additional Expenditures for the Public Service of the Northwest Territories for the Financial Year Ending the 31st day of March, 1977, be read for the first time.

MR. SPEAKER: Is there a seconder? Hon. Peter Ernerk. Question. All in favour? Down. Contrary? First reading is carried.

---Carried

Item 11, second reading of bills.

ITEM NO. 11: SECOND READING OF BILLS

As you know, Members, second reading may proceed unless two Members object to them proceeding on the same day. Item 11, second reading of bills, Bill 2-61, Hon. Arnold McCallum.

Second Reading Of Bill 2-61: Supplementary Appropriation Ordinance No. 3, 1976-77.

HON. ARNOLD McCALLUM: Mr. Speaker, I move that Bill 2-61, An Ordinance Respecting Additional Expenditures for the Public Service of the Northwest Territories for the Financial Year Ending the 31st day of March, 1977, be read for the second time.

The purpose of this bill, Mr. Speaker, is to provide additional funding for the territorial government for the fiscal year 1976-77.

MR. SPEAKER: Is there a seconder? Mr. Whitford. Discussion? Second reading, the principle of the bill may be debated. No discussion? Question. Question being called. All in favour? Down. Contrary? Second reading is carried.

---Carried

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

Hon. Peter Ernerk, do you want to proceed with Bill 11-61?

HON. PETER ERNERK: Mr. Speaker, we would like to go on with Bill 11-61, the Workers' Compensation Ordinance.

MR. SPEAKER: This House will resolve into committee of the whole for consideration of Bill 11-61, the Workers' Compensation Ordinance, with Mr. Fraser in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Bill 11-61, Workers' Compensation Ordinance, with Mr. Fraser in the chair.

→ PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 11-61, WORKERS' COMPENSATION ORDINANCE

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

HON. PETER ERNERK: Mr. Chairman, may I have unanimous consent of the committee to invite Mr. John MacLean who is chairman of the Workers' Compensation Board as a witness?

THE CHAIRMAN (Mr. Fraser): I did not get that.

HON. PETER ERNERK: Mr. Chairman, could we have Mr. John MacLean, chairman of the Workers' Compensation Board of the Northwest Territories, as a witness to appear before this House?

THE CHAIRMAN (Mr. Fraser): Unanimous consent to have Mr. MacLean appear in the witness box, agreed?

---Agreed

Are you all set up there, Mr. MacLean?

HON. PETER ERNERK: Mr. Chairman, I wonder if we could also have Mr. Crawford Laing?

THE CHAIRMAN (Mr. Fraser): Could we have unanimous consent for another witness to sit with Mr. MacLean, agreed? I did not hear too many "Agreeds".

---Agreed

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. The purpose of this bill is to revise the existing Workers' Compensation legislation, and (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.

Could we get a report now from the chairman of the legislation committee on this Bill 11-61, Workers' Compensation Ordinance? Mr. Lyall.

Report Of Legislation Committee

MR. LYALL, Mr. Chairman, there is not much to report because of the fact that we went through the ordinance for several days and we had a lot of input from other people coming in and talking to us about it. At the end we decided that we would present a brand new ordinance to the Assembly because of the fact that there were so many changes in the first one. When we come to the proper ones, they have been changed quite a bit. If the Legal Advisor would give a little report on the ones that have been changed I would appreciate it because of the fact that I am not supposed to be talking too much. Is that all right, Mr. Chairman?

THE CHAIRMAN (Mr. Fraser): I do not think we need a report, Mr. Lyall, from the Legal Advisor. I think all the changes are in this book, this new book which is in front of you. Have you got the book there?

MR. LYALL: I have not got it. Mr. Chairman, this committee has got nothing on it so far. Okay, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): I think everybody has the book. It is in the back of the book for the 61st session. How do you want to go about this? Clause 1 of this ordinance says, "This ordinance may be cited as the Workers' Compensation Ordinance." We will start with clause 2, the interpretation.

HON. DAVE NICKERSON: Is it not in order, Mr. Chairman, to have a discussion in general before we start going clause by clause?

THE CHAIRMAN (Mr. Fraser): If you so wish, Hon. Dave Nickerson, we can have a discussion of a general nature on Bill 11-61. Do you want to start it off?

HON. DAVE NICKERSON: The first thing, Mr. Chairman, is we should perhaps be given some explanation as to why this particular bill was presented to us, why in fact, the Alberta Act which I believe this is a copy of, was presented to us rather than that of a different province. Also, Mr. Chairman, the committee should be aware that this is not government legislation in the sense that it has been dealt with by the Executive Committee and approved by them. This thing has apparently been put together in a fantastic rush. It has never been looked at closely by the Executive subcommittee on legislation and can not really be considered as being put forward as a government document as are most bills. A very great number of my constituents have expressed great alarm at the fact that a bill of some 87 pages is to be railroaded through, as they say.

Importance Of This Ordinance

This type of legislation is to many people as important as the Education Ordinance, both employers and employees and other people affected feel that they should have a much greater opportunity to review any proposed legislation before it is presented as a fait accompli. There has been very serious and very strong criticism by a large number of my constituents because of the fact that it appears that this thing has just been railroaded straight through without any public discussion on it. I think that it is a serious matter. I would hate to see this happen again and I sincerely hope that it will not. We have to deal in the future with other important pieces of legislation, Game, for instance, and I think that we should make every effort with legislation such as Game, Education, Workers' Compensation, important and lengthy legislation to see that everybody has an opportunity to properly review it, to make their views known on the subject and not have it just put through all at once by this House.

I would hope that in future if any of the departments are considering legislation of such great import that they will at least allow the Members of the government to see the thing before it is presented to the Legislature.

THE CHAIRMAN (Mr. Fraser): Mr. Lyall, would you like to reply to that? Because I think we have had a couple of meetings on it and discussed it quite thoroughly and I do not think you could call it "railroading". We had fellows in from Giant Yellowknife mine and Con mine and could you explain the bill please?

MR. LYALL: Mr. Chairman, we did go through this in quite a bit of length and I do not think that we tried to railroad it through. We deleted what was in conflict with the Mining Safety Ordinance. We removed that completely out of here because it was in conflict with the other ordinance and also, one other important part was deleted, and most of this, or most of the other stuff that was changed was seen by the Legal Advisor and everything that we did was supposed to have been seen by most of the people who were concerned with it. I understand that any legislation that is coming through, I hope it does not get any kind of criticism such as it got just now because of the fact that all of the other ordinances we see, they went through the legislation committee, in some great length and this one also has been. I think that the time that we put into it, I could see the Member's concern and I could also see it in the light that he sees it, but I think to say that this was not looked at, is not proper and I would hope that while we are going through it, like any other legislation you will be advised of the changes that have been made to it.

Changes In Ordinance Will Be Explained

So, in view of that fact, I think we should just proceed and wherever anything comes up, we know the Hon. Dave Nickerson is going to be picking at it, like he always does with a piece of legislation, which is very good, I wish I had that kind of understanding to see something that had to be nit-picked at, but with that in mind I think we should keep going through this legislation and when we come to the proper places we will be told by the Legal Advisor whatever changes have been made. As I said, I do not want to go into it in any great length in speaking because I am not supposed to do so.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Lyall. I wonder if before we get Hon. David Searle and Mr. Butters, if we could have Mr. John MacLean answer that question that Hon. Dave Nickerson asked.

MR. MacLEAN: Thank you, Mr. Chairman. Perhaps if I may at the outset, I could address to you the qualifications of our expert witness here on the stand. Mr. Crawford Laing is an actuary and employed by the Workers' Compensation Board at the present time on a consulting basis. He is a Fellow of the Faculty of Actuaries of Scotland and a Fellow of the Canadian Institute of Actuaries and a Fellow of the Institute ...

MR. LYALL: I am getting an indication from the interpreters that it is going a bit too fast.

THE CHAIRMAN (Mr. Fraser): Would you please slow down.

MR. MACLEAN: I am sorry, Mr. Chairman. Mr. Laing is qualified as an actuary and is at the present time a Fellow of the Faculty of Actuaries in Scotland, a Fellow of the Canadian Institute of Actuaries and an Associate of the Institute of Actuaries. Throughout his years in Canada he has been employed by the superintendent of insurance for the province of Alberta, numerous corporations and other clients including the Workers' Compensation Boards of the province of British Columbia, the Yukon Territory and now, the Northwest Territories.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. MacLean. Hon. David Searle. I am sorry, did you want to say more, Mr. MacLean?

MR. MACLEAN: I wondered if you wanted me to reply to Hon. Dave Nickerson's statement.

THE CHAIRMAN (Mr. Fraser): I wish you would, please.

Feasibility Study On Collective Liability Insurance Fund.

MR. MACLEAN: If the committee is not aware, Mr. Laing was commissioned by the Workers' Compensation Board last year to prepare a feasibility study with respect to the possibility of the board going into a collective liability insurance fund. Mr. Laing prepared this report and it was submitted to the Workers' Compensation Board on the third day of September, last year. After considering the report, it was felt by the board that they should proceed as soon as possible into a collective liability fund, and on that basis the Executive was approached with respect to an attempt to put it into effect for the year 1977. Consequently, a submission was made to the Legislature at Rankin Inlet, in the month of October with respect to the possibility of establishing our own accident fund, assessing the employers of the Northwest Territories and paying all employees' claims out of the fund. It was my understanding that the Legislature accepted the submission and, some authorization was given in relation to the fact that we should proceed with the preparation of legislation which could be presented at this session. It was on that basis, Mr. Chairman, that the board proceeded, with the excellent assistance of the legal services division, to prepare a draft ordinance for consideration by the standing committee on legislation and now this Assembly.

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

HON. DAVID SEARLE: Mr. Chairman, I would just like to cover what has happened to date and say that I am not going to repeat what Mr. MacLean said but he is correct, of course, when he says that there was a paper presented in October which dealt with a recommendation for a government fund in effect and recommended that we take the business of workers' compensation out of the private insurance field. That is what the recommendation was concerned with, the recommendation said that an actuarial study had been completed by Mr. Laing here which indicated that there could be higher coverage given for about 80 per cent of the cost in the first year, subject to review for year two. We were also told that if we accepted that recommendation, we would have to appreciate that once you turn off the private insurers you can not turn them back on and, indeed, what has happened of course, after we accepted that recommendation, Prudential who was really the only insurer in the field closed down their workers' compensation insurance section, and I am told laid off about 25 people and have gone out, therefore, of the field of workers' compensation insurance. So, we are in the position frankly, as I understand it, of being left with no choice but to put in the government fund.

Problems Of Completely New Redraft Bill

Now, to that point, I have no problem, and I understood that we were going to have legislation this session which would simply amend the existing ordinance, taking out the few clauses that refer to private insurance and putting in a government fund, and with that I would have had no problem, I do not think, because that was consistent with what I saw the recommendation of this House being in October. Instead, however, what has happened is that a complete new multipage piece of legislation suddenly appears for the first time when it was given first reading. I was quite surprised about that. If you do have a rewrite of a bill, not only are you going to have the matter of a public fund inserted but through the course of its drafting you have many other changes, some beneficial and some others maybe not so beneficial, which really do require very close scrutiny by the people who are affected and essentially, there are two. First of all, there is the employer who has to pay, and it is very important that he know what the bill says because he has to examine the level of benefits, but secondly, there is also the employee, the worker, who is interested generally through the unions, and it is that step between the approval of a government funding and the presentation today of a completely new redraft bill that is giving me the problem.

Now, I know that several of the employers moved very quickly and got copies of the bill in the last couple of weeks and fortunately, because of the tremendous job the standing committee on legislation has done, fortunately they were heard by the standing committee and that is really the only thing that really makes sense, at least the standing committee headed by Mr. Lyall did get a chance to give interested parties time to be heard.

MR. BUTTERS: Not entirely.

HON. DAVID SEARLE: I am not saying all interested parties, but at least our standing committee fortunately did its job to the extent that it could in the time that was allowed. The only problem is that between the time the bill was first read and now there have been rather limited numbers of people who have really had a chance to get the bill and give it close examination just because of the time and, because of the fact that it is a very technical bill.

Importance Of Enacting Legislation Now

Therefore, had it been just a normal piece of legislation I would have moved heaven and earth to have it tabled this session, maybe given first or second reading, but stood over to the next session so there could be proper examination and consultation effected with respect to the draft bill. That, however, we can not do because Prudential has been turned off, they are out of the business and there is no one in the business, and if you do not enact the legislation now, there will not be any workers' compensation coverage for anybody. So, I do not think anybody is at fault for what happened, I do not think anybody working for the government has done anything nefarious, it is just that between the approval in October, which after all was not very long ago, and now, somewhere, someone along the way, decided that a simple amendment to the bill was not necessary, which would have been quite easy to consult all the workers and employers about, but the whole bill needed to be redrafted. When you do a whole new redraft like that, on a technical bill like this, and then bang it in here in February, it is very difficult to proceed with the confidence that there has been time to examine the implications of each and every section.

Not only that, but between the time it was presented and now it has been substantially redrafted again. I do not think we have any choice but to proceed with it. I certainly have some comments I want to make as we go through but I would rather hope that the Executive and I think this is where they must be criticized, I hope the Executive, not our standing committee on legislation which

did the very best it could and I think a good job within the time it had, but the Executive lost track of this bill and I think that they should be more careful that this House is not put in the position of being between a rock and a hard place, which is where we are, because the private insurers have been turned off.

Criticism Of Executive

We have a complete new redraft that we are in a position we can not turn it out for a complete and thorough discussion by labour and by management. We have to enact it and I do not like that. I want to make sure I am not criticizing at all the standing committee on legislation. They have done an excellent job. I know because I have been sending people to them who have been coming to me about it and I know they were heard and were given a good hearing but I am criticizing the Executive for putting us in this position. I am very unhappy about that. However, appreciating where we are, I suggest that we go ahead and do that which we have no other choice but to do, which is to enact the bill but I would like a very firm, solemn and sincere undertaking by the Executive in two areas. Number one, they are not going to do this again. They are not again going to put the House in this position. Secondly, that if either labour, the worker organization or management finds in the course of working with this legislation that they have serious problems, that the Executive will move with all due dispatch to bring amendments back to this House.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. Mr. Butters, I think you are next. I think the Chairman is the only one who should interrupt when someone is speaking. The Chairman should be the only one to interrupt when somebody is speaking. You interrupted when the Hon. David Searle was speaking and it is your turn now.

MR. BUTTERS: I will interject remarks as I please in this House. Hon. David Searle has been very generous to the administration. I think it is the worst kind of insult. It is slipshod management by the administration and if it were the first time it happened then there might be some excuse, but it is not. The same thing happened with the Education Ordinance. People got that damned ordinance just before coming to the session after five months and we get these kinds of excuses from our witnesses that it was presented to the House in October and this is what we asked for. It is not what we asked for. We have been duped and misled.

HON. DAVE NICKERSON: Hear, hear!

Timing Of Examination By Standing Committee On Legislation

MR. BUTTERS: I commend our Executive Member the Hon. Dave Nickerson for the manner in which he has brought this to our attention so forcefully. There was not criticism of our standing committee on legislation. You people were duped and misled just as we have been and it should not be tolerated and should not be permitted to occur again. I suggest that we can ensure that this does not happen by accepting no legislation that is not completely acceptable to the standing committee on legislation six weeks prior to the time we sit. This business of our standing committee sitting on committee mornings to finish this legislation off is unacceptable and if I were sitting on that committee I would consider it an insult.

THE CHAIRMAN (Mr. Fraser): Thank you.

MR. BUTTERS: We are caught, as the Hon. David Searle says. This legislation, you know, some people got copies of the legislation five days ago and I do not know who they were. I guess this was the legislation being developed by the standing committee but it is imperative -- we call ourselves the Legislative Assembly, we should not even call ourselves an advisory committee if this is the kind of treatment we accept and get from the administration. The advisory committee of the Northwest Territories. In fact we should move a motion to that effect if we accept this kind of treatment, we are stuck with it. It is quite obvious who runs this government, who runs this territory. I say thank God for the administrative Members like the Hon. Dave Nickerson who will speak up and speak out.

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

MR. WHITFORD: Mr. Chairman, I think Hon. David Searle said what I was going to say anyway in regard to the legislation which was given to the committee. I think that the committee has done well. I know I missed one meeting but the committee has done very well in putting that thing together with what they had and the people they were working with. It is a matter now I think of the House deciding whether or not they should stand it down and review it again, or go piece by piece to make sure we have as much input as we can now in it.

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

HON. DAVE NICKERSON: Mr. Chairman, I have two comments to make. First of all, my initial statements were in no way a reflection on the excellent work being done by the standing committee on legislation who very hurriedly gave this bill a detailed examination. I am very sorry if Mr. Lyall interpreted my remarks in that manner. They were certainly not addressed to him or Members of his committee. I certainly take a little bit of exception to the treatment I got from Mr. Lyall. I do not know if I should go so far as to suggest he make an apology to me but I will take it that he just got the wrong interpretation of my remarks. They certainly were not addressed to him at all.

Simple Amendment Could Be Dealt With

The second point is that maybe it would be possible for us at this session to deal with a simple amendment to the existing Workers' Compensation Ordinance. I am not an expert in these matters but I would imagine it could fairly easily be done, just one or two clauses inserted in the existing ordinance which would then give the necessary authority to continue with the system as it has in fact been operating since the first of January. It has probably been operating barely legally or just within the realm of legality but I would imagine it might be possible for us to do that and then stand this over so that people can thoroughly examine it. I do not know perhaps who could answer that question but perhaps you could determine that, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. I wonder if we could ask Ms. Flieger to answer that. Does that come into the legal part of it?

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, I think it would take some time to prepare another bill designed to make the necessary amendments to the existing ordinance. Nothing is impossible, I suppose.

THE CHAIRMAN (Mr. Fraser): Thank you, Ms. Legal Advisor. Mr. MacLean, would you have any comments on that?

MR. MacLEAN: It is a question of time, of course, but my understanding was that his was the original premise upon which the new legislation was to be drafted. A good look was taken at the possibility of amending the existing ordinance in certain ways in order to provide the benefits and enable us to enter into a collective liability system. My understanding was that in the opinion of the legal officer and of course the board that we found this to be rather difficult. The upshot of it all would be that we would come out with an amended existing ordinance that really would not cover all the facets that are involved in the establishment of a fund. It was at that point in time that a decision was made to try and prepare a new ordinance which would cover all the legal liabilities that are involved in the creation of the fund. To go ahead now and prepare amendments to existing legislation, of course, is a matter of a decision in relation to the time involved by the legal division of the territorial government.

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

HON. DAVID SEARLE: Mr. Chairman, I ...

Reason For Rewrite Of Ordinance

DEPUTY COMMISSIONER PARKER: Mr. Chairman, there has been a good deal of criticism levelled around the House today and I would like to speak to some of that criticism and try and clarify this situation somewhat. I regret that this bill has come forward in the time that it has, that is, very quickly and I regret that it has proven necessary to present a very detailed bill rather than the simple amendments that we all had expected would be necessary. The situation is as Mr. MacLean has explained. In the first examination it appeared that it would be possible to amend the bill to seek the change in method of providing the insurance but on further examination it was proved that it would not be possible to do this without ending up with a real mess. In other words, there were far more clauses to be altered than had originally been intended.

We have one of those classic problems of a growing Legislature. Both the Commissioner and I have spoken to this question once or twice previously in this session. There was a time when the legislation was presented to Members just before the session and by custom they dealt with it at that session. It has become obvious to us, as it has become obvious to you, that that system is no longer workable and that we must now look to a change. The system that works in the provinces, of course, is possible because their legislature sits for longer periods of time. It is, therefore, possible for them to introduce a piece of legislation of the administration at the commencement of the session and since the sessions last generally several months there is time after tabling for broad discussion and consultation. The procedure that we follow here has not in the past permitted that. As I said earlier, it is recognized that this situation must change and I made the suggestion earlier in the session that the sort of thing that we would be proposing to you for your consideration would be the introduction of a bill at one session, first reading, and then quite likely not proceeding with it but that would have served the purpose of introducing it to the Legislature and introducing it to the public. Then we would be able in the months that followed to have a broader consultation as you have indicated as being necessary, and then proceed again with the bill at the next session, which would follow a few months later, and subject the bill to clause by clause review. Now, this is what is going to have to happen in the future to bills which are at all complicated or which are at all lengthy.

Hon. David Searle asked for two reassurances when I spoke and I regret that he seems to have stepped out, but his reassurances were along the lines of first of all that the Executive Committee would never permit this sort of thing to happen again. Well, perhaps I can remind you that there are three elected Executive Members on the Executive Committee and two appointed Members, and therefore I can not guarantee that the Executive Committee will be perfect. However, I would expect that the Executive Committee will take this knucklerap very seriously and make every effort to ensure that this sort of thing does not happen again.

Early Opportunity To Make Amendments If Necessary

The other assurance we were asked for was that if this bill is proceeded with on a clause by clause basis, that the administration and the Executive Committee would stand ready to hear any problems that any groups bring forward, particularly of course employer groups and employee groups, and to seek an early opportunity in this Legislature to amend the bill appropriately.

Well, that assurance I can give on behalf of the Commissioner and on behalf of the Executive Committee. Of course we will do that and that is a proper suggestion for us to agree to. I would say that I regret sincerely that this bill has had to come forward to you as a major new piece of legislation. I am very pleased that the standing committee saw fit to review it on a clause by clause basis, to hear people who were concerned and to suggest and achieve necessary amendments to meet those objections. I think it would serve us very badly if we were not to proceed

with this bill because of the amount of work that has gone into it by the standing committee on legislation and because we have heard from some of the people with major concerns.

Finally, of course, we do stand ready, if there are flaws in the legislation, to amend it at future sessions. We have brought forward the very best talent in this area that we could obtain in the person of Mr. Crawford Laing and I would just hope, gentlemen, that you will see fit to utilize his ability, to take advantage of the fact that he is here, to take advantage of the fact that Mr. MacLean has, together with your Legal Advisor, done a tremendous amount of work on this bill, to accept the apologies of the Executive for not providing a better time period for review, but I would ask you, and recommend to you that you proceed with it clause by clause under the conditions I have outlined.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker. Hon. David Searle.

HON. DAVID SEARLE: No, thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Any further discussion on Bill 11-61? Mr. Stewart.

Coping With Deficit

MR. STEWART: The indication by the government is that with this new bill taking over the matter of workers' compensation, that savings I believe, if I recall of up to 20 per cent can be realized. The companies which have written me have indicated that this is strongly suspect. Now, is the government prepared to guarantee they are going to be able to provide this service at no more cost than private enterprise, and by that I mean if they find they have goofed, are they prepared to back it up and take it as a deficit?

THE CHAIRMAN (Mr. Fraser): Do you want to answer that, Mr. MacLean or Mr. Laing?

MR. MacLEAN: Perhaps, Mr. Chairman, I will ask Mr. Laing to reply to that.

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

MR. LAING: Mr. Chairman, there are two points I think in response to that, and one is that it is not strictly correct to say that we anticipate 80 per cent of the costs, what we did say was that we expected the rates to be 80 per cent of the prior rates. These rates would have to be applied to the payroll totals for 1977, not of course to the payrolls for 1976. So, any increase in payrolls from 1976 to 1977 would affect the total dollar cost. When we talked about 80 per cent we were talking about rates, the rates are expressed as a figure per \$100 of assessable payroll.

The second thing is that we can not guarantee that the accidents that happen in the territories will be restricted to that cost. We do everything in our power to level the cost to the employers over the years, but if accidents happen which are beyond those that we project and expect then there will be a greater cost, and that is the whole essence of the collective liability system, and all the employers in the territories will bear that cost. The fund is there but I have not worked out the fluctuations from year to year.

THE CHAIRMAN (Mr. Fraser): Is there anything else, Mr. Stewart?

MR. STEWART: That is certainly a bureaucratic answer because we are going in circles. I asked a simple question: if they find the rates are going to exceed those of the private sector is the government prepared to make up the difference?

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

Rate Setting Apparatus By Private Companies

MR. MacLEAN: Of course we have no idea what the private insurance companies might charge say next year. If, in fact, within a certain class there was an inordinate number of claims, obviously the rate would go up, but to what extent we do not know exactly because we are not privy to the rate setting apparatus of the Prudential Insurance Company. However, based on the best information we have, and based on the administrative overhead of private insurance companies which involves, as we all know, commissions to agents and the portion taken off the top in relation to any premium and based on every other available information that our actuary has been able to discover, we are confident that the rates charged will be less than those that would be charged by a private insurer, and we are confident that they would be at least 20 per cent less.

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

MR. STEWART: It appears to me that we have had so many for instances of this business just because government will do something without making a profit, that they can necessarily do it cheaper. That has not, by example worked with, say NCPG, and there are many of them, but it just does not work. I am very concerned with regard to this type of thing and I can not accept personally the theory that because the government will do it and not make a profit on it, it will do it cheaper. That has just not proven to be a fact in the past.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. Hon. David Searle I have your name down next.

Present Coverage

HON. DAVID SEARLE: Mr. Chairman, I have a couple of questions to ask. First of all I am wondering how the board is currently operating in that the old ordinance is still in effect because obviously we have not passed the new one and yet I am wondering, is the private insurer turned off yet or does he turn off later, in other words, how are we operating now?

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

MR. MacLEAN: Mr. Chairman, as soon as we had received the results of the Assembly's meeting at Rankin Inlet we were aware that we would have to give notice to all employers, and the insurance companies of course, prior to the end of December because that is when all existing policies ran out in relation to insuring them under the collective liability system. There is in existence, under the present ordinance an accident fund into which are paid administrative assessments with respect to all insurance sold by private insurers in the territories. So, that in itself was in existence. We then proceeded by way of regulation to the ordinance with respect to making the board the only insurer in the territories.

Powers Under Present Legislation

We believe that this was legally correct, but our worries in relation to what may arise out of that is that the present ordinance does not give to the board and with respect to the existing fund, those powers which are necessary in relation to the use of the moneys in the fund with respect to investments, with respect to certain payments to workers, in relation to claims, with respect to the use, or for the payment of doctors and so on. We were able therefore; we felt legally, although it might give rise to some question of law, that we could put the collective liability system into effect as of the first of January with the knowledge that the Assembly would be sitting in January and would at that time, we felt, look at the legislation and proceed with the legislation before them and therefore establish the powers that are needed by the board in time for the board to use them in the forthcoming year.

Obviously the fund has only been in operation since the first of January and we are not yet into that position of being concerned about investment or reinvestment of these surplus moneys. We have not been put in a position to be overly concerned about the lack of the other powers that we believe this legislation gives us. Accordingly, that is the procedure we had to take if we were going to make 1977 a year in which the assessments would be paid into the fund and give us a base of operation for the years 1978 and 1979.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. MacLean. Hon. David Searle, do you want to continue?

HON. DAVID SEARLE: I want to follow up on this because I think this is a critical point, and I want to make sure that all the committee Members understand the answer that was given. The answer was that we are now, or have now established this fund, that it is in existence, in force and effect since the first of January, or December 31st, under the existing legislation. However, this bill does allow the board to do many more things than, of course, is allowed under the old act, particularly with respect to investment and reinvestment of surplus funds.

Dangers Of Continuing Current Situation

I am wondering when the next session of this House is proposed for, Deputy Commissioner Parker? If it is about the 9th of May, then the next question I have is this: What damage could be done, if any, in view of the fact that we already have the fund in place under the old act, what damage, if any, could result from continuing the current situation, giving an opportunity of further consultation and examination of this entirely new bill and making it an item of first importance at our session beginning the 9th of May?

HON. DAVE NICKERSON: Hear, hear!

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I believe that Members are looking forward to a mid-May session. That has been established as the traditional time. Whether or not there would be grave difficulties in not proceeding with this legislation before that time, I would have to ask for the advice of Mr. MacLean and the Legal Advisor.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker. Mr. Butters, I think you are next.

MR. BUTTERS: Just to say that I wait with the same interest as my colleague, the Hon. David Searle, for the answer to that question. I would just point out that at Rankin Inlet I was in the chair and it was made quite clear to us from those debates that the Workers' Compensation Ordinance would be brought in force, would have to be brought in force effective January 1st, 1977. Therefore, it is my understanding that serious difficulties could be attached to the Government of the Northwest Territories if this recommendation were to be agreed to and the ordinance was not passed at the January session of the Assembly. I did, I know as the last thing on that order of business ask for Members' approval of the recommendations and I do not see anything against the recommendation as presented. I just wish to say that I did not really get as much say with regard to the ordinance as I may have wished to get as I sat in the chair.

Necessary Staff Increases

I would like to ask through yourself a few questions of Mr. Laing, our expert witness. Am I correct in believing that according to Mr. Laing's recommendations the extra staff required by the territorial government to run a workers' compensation operation would be fairly extensive and some of the people required would be professional people who may not be in the employ of the territorial government at the present time? If that is so, whether he believes that the extra one-half of one per cent of the assessable amount would be sufficient to pay for this increase in staff or will the staff increase have to be paid for by ordinary revenues?

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Butters, Mr. Laing, have you got this question now? Just before you answer, I think the Hon. David Searle would like an answer to his question. Could you give him an answer some time later on, Deputy Commissioner Parker?

MR. MacLEAN: Perhaps I could speak to that now. I would think that the Legal Advisor probably has some opinions on this matter also. The problem that occurs is that we do not feel that we are on safe enough legal territory on the basis of the way we are operating by regulation at the present time. The fact of the matter is that the only reason we went ahead on that basis was because of the time limit in relation to notice to employers and the insurance companies and in order to invoice all of the employers prior to the first day of January with the full knowledge that the ordinance would be coming before the Legislature in January. The operational period between the first day of January and whatever day the ordinance might come before the Legislature and hopefully be passed would be minimal and there would be no way that we could get into a legal difficulty because of the short period of time. There might possibly be a way but the odds were that this would not happen.

Lack Of Power Under Existing Ordinance

What we are concerned with now, if the ordinance does not go ahead, is the lack of power under the existing ordinance with respect to enforcement of, for instance, assessments. If one of the employers decides not to pay assessments and challenges the legality of what we are doing by way of regulation it would not only seriously hamper the fund, but might bring the whole operation to a standstill.

The other aspect involved is, of course, the increased benefits to the workers. The only way that the benefits can be increased in relation to the workers is to have this ordinance passed. That, of course, is another aspect of the situation as to the legality of the establishment of a collective liability fund. It is a matter which has been of very great concern to labour in the Northwest Territories and, of course, to the board. I wonder, Mr. Chairman, if the legal representative to the Assembly might have some further views on where we stand with regard to this matter.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. MacLean. I think we will ask the Legal Advisor's opinion now before we break for coffee.

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, in my view it is essential to go ahead with the legislation at this session. The present ordinance is quite a different arrangement. It involves private insurance, an insurance contract between every employer in the territories and an insurance company. The whole scheme of that ordinance is really quite different from what we have when the board itself manages the insurance fund. That, Mr. Chairman, is the reason we found it impossible to simply make changes to the existing ordinance. What we foresaw was the very lengthy amendment touching practically every section of the ordinance and resulting still in perhaps not enough powers for the board, not the usual workers' compensation scheme, and probably this would have had to be followed by another ordinance introduced at some later time. That was the reason that a completely new bill was prepared.

THE CHAIRMAN (Mr. Fraser): Thank you. Mr. Laing, I wonder if you could just answer those questions for Mr. Butters?

Administrative Costs Of The Board

MR. LAING: Yes, I will try. The first point is that all of the administrative costs of running the board are paid out of the assessment income and therefore, it does not have any impact whatsoever on government revenues, although technically they are part of the consolidated revenue fund. The intention of the ordinance is to follow the practice in all other jurisdictions whereby out of the assessment income the consolidated revenue fund is reimbursed fully for all costs of paying staff, etc., so there should be no impact on the consolidated revenue fund and the budgets of the government.

Secondly, I do not think I said in my report that there was a need for an extensive additional staff. The staff of the board at the moment are handling all the functions, as of the first of January, 1977, they have been handling all the functions that they will have to handle under the new ordinance because they are supervising the activities of the insurance companies. Every assessment on an employer was looked at by them and every claim that was put in was looked at by them and they passed on copies of reports to the insurance companies so in the past there were duplicate administration activities. The additional people who are required to handle an actuarial fund when the board is acting as the insurer, as it were, I think were a comptroller and two financial clerks and a senior assessment officer. I do not think I said in the report there was an extensive need for additional staff. Some of the existing staff are already capable of taking on these additional responsibilities. There may be some additional costs, but it will fall on the board's revenues, not on government revenues.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Laing. I recognize the time as 10:35 o'clock a.m. Do you want to pursue that, right now, Mr. Butters, quickly?

MR. BUTTERS: After coffee, if I may.

THE CHAIRMAN (Mr. Fraser): The committee will break for 15 minutes for coffee.

---SHORT RECESS

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum and calls the meeting back to order. Mr. Butters, I think you were first on the list.

Staff Requirements.

MR. BUTTERS: Yes, I have a few questions along the line I was pursuing. Mr. Laing mentioned in reply to my question on staff requirements, I understood him to say that the staff already being used were territorial people which would be sufficient to carry on. I direct him to his report and specifically the pages on administration. I direct him to Table C and Table D. Unfortunately, I only have Table C in my report. In his report he mentions that a fully qualified accountant with professional qualifications is immediately required. He mentions that there would be a part time actuarial expert. He mentions there will be part time requirements for a medical officer, board counsel, internal auditor, external auditor, consulting actuary. He mentions a secretary of the board, accountants, payment manager, payment officer and then on page three, four of his report under staff he says "The assistance of the territorial government should be sought initially in finding suitable candidates before looking for staff elsewhere." I would say his report contradicts what I understood him to say, that he will not be needing further staff. I would suggest that we will be requiring further staff to carry out this responsibility and I would ask him if he would examine Table D and tell me whether that table as set down there really reflects 100 per cent existing territorial staff personnel or, if it does not, what percentage of territorial staff personnel does that reflect in terms of the total requirement that he foresees for this organizational unit?

MR. LAING: Could I ask Mr. MacLean to answer that in detail because he was more concerned with the development of the staff requirements. Some of these people are already there, the medical officer, the legal services are providing legal work to the board and on page 3.2 the internal audit and external audit are already provided by the territorial auditor and the Auditor General of Canada respectively.

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

Present Staff

MR. MacLEAN: I think Mr. Laing pretty well answered the question. We have reclassified certain positions on strength, one of them being the safety officer, we have added the comptroller which, of course, is the accountant. The actuarial consultant is Mr. Laing and that is the way we are proceeding at the present time. The medical officer is Dr. George Gibson who has been the medical officer of the review committee now for approximately eight months and is continuing. The internal audit is supplied by the territorial auditors' staff, and the external audit will of course be in part the territorial audit staff and the Auditor General of Canada. At the legal end of it the board has always had the legal services of the legal division and on top of that we have been using an outside counsel in relation to court matters, and that of course is a continuing thing and was in effect last year. In essence, all we are adding, or all we need to add in the way of additional administrative staff has been the comptroller, a senior assessment officer and two financial technicians which we will need and we hope to go to competition for them in the next couple of weeks.

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

MR. BUTTERS: Therefore I understand Mr. MacLean's answer to my request for comments on Table D, that the suggested organizational chart which is Table D is to be completed and would only require four additional positions, the comptroller, the senior assessment officer and two other positions, is that correct?

MR. MacLEAN: That is correct and of course, you must also realize that we have not taken that organizational chart holus-bolus, the board itself has made some changes in the relationship of the important duties and responsibilities, but with respect to positions, that is exactly correct.

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

MR. BUTTERS: I realize this was a report submitted to Mr. MacLean and the territorial managers must make their own decisions but this report is the only document I have to refer to, sir. Through you again I would like to direct a question to Mr. Laing. Again in the report there is a section on page 4.3 which deals with catastrophies and disasters, and this is not referring to the situation which would occur if this legislation would not get through, this is something else quite different I realize, and you look at the particular and specific catastrophies and disasters.

Effect Of Gas And Oil Exploration

Now, I can not find referred to here the general situation which is of very great importance to private entrepreneurs operating in the Mackenzie Valley today; over the past ten years we have seen the going and to the most extent, welcoming encouragement of oil exploration and oil activity. Many of the businesses which are presently paying one-half of one per cent on their assessed payroll to the government are receiving or paying oil dollars, petroleum dollars. There has been within these territories a certain segment of the population and certain recommendations that a pipeline, a Mackenzie Valley pipeline not be built, or that it not follow the valley but say take the Yukon route. Now, major oil companies such as Imperial and Gulf have said that if the Prudhoe Bay line, through the Mackenzie were not built that they would cease to carry out their present and particular oil exploration activities, the activities they have been engaged upon for the last decade. Were that to happen I think one could reasonably expect that the oil exploration would drop to a few small exploration companies with small leases, Petrocan maybe, and so in effect that might be an economic disaster of major proportions. What would that do to the recommendation in the report of an 80 per cent saving if the economic situation that we are presently enjoying was very badly mutilated?

MR. LAING: I think I should try to explain the technical basis of compensation which is in force in Canada, and that is that the capitalized cost of all plans are charged in the year, and they are worded differently in different acts, in different provinces, but the whole basis is that the whole cost of the accidents that happen in one year is borne out of the assessments for that year. Naturally, there is a worry that the possibility that the economic base would shrink in the future, but that is the purpose of the capitalization process, to make sure that the whole cost of the accidents in any year are borne by the employers who are active in that year and charged up to their operation in that year. So, out of the assessment that we would get in 1977 we would set aside the capital value of any claims that were awarded, a provision for any claims that might arise in other years after these accidents, and an appropriation to the contingency fund. So, it would not be a disaster from the point of view of the fund if the economic base were to shrink.

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

MR. BUTTERS: One of the main recommendations that was put forward was that the employer would be required to pay less than he is presently paying to get similar coverage. I am just wondering if the economic base shrank and we had our large administration pod, as described on Table D, whether the employer might find himself paying 20 per cent more instead of 20 per cent less than what is experienced in other jurisdictions in Canada.

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

Target For Administrative Expenses

MR. LAING: We hope not, Mr. Butters. If the economic base were to shrink hopefully there would also be fewer accidents and there would be the need for fewer staff, and hopefully the staff would be brought down through management to the level that could be covered by the assessment income. We have set a target for administrative expenses of ten per cent, ten per cent of income, and the board will be watching that aspect of management very closely.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Laing. Do you want to pursue that further?

MR. BUTTERS: Not much, just to say that that was one of the bases upon which the recommendation was made to this body and I believe that Members will be watching very closely to ensure there is efficiency in the organization that Mr. MacLean will be associated with and that they do what they say or promise or indicate they intend to do. However I would just add on that that my understanding is that the accidents experienced in the territories to date requiring benefit payments have been less than those experienced in other jurisdictions and I think one reason for that might be that any accidents that occur to people involved in the exploration industry are caught up and paid for by provincial jurisdictions where the head office of the main employer is registered.

THE CHAIRMAN (Mr. Fraser): Thank you. Mr. Butters, do you want an answer for that?

MR. BUTTERS: I thought Mr. Laing was going to answer. That is my assumption but I do not know if that is correct or not.

MR. LAING: I do not think so, Mr. Butters. I think accidents happen in the territories and they would be covered out of this fund.

No Reciprocal Arrangements

MR. MacLEAN: At the present time there are no reciprocal arrangements between the Workers' Compensation Board of the Northwest Territories and other jurisdictions because there is no provision in the present ordinance for it. In the ordinance before the Assembly at the present time there is provision and if this ordinance were passed then, of course, reciprocal agreements could be entered into and this would in effect do away with what we have at the present time, double assessment. Because for every worker, a company sends into the territories and does work here, it is liable to pay an assessment to the Workers' Compensation Board of the Northwest Territories, regardless of what other coverage they may have in their home jurisdictions.

MR. BUTTERS: Thank you.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. MacLean. Mr. Stewart, I think you were next.

MR. STEWART: No, thank you, sir.

THE CHAIRMAN (Mr. Fraser): Any further comments of a general nature? Hon. Dave Nickerson.

HON. DAVE NICKERSON: Mr. Chairman, I have a fair number of comments to make on, initially, Mr. Laing's report which I presume everyone has. It is in my opinion a very well written document, and obviously a lot of thought has been given to it in its compilation. So, in case everyone has not got a copy of it I would imagine that that would be one of the logical things to do, that is to have it circulated.

Secondly, Mr. Chairman, it would appear to me that a lot of very important matters respecting workers' compensation are to be left to regulation such as the setting up of various classes of employers and subclasses. In reading briefly, because that is all the time we have been able to have, but in reading briefly through the ordinance it appears that a substantial set of regulations will be necessary. So, because of the emergency as we have been told of the situation, I would imagine that these regulations have already been drafted. They would of course have to have been, otherwise we could just leave this thing over until May as has been suggested. So, I wonder if it would be possible, Mr. Chairman, to have the regulations circulated so that people will be able to read therein the various financial implications.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Could you circulate those regulations, Mr. MacLean?

Preparation Of Regulations

MR. MacLEAN: Mr. Chairman, if I may, it would of course be presumptuous of the board to prepare regulations under the ordinance that is before the Assembly, before in fact it became law. For this reason all of the regulations of course are not formulated because until the ordinance becomes law there is no legal way that regulations could be established.

Now, in respect to classes and subclasses, we have had to go ahead of course as the Hon. Dave Nickerson has quite rightly pointed out, and establish our classes and subclasses in relation to those employers who might be coming into the field for the first time. Obviously they did not pay any insurance premiums last year and so, it is not possible to say that 80 per cent of what you paid last year is what your going rate is this year, and those classes and subclasses are established and, if that is what Hon. Dave Nickerson would like a copy of we would only be too pleased to supply that to him.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. MacLean. Would that be all right with you, Hon. Dave Nickerson?

HON. DAVE NICKERSON: No, sir, it certainly is not okay. It would appear to me that somebody is deliberately trying to pull the wool over the eyes of this Assembly. We are told on the one hand that we have to proceed with this ordinance, it is essential that we do and it is unworkable, the whole system is unworkable if we do not. This is what we have been told. Initially I did not think that was the case but I was going to accept that that is now the truth. It appears to me now that any fool can see this is not going to be workable unless the regulations are formulated. We are told "There is no need for regulations. They come in at some other time in the future." You know, somebody is not being completely honest with us and I would say that if nobody has started with the regulations so far, we should just defer this thing until the May session because apparently there is no hurry for it at all.

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

MR. MacLEAN: Mr. Chairman, ...

THE CHAIRMAN (Mr. Fraser): Due to the power failure we will take a five minute recess or it may even be five hours.

---SHORT RECESS

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum. Let us bring the meeting back to order. Hon. Dave Nickerson, you were still on the floor when the power went off. Were you finished?

HON. DAVE NICKERSON: I had completed what I had to say, Mr. Chairman. I do not know what the situation is with regard to the existence or non-existence of regulations. I still have not been fully satisfied on whether these are available or not.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Mr. MacLean, would you let us know if those regulations are available or when they could be available?

Work Done Under Order Of The Board

MR. MacLEAN: Mr. Chairman, I must apologize. I believe I misunderstood Hon. Dave Nickerson's question. I gave him an answer which I felt pertained to the legality of making regulations at this point in time. When you have an administrative board administering an ordinance it is quite a different proposition than when there is no administrative board. For instance, you will note that in this new ordinance, an order of the board is not a regulation. The bulk of the work done under this new ordinance is by way of board order. There is provision in the ordinance for the Commissioner to make regulations on certain matters and so on. That is only with respect to those matters.

In relation to what is needed if this ordinance were passed here today to go into effect tomorrow, what is needed before we could proceed with a regulation, is an order of the board. For instance, with respect to workers, all workers in the Northwest Territories, if this ordinance were passed, would be covered but the board may exempt certain classes of workers from the provisions of this ordinance. That would be done by way of regulation but before, in fact, the regulation could be drafted there would have to be a meeting of the board and the board would have to make a decision and a board order would have to be issued. Of course it would not be proper for the board to sit in relation to making any orders with respect to the terms of this ordinance until in fact it became law. In reality, then, what you come down to in relation to regulations that must be in existence or must be authorized by the board and signed by the Commissioner in order to make the ordinance effective, are very few in number and we have gone ahead and drafted a few with respect to calling a meeting of the board as soon as the ordinance has passed, if it is passed, to have the board consider the drafts of these few regulations with respect to issuing a board order and then pursuing the necessary finalization of the regulation by way of the Commissioner. I have asked my staff to bring these drafts down to me and I will have them very shortly for the Assembly.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. MacLean. Is that satisfactory to you, Hon. Dave Nickerson, if he brings them down and circulates them as soon as they can get down here?

HON. DAVE NICKERSON: Yes.

THE CHAIRMAN (Mr. Fraser): Thank you. Any comments of a general nature? Any comments dealing with Bill 11-61?

MR. STEWART: Clause by clause.

Necessity Of Enacting Bill At This Session

HON. DAVID SEARLE: Mr. Chairman, I want to be certain on the question that I asked which I think is critical to whether we go into clause by clause study. I take it from the comments made by Mr. MacLean and I take it from the comments made by Ms. Flieger that it is critical that we enact this bill at this session and that it would not be prudent for us to leave it until the May session. I hate to keep coming back to that but I think that is a decision that we have to take here and now today before we go to clause by clause study. I want to be certain of their response to that. I want to know therefore on behalf of the Executive, if that is the Executive's position. I have heard what Mr. MacLean said and I heard what Ms. Flieger said. I want to know what the Executive's position is. I see Deputy Commissioner Parker is not in the House to give it but I am wondering if any of the other Members of the Executive, there are three here, would care to enlighten us on that because I think, to my mind, that is the central issue today.

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

HON. DAVE NICKERSON: Unfortunately, it is very difficult for the Executive to give a full and proper answer to this for a very simple reason, that this document was not submitted to Members of the Executive any earlier than it was submitted to other Members of this Assembly. The Executive have never met on this. We did not get it until this session was in progress, in fact. You know, this is a terrible admission to have to make but it is true nevertheless. Since the House has been in session there has not been half a day where the Executive could devote their time and energies to these questions. There is to my knowledge, Mr. Chairman, no written legal opinion or anything of that nature. We have had people issue what might realistically be called suggestions saying "No, we could not do this. It is complicated. There are a lot of things to be involved. We can not do it." Other people might say "Well, maybe we could," but we have never had a written, detailed legal opinion as to what the situation really is and I for one would really like to have had such an opinion. Then we would be able to discuss the matter a lot more realistically.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. Would any other Minister like to speak on this? Hon. Peter Ernerk.

Examination Of Ordinance By The Executive

HON. PETER ERNERK: Mr. Chairman, it is true, what the Hon. Dave Nickerson is saying. Another way of looking at this perhaps is to suggest to my Executive colleagues to look at it for the next couple of days. From what I can understand from the other Executive Members, this bill must be discussed, this bill must be discussed clause by clause because of certain problems. One of the things that I might suggest to you is perhaps for the Executive to take a look at it tomorrow morning and bring it back by Friday morning and have another day of looking at it.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Peter Ernerk. This ordinance has been in the book for the last week, has it not? Two days? Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Chairman, again I can only reiterate what has been said by other Members, specifically the Hon. Dave Nickerson, that it is regrettable that this particular bill did not come to the Executive prior to this session. I have now had, personally, an opportunity to go through it and voice an opinion on most all of the clauses because I was at most of the committee meetings, standing committee meetings on legislation, for this particular bill. It was not possible, I do not feel, for all to be fully aware of the implications and knowledgeable about all of the factors involved with this particular bill.

I think that there were a great number of times that I as well as others had to rely on the advice of other departmental officials. There are certain concerns that I had in terms of this bill at the standing committee. I made these vocal, I made vocal these concerns at that time. I would simply like to say I do not believe there has been any kind of plot to get something here. I think that under the circumstances that we are now facing, if it is the departmental view, departmental officials' view that it should go through, I am prepared to discuss clause by clause, knowing full well that my concerns have not been taken into consideration at the standing committee. I can make them again in committee of the whole and those clauses which have taken into consideration those concerns now reflect them. I am perfectly satisfied with it.

Review Of Legislation On Periodic Basis

I can only again indicate to Members of this House that, to reiterate as it were, what the Deputy Commissioner said, that should there be amendments required, they can be made. If they pose a difficulty, the legislation can be changed. I do not think it stays there forever. The chairman of the standing committee made that known at our standing committee sessions, that there has to be continual updating of particular legislation and that we must have some kind of means whereby various bills, various pieces of legislation are reviewed on a periodic basis. I am prepared, as the Deputy Commissioner was, to state that not again will I be part of something that comes in without having it going through review at the Executive Committee. Other than that, Mr. Chairman, I do not have any further comments.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Arnold McCallum. Mr. Lafferty, could we defer you for one minute as I see Deputy Commissioner Parker in the chamber and I think Hon. David Searle had a question for him. Would you like to ask a question, Hon. David Searle?

HON. DAVID SEARLE: Well, Mr. Chairman, just to repeat, the point we are at, I think, is to be sure of the Executive's position with respect to whether or not it is absolutely critical that this bill proceed at this time and that it can not wait until the May session. Because we are going into clause by clause reading of the bill, if the Executive were of the view that this bill could be held over to allow proper discussion and consultation with the workers' organizations and the industry, if that could take place between now and May it seems to me that that might be the course of action we may wish to follow. If, on the other hand, it is absolutely critical that we proceed then it seems to me that we may then have to do that, but I just want to be sure on the Executive's position.

THE CHAIRMAN (Mr. Fraser): Thank you. Hon. David Searle. Mr. Deputy Commissioner.

Views Of The Executive

DEPUTY COMMISSIONER PARKER: We believe that it is critical that this bill be proceeded with at this time. I have made certain explanations, offered certain apologies and have given an undertaking that the bill may be reopened and in fact will be reopened for amendment at the May session should defects be brought forward to either the administration, the Executive Committee or Members of this House. We will reopen it. I think, on balance though, we have a good bill before us, and I can only underline the fact that we believe it to be critical that we proceed at this time.

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

MR. LAFFERTY: Mr. Chairman, in consideration of all the comments up to this point that I have heard, and reiterating the comments by Hon. Dave Nickerson and Hon. David Searle, and several others, I am somewhat caught in a dilemma of my own. I am prepared to support this bill, I am prepared to pass this needed legislation. But I do not think that I would go to the extent of passing it at this session due mainly to the speed with which this bill was brought before us and also due largely to the lack of public input, or, for that matter, for Members' input, from this House. However, I do know and fully realize the responsibilities placed upon us to act responsibly in the face of the political changes in the North, in the face of the responsibilities we hold to our most important people, our workers, and in the face of perhaps the watchful eyes of the federal government, to take responsibility for the control of government in the Northwest Territories.

Protection For The Worker Necessary

On that thought I place great emphasis, and I will not deny the protection that the worker has a right to in the North. I will not deny the right to compensation of an injured worker, but surely we can be responsible enough to accept whatever problems may arise as a result of our deferring this bill before us to the May session. Of course, we have received the apologies of the Executive and yet it has been pointed out by the Hon. Dave Nickerson that the facts are not quite true, and I believe it to be so. I think that at this point, having reserved my comments and keeping them as brief as possible, and my position will not change, I have indicated to several of my colleagues and other people that I would support this bill, but not at this moment, but at a later session. So, I would support any motion brought forth to defer this bill and, if no motion comes forth then I would be prepared to move in that manner.

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

MR. BUTTERS: Sir, just to say that I do not think that any Member in this committee in any way wishes to diminish or reduce the protection already enjoyed by workers in these territories, nor do I think any action on our part will so do that, but I think that the question originally raised by the Hon. David Searle requires a more complete answer than the Deputy Commissioner has been able to provide. I think perhaps the method of approaching the solution to this was advanced by our Executive Member, the Minister for Economic Development. We should look at this overnight and maybe the Legal Advisor could examine it and see if there is any way to ensure the workers of the territories receive the protection they are entitled to, and at the same time, we can give this new legislation much more consideration than we are presently able to give. So, having said that, I would like to ask one more question relative to the operation of the proposed department.

Financial Requirements

I was noticing in the supplementary estimates that they are asking for another \$150,000 and in the budget request recently approved by this House is an additional \$55,000 over what is being allotted to them this current year. So, they are, in effect, requiring for the next fiscal year with the supplementary estimate of \$150,000, an additional \$205,000, and in view of the fact that there will be no additional salaries required by the organization, why do they need all this money?

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

MR. MacLEAN: I thought I made it clear previously that there are four positions, the comptroller, the senior assessment officer and two financial technicians that we are proceeding with, those are being added. With respect to the supplementary estimates I believe, and I am not an expert on this, but I believe a portion of that is in relation to wage increases or salary increases for the existing employees due to the retroactive pay increase. There are also additional costs in there in relation to our actuary, and additional costs in there with respect to the type of accounting system that we have to put in to place with respect to the accident fund.

THE CHAIRMAN (Mr. Fraser): Are you satisfied with that, Mr. Butters, for the present?

MR. BUTTERS: Thank you, yes.

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

MR. STEWART: Mr. Chairman, inasmuch as I was absent from the House in Rankin when this matter was dealt with, I took the opportunity to check back on the record, and I find that the Deputy Commissioner made it abundantly clear at that time to the House that if they accepted that paper, exactly what it meant, that it would be imperative that legislation be dealt with at this session, and that the wheels that were actually being put into motion at Rankin Inlet would require this. It was very, very clearly stated. On that basis, the House at that time approved the paper and I think in part we must accept too, knowing the short time span actually between our sitting in Rankin and our sitting at the present time, to bring out an ordinance of this proportion that we probably erred ourselves in expecting, and of course, some people expected it was only a matter of an amendment and this may be the basis of a great deal of our problem.

Obligation To Study Ordinance

However, I think that seeing it did require a whole new ordinance that the government actually did very well to get one to us. We have, through our committee system established a legislation committee who worked very hard on this and went through it in detail. So, due to the circumstances I would suggest that we should accept the bill and proceed on clause by clause and get on with the job and quit arguing about the pros and cons of it because I think if any Member wants to go back to the Rankin session and take out the statement by the Deputy Commissioner, we knew exactly at the time what we were getting into, so let us get on with it.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Stewart. How do the rest of the Members feel about that? Is it agreed? Hon. Dave Nickerson.

HON. DAVE NICKERSON: Before we get into a clause by clause study of the actual ordinance, to me it would seem pertinent that we give some attention to Mr. Laing's report which is very detailed, an excellent report, and in regard to the whole collective liability system he raises some very interesting points. So, I think it might be in order if we were to go through that in some degree of detail before we get to the actual ordinance.

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

Motion That Bill 11-61 Be Studied Clause By Clause

MR. STEWART: I move that we proceed clause by clause.

THE CHAIRMAN (Mr. Fraser): There is a motion on the floor that we move clause by clause seconded by Mr. Whitford. To the motion? Hon. Dave Nickerson.

HON. DAVE NICKERSON: This would seem to be a very silly thing to do to me. This is an important bill, it concerns nearly everyone in the Northwest Territories because nearly everyone is either a worker or dependent in some way upon the earnings of a worker, and I think that before we can get into a discussion of the ordinance it is absolutely essential that we go through, in some detail, the information that has been compiled by Mr. Laing, so diligently, and find out what the basis for the ordinance is.

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

MR. BUTTERS: Well, on principle I will vote against the motion because what it is doing is stopping debate on general comments and I do not feel that we have completed the debate on general comments yet and I think as long as people want to comment generally they should be permitted to do so and not be shut up or closed off with what is really a motion of closure. So, I will not support any motion of closure at any time.

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

MR. PUDLUK: Could you read me that motion again, sir?

THE CHAIRMAN (Mr. Fraser): Mr. Stewart, do you want to repeat the motion?

MR. STEWART: My motion was to proceed at this time clause by clause.

THE CHAIRMAN (Mr. Fraser): The motion reads to proceed with Bill 11-61, clause by clause. To the motion?

SOME HON. MEMBERS: The question.

Motion Carried

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

---Carried

MR. BUTTERS: That is stifling free speech.

HON. DAVE NICKERSON: Mr. Chairman, it would seem to me that we are arguing around in circles this morning. It would seem to me it would be much better to deal with something else for the time being. Therefore, Mr. Chairman, I move that we report progress at the present time.

THE CHAIRMAN (Mr. Fraser): Agreed?

---Agreed

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

MR. LYALL: There has been no progress.

MR. SPEAKER: Mr. Fraser.

Report of the Committee of the Whole of Bill 11-61, Workers' Compensation Ordinance

MR. FRASER: Mr. Speaker, your committee has been studying 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. I wish to report progress.

MR. SPEAKER: Thank you, Mr. Fraser. I have an indication that the Executive wish to now deal with Bill 9-61. This House will resolve into committee of the whole for consideration -- Mr. Stewart?

MR. STEWART: On a point of order, Mr. Speaker. I believe the tactic used by the Hon. Dave Nickerson is a delay tactic and I feel that if we are not going to proceed with clause by clause study of the motion as it was carried by this House, we should recognize the clock.

HON. DAVE NICKERSON: It certainly is a delaying tactic.

MR. SPEAKER: When you say recognize the clock, do you mean for lunch?

MR. STEWART: Yes, Mr. Speaker.

MR. SPEAKER: I would like to call the question on that and I would like to see a show of hands. It has been suggested that we recognize the clock. All in favour?

MR. BUTTERS: That is that we recognize the clock for lunch, is that correct?

MR. SPEAKER: For lunch, yes. All in favour? Down. Contrary?

---Carried

Gentlemen, we have a luncheon engagement, as you may know, with the Northwest Territories Mental Health Association at I believe 1:00 o'clock p.m., is it, Mr. Remnant?

CLERK OF THE HOUSE: That is correct, in the Katimavik A room.

MR. SPEAKER: Next door. This House stands recessed until 2:30 o'clock p.m.

---LUNCHEON ADJOURNMENT

MR. SPEAKER: Order, please, gentlemen. Order, please. Hon. Peter Ernerk, as government House leader would you indicate the wishes of the Executive with respect to which bill you would want dealt with?

HON. PETER ERNERK: Mr. Speaker, we would like to go on to Bill 9-61, the Public Inquiries Ordinance.

MR. SPEAKER: Mr. Stewart.

MR. STEWART: On a point of order, Mr. Speaker. Bill 11-61 was on the floor this morning so I must assume the government has no objection to Bill 11-61 being dealt with. We did have a motion to go through this Bill 11-61 clause by clause prior to recessing for lunch and I would submit that we should proceed with Bill 11-61.

MR. SPEAKER: Rule 31 says that: "The order of business for the consideration of the Assembly shall be taken up day by day after the daily routine of business according to the precedence assigned in the orders of the day by the Speaker." The precedence of course, as set out under Item 12 and in fact it indicates Bill 3-61, 2-61, 6-61, 9-61 and 11-61 in that order. By custom the Speaker takes his direction, recent custom I might say, from the designated government House leader. If Hon. Peter Ernerk wishes to indicate he wishes to go back into committee of the whole on Bill 11-61, I would then accept that suggestion and exercise my discretion to go back into committee of the whole on Bill 11-61. I understand him, however, to say he wishes to go back into committee of the whole on Bill 9-61. Am I correct, Hon. Peter Ernerk?

HON. PETER ERNERK: Mr. Speaker, we would not have any major resistance to going back to Bill 11-61. However, if the motion is there, I would think we would have to have unanimous consent to go back into that particular bill. Am I not correct?

MR. SPEAKER: No, you are not. We could go into committee of the whole on whichever bill the Speaker directs pursuant to Rule 31. However, as a matter of practice I take my direction from the government House leader. Mr. Butters.

Designated Government House Leader

MR. BUTTERS: On a point of order, sir, I am just curious about this designated government House leader. This smacks of a house divided with an opposition system and I recognize that Hon. Peter Ernerk may speak for the administration but I do not recognize him as the House leader.

MR. SPEAKER: You may recall at a caucus meeting, I believe it was, it was suggested that the government designate someone to act as Executive Member to indicate to the Speaker the order in which they wish to deal with bills, bearing in mind all the considerations we have to bear in mind such as availability of advisers, etc. That being the case, it is not up to me. I do not care one way or another about the order of business. Hon. Peter Ernerk, I understand from the Executive, is the person who has been designated to indicate to me so I do not have to go and ask each and every Member of the Executive what the order of business should be as they see it. As you have noticed, I have been asking him to indicate to me what order of business he would like. Mr. Butters.

MR. BUTTERS: I just feel that there should be some consideration of what is convenient to Members of this House. This Assembly belongs to us all and I think all of us should have an input into that order of business and not be told what we are going to discuss by a designated government House leader.

MR. SPEAKER: Rule 31 says: "The order of business for the consideration of the Assembly shall be taken up day by day after the daily routine of business according to the precedence assigned in the orders of the day by the Speaker." That indicates to me that the Speaker indicates the order of business, the order of business as set out under Item 12. It has been indicated to me that the Executive wishes to go into Bill 9-61 and I propose to exercise my discretion and put the House into committee of the whole on Bill 9-61.

MR. BUTTERS: One more point, sir. The Speaker by tradition is the servant of the House, not of the administration.

MR. SPEAKER: That is right, Mr. Butters, and if you care to see there is a Rule change that I should consult everyone in the House, then I would be happy to do that. This House will resolve into committee of the whole for consideration of Bill 9-61, with Mr. Stewart in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Bill 9-61, Public Inquiries Ordinance, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 9-61, PUBLIC INQUIRIES ORDINANCE

THE CHAIRMAN (Mr. Stewart): The committee will come to order to study Bill 9-61, An Ordinance Respecting Public Inquiries. Would the administration care to make any opening remarks on Bill 9-61? Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, this is rather a short bill and all it does is to allow the Commissioner to appoint a board, as stated earlier in the purpose: "... for the purpose of inquiring into matters of public business or public concern."

THE CHAIRMAN (Mr. Stewart): Thank you.

HON. PETER ERNERK: It gives some of the reasons why the Commissioner shall appoint a board. Other than that I do not have too much to add.

THE CHAIRMAN (Mr. Stewart): Thank you. General discussion on Bill 9-61. Are you ready for clause by clause?

---Agreed

Clause 2, interpretation. Agreed?

---Agreed

Clause 3, inquiries. Agreed?

---Agreed

Clause 4, board. Agreed?

---Agreed

My book played a few tricks. I jump from clause 4 to clause 7. Clause 5, powers of board. Agreed?

---Agreed

Clause 6, idem. Agreed?

---Agreed

Clause 7, hearings. Agreed?

---Agreed

Clause 8, rights of persons interested. Agreed?

---Agreed

Clause 9, protection of witnesses. Hon. Dave Nickerson.

Protection Of Witnesses

HON. DAVE NICKERSON: In clause 9, Mr. Chairman, evidence given by a witness at an inquiry, it says can not thereafter be used as evidence against him in any trial or other proceeding. I wonder if this is a customary clause in such legislation and, if so, might not the case take place where somebody confesses to a very serious crime at the time an inquiry is held and thereafter is not able to be prosecuted for this crime? Is that a case that might happen?

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

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, this clause is customarily included in legislation of this sort. As to the second part of Hon. Dave Nickerson's question I do not know really -- I guess I missed the point of it. The section here says that a witness will be informed that he may object to answer any question but if he does not object and answers then confesses to a crime, then where it goes from there I am not certain.

HON. DAVE NICKERSON: The answer to that question is we are not sure?

LEGAL ADVISOR (Ms. Flieger): Perhaps you could restate the question, Hon. Dave Nickerson.

HON. DAVE NICKERSON: I am worried about if someone confesses to a serious crime at the inquiry as envisaged under this ordinance, presumably he would not be able to be proceeded against in a court thereafter, or the evidence that he gives at the inquiry can not be used against him or received against him in any other court. Am I correct in thinking that this is right and, if so, is any danger foreseen that this might hamper the due course of justice?

LEGAL ADVISOR (Ms. Flieger): I think the effect of subclause 9(2) is that the answer that the witness gives will not be directly used against him but I am not sure anything prevents the information, or the substance of the information being used as grounds for further investigation. So, in effect a confession of the kind that you are suggesting could form the substance of an investigation.

THE CHAIRMAN (Mr. Stewart): Are you satisfied, Hon. Dave Nickerson?

HON. DAVE NICKERSON: Yes, sir.

THE CHAIRMAN (Mr. Stewart): Clause 9. Hon. David Searle.

HON. DAVID SEARLE: In my copy, in clause 9, the sixth line from the bottom the word "brown" should be "Crown". I think we can just make that correction.

THE CHAIRMAN (Mr. Stewart): Thank you, Hon. David Searle. The correction is noted with the letter "c" instead of the letter "b" so the word reads "Crown" instead of "brown". Clause 9, protection of witnesses. Agreed?

---Agreed

Clause 10, privilege. Agreed?

---Agreed

Clause 11, advisers. Is it agreed?

---Agreed

Clause 12, powers. Is it agreed?

---Agreed

Clause 13, regulations. Is it agreed?

---Agreed

The short title. Agreed?

---Agreed

The bill as a whole? Agreed?

---Agreed

Shall I report this bill ready for third reading? Agreed?

---Agreed

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

Report of the Committee of the Whole of Bill 9-61, Public Inquiries Ordinance

MR. STEWART: Mr. Speaker, your committee has studied Bill 9-61, and with one typographical correction, reports this bill now ready for third reading.

MR. SPEAKER: Thank you, Mr. Stewart. Hon. Peter Ernerk, have you ...

HON. PETER ERNERK: We would recommend that we go into Recommendation to the Legislature 1-61, Petroleum Products Tax Ordinance.

MR. SPEAKER: Mr. Stewart, do you want to be free to discuss that?

MR. STEWART: If I could, Mr. Speaker.

MR. SPEAKER: Mr. Fraser, do you mind taking the chair for that item, on the Petroleum Products Tax Ordinance?

MR. FRASER: No, sir.

MR. SPEAKER: This House will resolve into committee of the whole for consideration of bills and other matters, Recommendation to the Legislature 1-61, Petroleum Products Tax Ordinance, with Mr. Fraser in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Recommendation to the Legislature 1-61, Petroleum Products Tax Ordinance, with Mr. Fraser in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER RECOMMENDATION TO THE LEGISLATURE 1-61, PETROLEUM PRODUCTS TAX ORDINANCE

THE CHAIRMAN (Mr. Fraser): The committee will come to order. Recommendation to the Legislature 1-61, Petroleum Products Tax Ordinance. Is there any general discussion? It is in the yellow backed binder. Has everyone got the Recommendation to the Legislature 1-61?

HON. PETER ERNERK: Mr. Chairman, just to inform you that our Interpreter Corps do not have a copy of this and I wonder if they could be provided with a copy of the recommendations so that they may follow what is being discussed.

THE CHAIRMAN (Mr. Fraser): Thank you, we will check on that. Mr. Butters.

MR. BUTTERS: And the press table also requires copies of this recommendation.

THE CHAIRMAN (Mr. Fraser): Thank you. I think they have gone to get them. The House will recess for five minutes until we get some copies to the translators and the press.

---SHORT RECESS

THE CHAIRMAN (Mr. Fraser): The Chairman recognizes a quorum and calls the committee back to order. Recommendation to the Legislature 1-61, Petroleum Products Tax Ordinance, any general discussion? Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, the way the day has been going I suppose I had better start this recommendation out with an apology, and the apology is that it has been named "a Recommendation to Council" and we have changed that designation on one other to "Recommendation to the Legislature" and I am sorry, this one came through in the old style as "Recommendation to Council".

The Purpose Of The Rate Changes.

The purpose in bringing forward these rate changes is twofold. The first is to tend to bring them into line with practice in other jurisdictions and, secondly, to change the system of charging diesel oil tax to truckers in order to make it advantageous for Northwest Territories truckers to be able to bid on work on the same level as their counterparts from the South. At the present time truckers from Alberta or other places tend not to pay any Northwest Territories diesel oil tax because they are bringing their fuel in with them in toto. If we change to the system that is proposed in this recommendation it would be in line with provincial practice throughout the rest of Canada -- not entirely -- but with the majority of the provinces.

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

MR. STEWART: Mr. Chairman I have read some peculiar conclusions but I do not know when I have read one as good as this particular one. By raising the tax in the territories, to increase the price of fuel in the territories you are going to get people in Alberta to buy fuel in the territories. Now, how anyone can arrive at that type of conclusion is completely and absolutely beyond me. The price you are talking about is a base landed price and the base landed price is still going to be less the amount than this tax, or pardon me, it will be more, depending on the cost of fuel, say at Hay River, it is going to go up in comparison to this tax inclusion. Is that right? If that conclusion is right, then it will make the spread of gasoline greater between Alberta and the Northwest Territories, it will not lessen it.

You are relating tax figures but really after all for the people who are buying the product, they are interested in how much a gallon they pay in High Level as opposed to how much a gallon they will pay in Hay River and you are trying to tell me in this paper that if we increase the taxes we will be more in line with Alberta and therefore they will buy fuel in the Northwest Territories instead of Alberta. There is either something wrong with my calculations or there is something wrong with your calculations, Mr. Deputy Commissioner.

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

A Mileage Tax.

DEPUTY COMMISSIONER PARKER: I was referring only to truckers using diesel fuel and am referring to the fact that they will be charged tax on a computed basis using their mileage and consumption. So, whether they buy the fuel or not in the Northwest Territories they will still be assessed a certain amount of tax.

THE CHAIRMAN (Mr. Fraser): Thank you.

MR. STEWART: Are you intimating we will have some kind of road tax? How can you tax a product you do not sell? Are they going to have to pay a mileage tax for travelling in the Northwest Territories?

DEPUTY COMMISSIONER PARKER: Mr. Chairman, I think that is what it amounts to. Apparently this is the practice that is used in the provinces. I would like to be given the opportunity to ask Assistant Commissioner Mullins to appear before this committee to explain the recommendation, as it was developed by officers under his direction.

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

---Agreed

Have you heard the comments put out so far, Assistant Commissioner Mullins?

ASSISTANT COMMISSIONER MULLINS: Yes, Mr. Chairman. The provinces, as a result of a series of conferences, have come to an agreement whereby in interprovincial trucking, taxes are collected by the provinces as if the gallonage was purchased in each province, related to the actual distance travelled in each province. The provinces and the trucking industry have worked out an information system such that the trucking companies report to a single province, the province in which they are registered, the amount of gallons of fuel oil that they have purchased in each of the provinces and the territories, the number of miles that they have travelled commercially in each of the provinces and territories, and the effect among the provinces is to even out the taxes between the jurisdictions.

Mr. Chairman, the last provincial tax conference attended by our officials was in Regina during the month of September, and it was at this time that the final details of these programs were worked out and all provinces have opted into the program with the exception of the province of Newfoundland.

Computing Taxes Payable

At the moment the Government of the Northwest Territories is receiving reports indicating the mileage travelled by trucking companies in the Northwest Territories and the gallonages purchased in the Northwest Territories from which it is very easy to compute what the taxes payable to the Government of the Northwest Territories would be if this system were now in place.

So, Mr. Chairman, the basis of the proposal as it works interprovincially is that through a clearing house operation, similar to chartered banks' clearing house operations, the provinces and the trucking industry, through a series of book entries and eventually the exchange of cheques balance off the taxes related to fuel oil so that a province or the territories receives tax proportional to the mileage of commercial trucking in that province or territory rather than the taxes actually paid when purchasing from pumps in the individual province or territory.

THE CHAIRMAN (Mr. Fraser): Thank you, Assistant Commissioner Mullins. Do you want to pursue that further, Mr. Stewart?

MR. STEWART: Thank you, Mr. Chairman. I have finally got the principle. Now, of course we are showing an increase in the tax rates, and I presume this will be general for Hay River truckers or for territorial truckers, as well as other people, is this correct?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, there are two separate issues in this ordinance and one is the issue of tax rates, and that is a separate issue from the interprovincial agreements on trucking mileage and taxes related thereto.

THE CHAIRMAN (Mr. Fraser): Thank you.

Increasing The Tax On Gasoline

MR. STEWART: But the subject of this recommendation is to increase the tax on gasoline from its present rate from 14 cents per gallon to 19 cents by June 1st, 1978, is that correct?

ASSISTANT COMMISSIONER MULLINS: That is correct, Mr. Chairman.

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

HON. DAVID SEARLE: Well, Mr. Chairman, there are two things that bother me, and firstly dealing with the, so to speak, collecting our fair share of tax from truckers in the Northwest Territories. If you convert to this mileage tax in effect that can so easily be computed, let us assume we collect our fair share of three, five or whatever cents per gallon, then it is an added cost to the truckers, is that right, that they have not been paying to date?

Let us not be so naive as to think that our freight rates then are not going to go up. So who pays it? Who is going to pay this three cents or whatever it is a gallon, gentlemen? The public. So our already exorbitant freight rates that we keep saying we need a subsidy with respect to, will go up because of this tax. We subsidize them by keeping the tax down to the extent, at least, that this House is able, so how do you call on the federal government to enter into considerations of freight rate subsidies and at the same time you are busily increasing the tax on the one thing they use a lot of, that is, fuel oil? As to the first part of it, that is going to be the obvious result of that. Your already high freight rates will go up.

Cost Of Gasoline To The Public

Now, as to the second part of it, the business of general increases in accordance with this table, just taking gasoline, presently 14 cents, proposed up to 19 cents, a five cent increase. I assume the logic of the retailer as expressed here previously with respect to the Liquor Ordinance will again apply, that if we charge five cents a gallon more for gasoline, the retailer, in order to keep his profit margin, will increase the price per gallon by ten cents. So, in fact, the price of gasoline to the public as a result of our five cents increase per gallon will go up ten cents. No? Well then, that is very interesting. Maybe I can be enlightened as to how you propose to make sure that the ordinary service station owner when he gets a five cent increase in gasoline is not going to add on an appropriate profit share. As I understand, this is certainly what is happening as the price from the supplier increases by, say, two cents, and the retailer adds on his two cents to maintain his profit margin.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. Assistant Commissioner Mullins?

ASSISTANT COMMISSIONER MULLINS: Thank you, Mr. Chairman. On the first question related to the impact of tax increases on trucking rates, there is no doubt that the increase of taxes on fuel used by trucking companies operating exclusively within the Northwest Territories will increase as a result of these proposed rate increases. In other words, if a trucker is purchasing the bulk of his fuel in the Northwest Territories for his operation, then the cost will represent a cost increase to him.

For those truckers who find it financially advantageous to follow the existing practice of purchasing large quantities of fuel in High Level, Alberta, running into Hay River or communities on the Mackenzie system and returning to Alberta without purchasing fuel in the Northwest Territories, then there will be no increase in costs to trucking companies for people who continue to follow that practice.

The second point is that the principle I explained earlier about mark-ups, that retailers would be expected to make in the event that the five cents per gallon increase is correct, principle is correct. I think the increase at the pump level of a five cent per gallon increase in tax would much more closely approximate a cent and a half per gallon increase rather than a doubling. The mark-up on gasoline is significantly less than a doubling and it is much closer to that lower figure.

THE CHAIRMAN (Mr. Fraser): Thank you, Assistant Commissioner Mullins. Hon. David Searle.

Increase In Freight Rates

HON. DAVID SEARLE: When it comes to matters financial I would normally, of course, give way to Assistant Commissioner Mullins because that is his field. It is not mine, but with all due respect to him and certainly meaning no disrespect I would like to say I disagree 100 per cent with what he said on point one. It does not make any sense to me. Surely, if you are dealing with truckers who are travelling interprovincially who have hitherto before purchased lower priced diesel fuel in Alberta prior to entering into the territories, if now through this central clearing house reporting system they are going to be paying in accordance with the miles they are travelling in the territories to us where otherwise they previously have not been, surely they are going to be paying more. If they are paying more, then are they not going to increase the freight rates? I mean surely the purpose has to be in this that they will pay for the mileage they are spinning their wheels here in the territories. This does not mean the provinces are going to give up the revenue and pass it on to us, does it? I do not understand that.

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I regret that I was less lucid than I should have been. Under the present system if a trucker moves goods, let us say from Edmonton to Fort Smith...

HON. DAVID SEARLE: Keep this simple for me.

ASSISTANT COMMISSIONER MULLINS: If he moves his goods from Edmonton to Fort Smith purchasing all his fuel in High Level, Alberta and none of it in the Northwest Territories, then under the present arrangements no revenue comes to the Northwest Territories. If the...

THE CHAIRMAN (Mr. Fraser): Excuse me, Assistant Commissioner Mullins. I think we have a mike out. Okay now, Mr. Evaluarjuk?

MR. EVALUARJUK: Yes.

ASSISTANT COMMISSIONER MULLINS: If the system proposed were introduced, then the trucking company would file its report with the Government of Alberta and with the Government of the Northwest Territories on gallonage purchased in Alberta, miles travelled in Alberta, miles travelled in the Northwest Territories and gallonage purchased in the Northwest Territories which would be zero. If 60 per cent of the mileage was in the province of Alberta and 40 per cent of the mileage was in the Northwest Territories, then the Government of Alberta would provide us with 40 per cent of the taxes collected by the province of Alberta through fuel oil sold to that trucking company.

The only instance in which there would be an additional cost to the trucking company would be if our gallonage rate was higher than the gallonage rate charged in Alberta, at which time if this jurisdiction were to follow provincial practice a bill would be sent from the Northwest Territories government to the trucking companies for the difference. If our rate is the same as another province or is lower, then we get the benefits of the provincial tax rate on the fuel that has been purchased in another province and consumed in the Northwest Territories.

THE CHAIRMAN (Mr. Fraser): Did you want to follow that up, Hon. David Searle?

Agreement To Remit Tax

HON. DAVID SEARLE: I just can not believe that the province of Alberta -- what Mr. Mullins is saying is that they will remit us tax which they have otherwise been collecting and retaining onto themselves. Is that really not what he is saying?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, this is the arrangement the provinces have agreed to among themselves for interprovincial trucking. There have been a number of conferences on trucking, a number on taxation and this is one of those agreements that has been worked out among the provinces.

THE CHAIRMAN (Mr. Fraser): Thank you.

HON. DAVID SEARLE: I want to be sure on this, Mr. Chairman. Assistant Commissioner Mullins is saying then, so long as our price is lower than Alberta and since there would not be any purchase here, therefore, to cause an increase in price, that is, a freight rate increase, in other words, the only time you are going to pass on the cost is for some dreadfully unforeseen reason they had to buy any of our product. Assuming they continue to buy all their gasoline in Alberta or diesel fuel that brought them in and out of here, then we really get in effect money for nothing? That is really what he said I think.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, that understanding is correct. Again limited to situations of interprovincial trucking.

HON. DAVID SEARLE: Yes, but dealing with the other aspect of course where we are proposing increases in gasoline from 14 cents to 19 cents for intraterritorial trucking, there will be an increase in freight rates. Then if our own truckers were to reflect that increase this presumably would make them even less competitive than they already are with the interprovincial truckers.

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

HON. DAVID SEARLE: Does that follow? I phrased it as a question but I think that is the result, is it not?

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

ASSISTANT COMMISSIONER MULLINS: If I understand your question correctly, if a company operating in the Northwest Territories providing transportation services in the Northwest Territories, will be faced with an increase? That is correct.

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

Aviation Fuel Tax

MR. BUTTERS: This is just a recommendation we are discussing, Mr. Chairman, and I guess this Legislature increasingly accepts responsibility for governing the territories and the taxing of northern peoples is something you have to take a look at. However, I think that the principle of taxation is we should tax those who have it in the main. I am disturbed relative to Schedule A.I., the aviation fuel tax. It is a minimal amount but it would strike me it is almost being added to the aviation fuel to get rid of the half cent and bring it up to the three cents and then it remains at three cents. This tax, especially the tax on charter aircraft serving small communities is totally and fully passed on to the user. I would say if you are going to round off the figure, they would have rounded it off in a downward fashion rather than an upward fashion because it will be the people in small communities who pay this tax, not the air charter operators. If they want to tax the scheduled airlines running in the North, that is okay, but I think the people in the settlements are paying a fantastic seat cost mile already and I would like Assistant Commissioner Mullins' comments.

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

ASSISTANT COMMISSIONER MULLINS: I have just done a fairly quick calculation on a real instance. The consumption for a DC-4 aircraft is very close to one gallon per mile, the consumption is in the area of 200 gallons per hour for a DC-4 aircraft. The effect of this tax would therefore be one half cent per mile on a ton-mile basis because a DC-4 carries approximately ten tons, it would be one-twentieth of one cent per ton-mile or, because DC-4 rates are in cents per pound and not cents per ton, it is not a formidable cost to an industry. Fuel costs represent something under, or something in the neighbourhood of one third of costs and this would increase that one third of the cost by about two thirds of one per cent. So, it is a fairly small increase, Mr. Chairman.

THE CHAIRMAN (Mr. Fraser): Do you want to follow that up, Mr. Butters?

MR. BUTTERS: Yes, I do. I realize that the amount is minimal and I think if they rounded it off they should round it off to two cents rather than increase it because as I say people in the smaller communities, and I may be wrong, but they are paying possibly 45 cents per seat-mile and that is an extremely high rate.

Domestic Fuel Oil Costs

The other item I wish to raise on that schedule is the domestic fuel oil costs. I realize that has not been changed but it seems to me, and I could not find it in the debates, that there was some reference made to the fact that in the Yukon there is a rebate for owners of their own homes, for people who own their own homes, and I was just wondering whether Assistant Commissioner Mullins has given consideration to possibly using this as a method for assisting home ownership. Would the administration costs be too high to contemplate it, that is to reduce the tax to zilch on homes owned by the individual occupant, when residing in them?

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Butters. Assistant Commissioner Mullins, do you wish to reply to that?

ASSISTANT COMMISSIONER MULLINS: I can not comment knowledgeably on what the impact on our administrative costs would be. I think that one could take either of two groups, either the home owners or people who are paying their own domestic heating bills. I do not think the cost of a rebate program would be prohibitive. Now, it would be fairly high in relation to the amount of tax rebated but I do not see it as prohibitive.

MR. BUTTERS: Perhaps Assistant Commissioner Mullins when he is considering this further might consider that and see if there is any feasibility at all in the two suggestions made.

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

MR. STEWART: Mr. Chairman, I wonder, in view of the discussion we have had to date, if we go back to the first page of this paper, under "Implications" it says here, "The Northwest Territories fuel distributors will increase their sales because truckers will not realize an advantage by purchasing large amounts of Alberta fuel for travel in the Northwest Territories." That statement can not possibly be correct because the base price in High Level, Alberta, even with your tax and everything else is still cheaper so that statement must be incorrect. Would you agree?

ASSISTANT COMMISSIONER MULLINS: I would agree that that statement is incorrect.

MR. STEWART: The same for the next one: "Northwest Territories base trucking firms will be more competitive with Alberta haulers since their fuel costs will be the same." That statement is incorrect.

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

MR. STEWART: We are looking at a trucker coming in from Alberta who can get his fuel at High Level or wherever he wants to.

Clearing House Arrangement

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, Mr. Stewart is correct on both points and I have been trying to very quickly assess the reasons for him being correct on those points. It relates to some confusion in the report for which I apologize, which relates to an earlier form of working this agreement. The discussions earlier in the provinces as I understand them involved the collection of taxes from truckers while passing through the provinces and this particular item was superseded by the clearing house type of arrangement which I mentioned earlier. The point is very valid, Mr. Chairman, there are some inconsistencies in logic in the paper, but the comments that I made with respect to the clearing house arrangement are correct. The comments with respect to the relative attractiveness of purchasing fuel in the Northwest Territories vis-à-vis Alberta are incorrect.

THE CHAIRMAN (Mr. Fraser): Mr. Stewart, do you want to follow that up?

MR. STEWART: I believe the proposals are very far reaching in effect and there appears to be enough wrong with this paper, obvious mistakes that I would suggest that we report progress and ask for another paper at the next session so we can deal with the matter when we have all of the facts correct.

THE CHAIRMAN (Mr. Fraser): Hon. David Searle, did you want to say something first?

HON. DAVID SEARLE: I agree with Mr. Stewart's suggestion but in addition there is something here that is misleading and that is if you look to the table which says, "Comparison of provincial petroleum products taxes", and if you look at that you say, "Oh, that does not look necessarily all that bad", but in terms of the cost of fuel products or petroleum products the tax is only one part. I would like the table to show the comparison of provincial petroleum products retail prices, including taxes. In other words I do not think you can sit here as a legislator and look at the tax component of a product, you have to look at its total cost to the user. My fear is that not only is there a very substantial gap right now between what people pay elsewhere and what we pay, but you add on this additional tax, plus what you can reasonably expect the retailer to add on to keep and maintain his profit margin, and some of the comments Mr. Stewart has made, particularly with respect to our own carriers being less and less competitive and the cost of freight rates intraterritorially going up, would probably show a greater impact.

The Price Of The Product

So, if we are going to re-do the paper which I think we obviously should, let us show the price of the product not just the tax.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. David Searle. Do you want to put that in the form of a motion, Mr. Stewart?

MR. STEWART: While it is on the floor, Mr. Speaker, possibly other people would like to have some input into it at this stage but as far as I am concerned I think it should be done and I would make a motion at that time but I do not want to cut off any speakers.

THE CHAIRMAN (Mr. Fraser): Is there anybody else? You have heard Mr. Stewart's comments. Hon. Dave Nickerson.

HON. DAVE NICKERSON: One very brief observation, Mr. Chairman. Whenever a proposal to increase any kind of tax comes before this Legislature, people invariably look at it with dismay and it appears to me that what we are doing here is asking for more and more and more government services all the time. I notice just during this session numerous suggestions are being made that would increase government expenditure, that would need an additional staff to be hired. For instance a lot of these are very good and I do not disagree with them at all,

such as the proposal to pay increased pensions to old age pensioners, that is a very good suggestion. Unfortunately it costs money to do those kinds of things and we can not on the one hand demand more, more and more of government and on the other hand, be prepared to pay less and less and less in taxes. This is what this type of thinking has got, on the federal scale, is the cause of inflation which has been taking place in the country over the past few years. So, I think that if we do turn down these proposals, which we have every right to do, then at the same time we should think about trying to find out what services, at the same time we should cut out.

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

The Assembly Has No Authority

MR. STEWART: What Hon. Dave Nickerson says is undoubtedly correct if this were a provincial legislature, and if our mineral rights and everything belonged and were under the discretionary rights of this House. The Government of Canada said no, the Northwest Territories belongs to all of the people in Canada and therefore my reply to you, sir, is that it is up to the people of Canada to look after us until such time as they are prepared to let us run our own affairs and tax ourselves and do the thing properly.

However, under the present system that we have now, and the cost of living in the territories being what it is, the amount of tax that we can accept on the two or three things that we can tax, liquor and fuel oil, surely to God there must be some stopping in these two items, there is a maximum we can reach. So, I do not feel bad at all asking for more until such time as the federal government is prepared to let us run our own show and be a provincial House and then we have that responsibility, but at the present time I do not think we have.

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

DEPUTY COMMISSIONER PARKER: Mr. Chairman, we are indebted to Hon. Dave Nickerson for stating the position of the Executive so clearly. There is no question that we ask for more and more, with an ever-rising budget, but with very few moves to pay for these services ourselves. There is an element of truth in what Mr. Stewart says but I am afraid only an element of truth. If the federal government were, tomorrow, to turn over all of the revenue that it gets from the royalties on mining, and the fees charged at airports and all of those sorts of things, and were to declare us a province, we would be so stony-broke that we would run for cover.

We are all anxious to see steps in the political sphere, there is absolutely no question about that, but let us not kid ourselves that the population that exists in the Northwest Territories today, and with the economy developed, or perhaps I should say underdeveloped to the extent that it is, that we could possibly live within our means. That does not mean we should not take steps and take major steps, but I think every once in a while we have to understand that the people in the South are going to one day say, "Nay. If you are not paying as much for your licences, if you people in the North are not prepared to pay a similar level of taxation on the things that we people in the South pay ..." then those people in the South are going to one day say that they will draw the line on it. They have not done that yet, but we might just be treading on their good will.

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

Revenues From Mining

MR. STEWART: I would indicate that the Deputy Commissioner has the figures for the revenues from mining and all of the various things that the federal government controls in the Northwest Territories. If my memory serves me right, this House

has asked them on several occasions for those figures and, if they are available, could they be produced for the House and then we would know where we stand? My understanding is that to date these figures have not been forthcoming so you can not have it both ways. If this is the truth, then we should have these figures here before us and if it is not the truth, then we should know that too, but we do not know. At least I do not know. We have asked for them and have been told we can not have them. Your argument I am inclined to probably believe but until the figures are produced in this House, sir, I will have to say that has to be a personal assumption.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, it has been difficult at times to get the figures to which Mr. Stewart refers. However, I do believe that the figures on royalties collected and income taxes collected are available and I will immediately seek to obtain them and make them available.

THE CHAIRMAN (Mr. Fraser): Thank you, Deputy Commissioner Parker. Anyone else who wishes to comment on Recommendation to the Legislature 1-61?

HON. DAVE NICKERSON: I have a very brief question which is a legitimate question. Most of our trucking companies will be competing with trucking companies based in Alberta and I see in this table that Alberta, presumably because it is one of those very fortunate provinces that have a lot of revenue, have very low rates. I wonder if in these discussions which have been taking place between the various provinces, whether any pressure has been put on Alberta to raise their rates so that they become in line with those charged in the other provinces?

THE CHAIRMAN (Mr. Fraser): Does anybody care to answer that one? Assistant Commissioner Mullins.

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, to my knowledge no pressure has been placed nor would it likely be effective in an interprovincial series of meetings.

THE CHAIRMAN (Mr. Fraser): Thank you. Any other comments on Recommendation to the Legislature 1-61? If there are no further comments, I wonder if Mr. Stewart would like to bring that motion up?

Motion To Update Recommendation To The Legislature 1-61

MR. STEWART: Mr. Chairman, I would move that this paper be returned for updating and to bring in the facts and figures that we have requested for the May sitting.

THE CHAIRMAN (Mr. Fraser): To the motion? Seconder? Hon. Dave Nickerson.

HON. DAVE NICKERSON: I do not think we need a seconder in committee, Mr. Chairman. I did not quite get that. Was the motion saying that this paper was to be brought back at the May sitting?

THE CHAIRMAN (Mr. Fraser): That is what he said.

HON. DAVE NICKERSON: I do not think that is necessary, Mr. Chairman. I think the information can readily be compiled. You know, this is just a deliberate attempt on the part of the Honourable Member for Hay River to delay the proceedings, to delay the necessity of making a decision one way or the other. I can see that very valid points have been raised at this time and further additional information is required and certain information is probably not quite right and needs to be redrafted, but I do not think there is any necessity of dragging it out purposely that long.

Amendment To The Motion

I would move an amendment to that motion to delete the reference to bringing it up at the May session. Let us get it over with now.

THE CHAIRMAN (Mr. Fraser): Maybe we could ask Assistant Commissioner Mullins if corrections could be brought before this session or would that give you enough time?

ASSISTANT COMMISSIONER MULLINS: It would be possible to do this, Mr. Chairman, by Monday of next week.

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

MR. STEEN: Mr. Chairman, I think perhaps we will probably need some information on the page where it says the first price or retail price of fuel in the Northwest Territories, the first price is the average retail price in settlements serviced by government and I see gasoline here in settlements is \$1.09. Am I right? I know in some communities now they are getting gas for 85 cents. I do not quite believe that the average price would be \$1.09 retail in settlements serviced by government.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Steen. I think, Assistant Commissioner Mullins, what he is referring to is the settlements serviced by government subsidy.

Average Price Of Gasoline

MR. STEEN: Yes, they get a lower rate than Inuvik does or Yellowknife and I think it is the policy of this government to furnish fuel or gas to settlements at no profit margin. For instance, Tuktoyaktuk gets their gasoline for 85 cents and there is not tax on it. What I am trying to say here is that I do not believe that \$1.09 is the average price. I just would like to see some information on that.

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I would be pleased to develop that information. I should point out that the prices of products in communities serviced by the Norman Wells refinery, including Tuktoyaktuk, tend to be higher prices than those communities which are serviced by sealift out of eastern Canada or out of Churchill. I think the prices in the communities in the Baffin and Keewatin regions are in this order of magnitude. I will check that out for you, sir.

THE CHAIRMAN (Mr. Fraser): Thank you, Assistant Commissioner Mullins. Mr. Lyall.

MR. LYALL: Mr. Chairman, if Assistant Commissioner Mullins is going to be checking on fuel prices I think it would be only right that we do have cat gas prices, gas prices and diesel prices for the Central Arctic. In Pelly Bay I think right now, for your gas you are paying \$3.50 a gallon for gas in Pelly and \$1.45 a gallon in Cambridge. I do not particularly see where your average price can be \$1.09. Diesel, for instance, is \$1.37, or something like that in Cambridge Bay. If you could get average prices for those settlements, I sure would appreciate it.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Lyall. Assistant Commissioner Mullins you will have the information for the House later on. To the motion. "I move that this recommendation be returned for updating and to bring the figures and facts that we have requested for the May session." Do you still want to leave the "May session" in there?

MR. STEWART: That was my motion and I understand the amendment was by Hon. Dave Nickerson.

Concerning Price Increases

MR. LYALL: Mr. Chairman, I do not think Assistant Commissioner Mullins personally has enough time in this Assembly session to get all the details for this. The thing you have to look at, I think, is that you have to look at over-all prices when you start looking at fuel prices. In Pelly Bay, I am speaking of it most of the time because if you go to Pelly Bay, corned beef, which is smaller than this, like that -- you pay \$3.50 for it. I think you should start looking real closely at the prices we are talking about. When you increase prices I do not give a darn where you are. The price of food, clothing and everything is going to go up. The thing is I do not really know how the system works but I know what kind of prices we pay at home. When you start paying five or six dollars a pound for steak, that hurts like heck when you make \$600 a month.

THE CHAIRMAN (Mr. Fraser): We are just talking about gas prices now.

MR. LYALL: Gas prices are relevant because transportation costs go up when you raise gas prices and your prices go up and everything goes. So I think that I personally would support Mr. Stewart's motion to bring this back and to look at everything very closely before it is brought back to this Assembly.

THE CHAIRMAN (Mr. Fraser): Thank you, Mr. Lyall. Do you want to comment on that, Assistant Commissioner Mullins? Mr. Lyall does not think you have enough time to bring this back to the House before the session is over.

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, Mr. Lyall is correct in saying that I, personally, would not have enough time to do it by Monday but I assure you I can make staff available to prepare those figures on my behalf. I can bring it to this House on Monday.

THE CHAIRMAN (Mr. Fraser): Thank you. Hon. Dave Nickerson, you had an amendment on the floor. Do you still want to amend it?

HON. DAVE NICKERSON: That is correct, Mr. Chairman. The amendment is that the reference to the May session be deleted from the motion proposed by Mr. Stewart.

THE CHAIRMAN (Mr. Fraser): To the amendment. Mr. Stewart.

Effect On Trucking Industry

MR. STEWART: These suggestions could have such far reaching effects that I do not see how they are going to be able to deal effectively with it by Monday. I would like the opportunity of just checking out and seeing what effect this is going to have on the trucking industry in the area I come from and get some comments from people in the field to give me some further explanation. I am not a trucker by trade so I would like to have the time to be able to look into this and certainly the amount, the percentage that is being requested here as increases, as far as tax is concerned, is way over and above percentagewise what the Anti-Inflation Board would allow related just to tax.

There are many complications to this and to do it properly I think we should at least have a little more time than two or three days. If the paper had been produced properly to begin with, then we would have had it in our hands and could have had a look at it but it is obvious from our discussions today that many facts stated in here as facts, not suppositions, but facts, by the administration now are wrong, completely wrong. So, surely if this is the case then this paper has not been produced well and it should be thoroughly done and I suggest you can not do it thoroughly by Monday so I would oppose the amendment.

THE CHAIRMAN (Mr. Fraser): I recognize the time as 3:00 o'clock p.m.

HON. DAVE NICKERSON: I have a brief comment.

THE CHAIRMAN (Mr. Fraser): Mr. Lyall is ahead of you. So, I will recognize him after the 15 minute coffee break.

---SHORT RECESS

THE CHAIRMAN (Mr. Fraser): The Chair recognizes a quorum and calls the committee back to order. Recommendation to the Legislature 1-61, Mr. Lyall, to the motion.

MR. LYALL: Could I just wait for a few moments as I think Hon. Dave Nickerson was going to speak and I will let him speak first.

THE CHAIRMAN (Mr. Fraser): Hon. Dave Nickerson has an amendment to the motion.

MR. LYALL: The only reason I would not support that amendment is because of the fact of what I spoke of before and I believe that everybody in Yellowknife, the only thing I hear them bitching about is the price of carvings, but bringing the price of fuel and gas up again, instead of doubling it in the settlements, the price from the settlement to Yellowknife would triple for carvings. They already triple the price anyway when they come to Yellowknife and so raising the price of fuel and gas at the present time, you would have to pay 400 or 500 per cent for your carvings higher than what you are paying now.

THE CHAIRMAN (Mr. Fraser): I do not think that was relevant to the motion but I think it was okay.

---Laughter

MR. WHITFORD: Mr. Chairman, the only question I have got to ask Assistant Commissioner Mullins ...

THE CHAIRMAN (Mr. Fraser): To the amendment, we have a motion on the floor.

MR. WHITFORD: Speaking to the motion, if in fact they could check the price of fuel for consumers who are not under the low rental housing program as indicated in here and if the few people who are having to pay the high price of fuel in the communities, if it could somehow be adjusted so that these people could go under that kind of a deal or bargain with the government, just purchasing fuel from the government, that is what I am trying to say.

THE CHAIRMAN (Mr. Fraser): Thank you. Hon. Dave Nickerson, you had something before coffee break and you wanted to speak to the motion.

Amendment Withdrawn

HON. DAVE NICKERSON: That is correct. I listened very intently to the great eloquence of the Honourable Member for Hay River and I must admit that he persuaded me, Mr. Chairman. It took some doing but he persuaded me and I think in that case I would withdraw my amendment to his motion but, at the same time, I would request of him when he visits all his constituents asking them their opinion of the proposed increases in petroleum tax, he might at the same time briefly mention the Laing report on workers' compensation to them.

THE CHAIRMAN (Mr. Fraser): Thank you, Hon. Dave Nickerson. To the motion, anybody else to the motion: I move that this recommendation be referred back to the administration for updating and to supply the figures and facts we have requested for the May session.

SOME HON. MEMBERS: The question.

Motion To Update Recommendation To The Legislature 1-61, Carried

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

---Carried

Is it your wish that I report progress?

---Laughter

---Agreed

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

Report of the Committee of the Whole of Recommendation to the Legislature 1-61, Petroleum Products Tax Ordinance

MR. FRASER: Mr. Speaker, your committee has been discussing Recommendation to the Legislature 1-61, Petroleum Products Tax Ordinance and this ordinance has been referred back for further facts and figures.

MR. SPEAKER: Thank you, Mr. Fraser. Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, I would propose that we go into Sessional Paper 1-61, Devolution, a discussion paper.

MR. SPEAKER: Mr. Stewart, will you take the chair on Sessional Paper 1-61?

MR. STEWART: Yes.

MR. SPEAKER: This House will resolve into committee of the whole for discussion of bills and other matters, specifically Sessional Paper 1-61 on Devolution, with Mr. Stewart in the chair.

---Legislative Assembly resolved into Committee of the Whole for consideration of Sessional Paper 1-61, Devolution, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER SESSIONAL PAPER 1-61, DEVOLUTION

THE CHAIRMAN (Mr. Stewart): The committee will come to order, the small book with the red binding. Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, I would ask that Assistant Commissioner Mullins and Mr. Creery appear before this House this afternoon.

THE CHAIRMAN (Mr. Stewart): It has been suggested we call two witnesses, is it agreed? Are we agreed?

---Agreed

Call Assistant Commissioner Mullins and Mr. Creery please. Mr. Minister, how would you propose to deal with this paper? Would you like a general comment from the witnesses to begin with?

HON. PETER ERNERK: Yes, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): If the witnesses would care to give us a statement on the paper, Devolution.

ASSISTANT COMMISSIONER MULLINS: Thank you, Mr. Chairman. This paper represents a tactical outline as to how the administration proposes to implement the kind of process recommended by the Commissioner and announced to this House in the January session of 1976, the October session of 1976 as well as this session of the Legislature.

Mr. Chairman, the mechanism which has been chosen by the Government of the Northwest Territories to deal with communities, as to how they might devolve their several responsibilities, is to use a consultative approach by which the government will address communities on the basis of asking them what it is they want to do in the communities in order to have a greater influence over those kinds of public functions or government activities, be they territorial or of a

municipal type which takes place in their communities. In other words, what we are attempting to do is to the greatest extent possible, and as openly as possible, to ask communities what it is they want to do rather than to make certain assumptions about what they want to do and implement programs based on those assumptions. This paper outlines in a very general way some of these historical features leading to the kinds of local government we find in communities in 1977, and proposes also, in a very general way, a process by which the government will sit down with those communities to discuss their future.

Mr. Chairman, we have basically gone to the process here of saying "Tell us what it is you want to do, what you would like to do in your own communities, and we will sit down as openly and honestly as we can and try to resolve with your community the issues that you consider of importance to yourselves."

The Consultation Process

Mr. Chairman, we feel that the consultation process is the best process to use, but we also recognize that the process itself has certain risks, and it is the responsibility of the vice-chairman and myself, as well as other members of this committee to take special measures to minimize those risks.

The basic risk that I am talking about is the risk of developing excess ambitions or excess optimism in communities as to what they might be able to do. There is obviously a limit to what individual communities can handle, and there is obviously a limit to those kind of functions which certain communities might be able to handle and the administration feels that we have to take into account those factors in our activities. So, we have a risk of creating expectations that we may not be able to fill, but we feel that we can carry out a process of consultation with communities which is meaningful and significant to them. We feel that there are risks involved in doing so, and what the administration is saying is that it is prepared to take those risks. The process, Mr. Chairman, as basically outlined here is to have consultation with communities in such a way that they raise with the administration the issues of the kinds of things that they would like to do as a result of the issues in the community, as the community sees them, not as the administration sees them.

Mr. Chairman, there is also a second component in this exercise which has not been dealt with at length in this paper, but which is very much related to it, and I would appreciate the opportunity to speak for just a couple of minutes on that second feature.

Decentralization Of Responsibility And Accountability

The second feature deals with the decentralization of responsibility and accountability within the Government of the Northwest Territories. This is a parallel exercise by which we, as a government are asking directors and regional directors, as well as headquarters staff and regional staff to streamline the decision making process in government. So, when we talk of civil servants within the Northwest Territories, about the exercise of decentralization, what we are basically hoping to do is to allow more decisions to take place in government operations, closer to the people that are affected by those decisions. I referred briefly to some of the forms of decentralization that affected the Department of Finance and, as we are proceeding on a consultation basis with directors and regional directors, and their respective staffs, we are making similar kinds of efforts to move the locus of decision making on as many issues as possible from our headquarters department to our regional staffs in the four regional offices, and from the regional staffs to other areas more close to the people affected by decisions.

Now, that is a process that is not one that takes place in a week or a month, and is not one which affects all government departments on the same day, but it is a process which is now under way and which is generating a great deal of co-operation within our organization to help to make it run a little more smoothly. Those remarks, Mr. Chairman, conclude my opening statement.

THE CHAIRMAN (Mr. Stewart): Thank you, Assistant Commissioner Mullins. Mr. Lyall.

The Central Arctic, A Region By Itself.

MR. LYALL: Mr. Chairman, just a short question to Assistant Commissioner Mullins. In this decentralization are you looking at making the Central Arctic a region by itself instead of being so much with the southern Fort Smith region which I spoke of the other day? I think the programs are more southern oriented than they are to our ways up in the Central Arctic. I wonder if it is part of the decentralization that the Central Arctic would be a region by itself. I think it is big enough to be a region and I have talked to quite a few people up in that country on it and they feel it should be a region by itself because they figure that they do not get the attention that they would like to get in such things as services and so on, that they always come second rate.

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

ASSISTANT COMMISSIONER MULLINS: There is no specific move at this time, Mr. Chairman, to make the Central Arctic a separate region within the regional structure of the Government of the Northwest Territories. Cambridge Bay, as the major service centre for the government in the Central Arctic area, is an area service office at the moment and we are attempting to strengthen the role of that area service office. We are doing it in a number of ways. In the Department of Finance, for example, we are proposing to put within the next year a revolving fund warehouse up there so supplies are more readily available, etc., but at the moment there is no specific move to make it a region separate from the Fort Smith region.

MR. LYALL: Have you talked about this in the future, making the people closer to where the decisions are going to be made? I think with Fort Smith being our agent, devolution would not have much effect, not as much as if we had a region there. I know there is a regional office and I know that Finance has been talking for the last five years about going into Cambridge Bay but the thing is it has not been done yet. Has it been thought of, making Cambridge Bay and the surrounding area into a region by itself?

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the answer to that question is at this time we are not planning to make the Central Arctic area a separate region. We are aware of the issues raised by Mr. Lyall but we do not yet have enough confidence that the benefits of moving in that direction would bear a reasonable relationship to the cost of doing so.

THE CHAIRMAN (Mr. Stewart): Thank you.

MR. LYALL: I would like to put a motion on the floor in that case, if I may get some help from the Legal Advisor to make a motion. I would like to make a motion.

THE CHAIRMAN (Mr. Stewart): The Legal Advisor can go to your seat and give you some assistance and I will proceed with another speaker. Mr. Steen.

Meetings In The Communities

MR. STEEN: Mr. Chairman, one question to start off here. I personally think that the idea of devolution is a good one and I think -- I am led to believe, anyway, that it is the policy of the Liberal government. I have heard it coming from Ottawa but the only thing I would like to do is take a crack at the Minister here of Indian Affairs. He sure as heck is not following that policy. He is not listening to the local people in the country, the local boards, local community councils. The question I would like to ask really is, what type of meetings would you be intending to take place in the communities. Would it be meetings with local councils or would it be general public meetings, open meetings?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, it is our intention to respond to the wishes of communities and to conduct meetings of a kind that the community would wish to have. Under normal circumstances we would envision that the community council, be it a hamlet or a settlement, village, etc., would make the first approach to us. I am also confident that in some cases the hamlet or settlement council would want to have the discussion in a public meeting rather than one simply limited to members of council. So the answer to the question in very short form is both, public meetings as well as council meetings.

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

HON. PETER ERNERK: Mr. Chairman, perhaps Assistant Commissioner Mullins or Mr. Creery could correct me to see if I am right. The whole idea of devolution as I take it is to -- I think you suggested it, Assistant Commissioner Mullins, during your opening remarks -- is to follow the lines of the Commissioner's philosophy when he opened this Legislature about a year ago and said that various kinds of programs would be transferred to the communities from this government. As I take it I am not sure whether we are really talking about setting up one or two more regions in the Northwest Territories. I think what we are really talking about is to see what sort of programs can be handled at a community level. In other words, take a look at, for example, let us say the corrections field in Frobisher Bay. That kind of a program can be transferred to the community of Frobisher Bay and looked after by the local people so really what you are looking at in your committee is to see what kind of decisions can be made with respect to various projects, government projects, government operated projects and these types of things. Am I correct?

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

Advice From The Communities

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, that is correct. We see a number of different kinds of activities involving communities flowing from this process and I will just talk about these things in a generic way. It may be the communities will want to provide greater advice either in an informal way or a formal way to activities in communities now directly carried out by the Government of the Northwest Territories. Therefore, a stronger advisory role in some areas may help communities respond to this exercise.

A second form would be for communities which wish to administer directly programs of a kind now carried out by the Government of the Northwest Territories in their communities. Successful response by the government to a request from communities could be actually to transfer a program to a community and it would be operated in basically the same way as the program is now being carried out.

A third function could be where a community would wish to take over a program and not run it in the same way as it is now being run but run it in a different way. That community would have an option not only to accept responsibility for programs now being carried out, but to initiate some policy change to redirect them and manage them on that new basis. These generically are the three kinds of alternatives that we see flowing from the activity of this committee.

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

MR. BUTTERS: Mr. Chairman, I still have reservations about the word "devolution". I would much prefer to see it described as "decentralization".

THE CHAIRMAN (Mr. Stewart): Another Member has a reservation, Mr. Butters.

Terms Of Reference

MR. BUTTERS: Yes, I know about your motion. I think the definition I heard the Honourable Minister of Economic Development give, to see what kind of programs can be handled at the community level is a very understandable initial and prime term of reference for such a committee. I am concerned about one of the terms of reference that is included on page five which says: "(c) to recommend changes as a result; including changes to, or development of, political structures." And I think we have had about enough of territorial government political tinkering. We have people confused with so many options that they will just reject the whole darned works. We have had enough political tinkering and that (c) disturbs me no end.

It is doubly disturbing when you equate it with the statement on the bottom of the page that says, "I have great hopes that this committee will be able to propose, initiate and monitor changes in the relationship between people and their government." "Propose" I understand but "initiate" means to set up and monitor. This committee recommends changes in political structures, proposes to initiate and monitor changes in those political structures and I think this aspect of the committee has very far reaching ramifications and implications and I would hope that they tread on that path with a great deal of care. Hon. Peter Ernerk said, see what sort of programs can be handled at the community level. Fine. Let us stay out of politics.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Butters. Any comments, Assistant Commissioner Mullins?

A Process Of Consultation

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I am sorry, I was just waiting for the microphone to come on. Mr. Chairman, we are sensitive to the concerns of Mr. Butters and I think it fair for me to reiterate that our process is one of consultation, to ask communities what they themselves would like to do. The whole process that we are using is one not of proposing and initiating but one of listening and helping to articulate the wishes of certain communities in a way that the Executive Committee of the Northwest Territories government can handle them and if changes in legislation are required, to draft bills for presentation to this Legislature to accommodate those changes.

What we are saying particularly here is some communities are suggesting there may be ways of integrating items that may be handled in different ways. For example, Mr. Chairman, in some communities we now have a settlement council, an education advisory committee, a hunters' and trappers' association, a social assistance appeal committee and for different kinds of activities other committees have been established. Mr. Chairman, we would hope that if the representatives of communities wish to have some form of streamlining of the administrative or political bodies in their community, that we would have the capacity and the flexibility to accommodate their requests of this type.

I think it is fair to say, Mr. Chairman, that the process of the committee will not be to go out and propose to communities changes of this type. What we are doing is predicting that these kind of changes may be requested, and if they are requested then it would be our responsibility as a committee to propose those changes to the Executive Committee and, through the Executive Committee, if new legislation is required, to propose those changes through a bill to this Legislature.

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

MR. BUTTERS: No, thank you.

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

HON. DAVE NICKERSON: I am afraid you had me lost there, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): You have been lost for quite some time, Hon. Dave Nickerson.

---Laughter

Other Matters Concerning Devolution

HON. DAVE NICKERSON: There is one point I wanted to make with regard to the paper before us and, please correct me if I am wrong, but it would appear to me that all this paper says in effect, after a historical review, is that a committee of the administration will travel around, settlement to settlement, community to community, in the Northwest Territories to hear the views of the local people on the subject of devolution, and through reading the paper that is primarily what I get out of it. I know that Mr. Creery and Assistant Commissioner Mullins have been engaged in work on the subject of devolution for some time and it would appear to me that they must, during that time, have given some attention to other matters than just that of coming up with the recommendation embodied in the paper. So, I wonder if they have anything up their sleeve, if they have anything else in mind, because I am sure that they must have done quite a bit of work in the meantime.

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, the major activity that related to devolution in the sense that we are using it here, and that is the transfer of responsibilities on a basis to be negotiated but at the wish of communities has been very limited, it has been limited largely to this paper, and an attempt to make the philosophy of this paper fairly well known to the staff of the Government of the Northwest Territories. The major activities of myself and Mr. Creery in terms of time and in terms of specific progress, have been in the area of delegation of responsibility and authority within the Government of the Northwest Territories.

So, most of my activity personally has been involved in the question of decentralization within the Government of the Northwest Territories, and the major efforts related to the question of the relationship with communities have been in the development of an approach or the development of a process as opposed to specific suggestions as to what programs might be considered or which programs should not be considered.

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

Decentralization In The Mackenzie Valley

MR. FRASER: I think, Mr. Chairman, that my question was answered by Hon. Dave Nickerson's question, but I would like to bring something up on this paper on devolution. In 1966, and I may mention it was 1966 when the territorial government took over in the Central and Western Arctic and the Mackenzie Valley. At that time they had, or did not have, a department set up to decentralize to these different communities but some of those communities are already looking after themselves. One thing that, I think it was Local Government, was quick to do as far as devolution was concerned was to hand over the collecting of rents from low rental houses and they got out of that pretty fast. If they can get out of something that they are doing that fast, I think they should have been working on other ones as soon as that one was completed, but that was completed some time ago.

I would just like to ask Assistant Commissioner Mullins how much further they are going to go with devolution or decentralization in the Mackenzie Valley where they already have the communities run by the people, the local people, with the exception of Fort Good Hope where there is just one settlement manager? Are they just going to leave those places the way they are or are there other plans for those specific settlements?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, I wish to emphasize that we have no specific plans for individual communities but if I just might I could use some examples of changes that might take place in a Mackenzie community.

Under The Direction Of People In The Communities

Mr. Fraser was quite right when he indicated that the government activities by and large are carried out in most Mackenzie Valley communities, by residents of those communities, but for many of the communities it is carried out by local residents who are employees of the Government of the Northwest Territories, and who take their direction from our regional offices, from the regional superintendents of a program nature in a community. For example, the social welfare officer in Fort Good Hope is a resident of the community of Fort Good Hope and with that we are very, very pleased. At the moment, that individual takes her instructions, her guidance in all matters, from the superintendent of Social Development located in Inuvik. That might be one area, and I just use that as an example, it is not something we are proposing, but I use that as an example, whereby a community may wish to say "Why can not that function or other functions be carried on in our community be people in our community under the direction of people in our community?"

MR. FRASER: Mr. Chairman, further to my question and to his answer, he said that the government people now in the field take their instructions from headquarters or from the region. I was of the understanding that a settlement manager who was placed in a settlement to help the people decentralize took his orders from the settlement council, and now I understand they take their orders from the district or the region.

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

ASSISTANT COMMISSIONER MULLINS: It really varies on the type of function you are talking about. At this moment -- and I use this as an example -- settlement councils represent the "bosses" of settlement secretaries, they work closely with settlement managers, but in terms of policy direction, etc., the settlement council does not have a major role to play in areas affecting social welfare.

MR. FRASER: Nothing further, Mr. Chairman.

THE CHAIRMAN (Mr. Stewart): Thank you. Mr. Lyall, are you prepared to proceed with your motion?

MR. LYALL: Mr. Chairman, it has not been passed around yet.

THE CHAIRMAN (Mr. Stewart): All right. You have spoken before and until you come up with your motion I will deal with people who have not spoken yet.

MR. LYALL: Is that my motion? Can I make it now?

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

Motion To Establish The Central Arctic As A Region

MR. LYALL: The motion reads as follows: I move that this committee recommend to the administration that, in implementing the devolution program, consideration be given to establishing the Central Arctic as a region as soon as possible.

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

MR. LYALL: Is that an order?

THE CHAIRMAN (Mr. Stewart): Right. To the motion, would you like to speak to it, Mr. Lyall.

MR. LYALL: I think I spoke of just about all I could speak on it when I spoke before I made the motion. It has been for a long time that people in the Central Arctic, not only the people themselves but the people working in the

government, were quite frustrated in going through Fort Smith before they could get to Yellowknife. I think, especially when you are living in a small settlement where you have to go through your region, like in Cambridge Bay you go through Cambridge Bay and then Cambridge Bay has to go through Fort Smith and Fort Smith most of the time, if it is a small community, everything could get lost in Fort Smith before it gets to Yellowknife.

I think the Fort Smith region is too vast, they can not handle everything they have got right out of Fort Smith, and Cambridge Bay being right in the Central Arctic, being the centre of communications, the centre of transportation, it should be a region and headquarters for the Central Arctic region if it was to be formed. I think that it would take the frustration out of trying to do something which if you could do it within a month could have been done right, but now you wait for three months for anything to be done.

Assistant Commissioner Mullins spoke on devolution, that they would try and decentralize part of the administrative staff and I think this would only be right, but the Central Arctic should become a region on its own and, like I said, the frustration would be taken away from the smaller communities if there was work, or anything you could do, would go to head office as quickly as possible and in this way I think it would take away this frustration.

THE CHAIRMAN (Mr. Stewart): Thank you, Mr. Lyall. To the motion. Mr. Fraser.

Ways To Cut Expenses

MR. FRASER: Mr. Chairman, I would like to support Mr. Lyall's motion. I happened to be working in that particular area at one time as an area administrator at Spence Bay, and the expense of flying personnel from Fort Smith with their 500 pounds of tools every two weeks to fix equipment, I think was out of the question. If they had a region of Cambridge Bay which would supply Spence Bay, Gjoa Haven, Pelly Bay, Bathurst Inlet, Baychimo, and maybe some more communities in this region, they are all within maybe an hour or an hour and a half flying distance, and the talk during this session was to try and cut down expenses. If they are in any way trying to cut expenses that would be one way to cut expenses because I think Cambridge Bay should have the necessary office to supply extra staff. If not it would be going in the right way if it did build offices, warehouse space and what have you. But when you get six or seven settlements within an hour and a half flying distance of one central community they should be looking at decentralizing and looking at Cambridge Bay as a region. Thank you.

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

SOME HON. MEMBERS: Question.

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

HON. PETER ERNERK: Thank you. To the motion, Mr. Chairman. The motion is a good one. However, I would have to believe that firstly the devolution committee would come under a separate issue type of thing. However, if the administration is to consider the possibility of giving the Central Arctic regional status, to become a region, then I would suggest that it would be the responsibility of the administration to see whether or not that part of the Northwest Territories should become a region. I do not think that the devolution committee should be involved in terms of suggesting to the administration whether or not the Resolute Bay area also should become a region by itself or for that matter the Central Arctic should become a region by itself.

Amendment To The Motion

I would like to make an amendment to this motion which would read something like "I move that this committee recommend to the administration to give consideration to establishing the Central Arctic region, etc., etc.," because the final decision, of course, as I take it, would have to be made by the Executive Committee itself. This is not very good wording I just put in here.

THE CHAIRMAN (Mr. Stewart): Hon. Peter Ernerk, basically I do not see that in changing the wording you have changed anything really. The motion says "I move that this committee recommend to the administration that in implementing the devolution program which is decentralization ..." It does not say the devolution committee. "... consideration be given to establishing the Central Arctic as a region as soon as possible. Actually what you have said as far as I can see in English means the same thing. You have not changed anything.

HON. PETER ERNERK: If the word "committee" is out, then I suppose it was my misunderstanding of the English language.

Amendment Withdrawn

THE CHAIRMAN (Mr. Stewart): Thank you, Hon. Peter Ernerk. Do you withdraw your amendment?

HON. PETER ERNERK: I guess I will have to, yes.

MR. BUTTERS: In disagreement with your position, I thought Hon. Peter Ernerk's amendment strengthened the motion. That word "devolution" I think is an odd word and it has been tied in with this committee. If it had said the word "decentralization" there, I would have been happier because I would not want to see this particular committee involved in this motion at all so that this requirement would rest upon any of the recommendations. I think they should be excluded from the thrust of this motion and that is why I felt Hon. Peter Ernerk's motion made it quite clear that it would be the administration should give consideration to establish a Central Arctic region. That is very clear and the Executive Committee is in the main Hon. Arnold McCallum, Hon. Peter Ernerk and Hon. Dave Nickerson. I am quite sure that those Honourable Members would give full support to so establishing the Central Arctic as a region. As Mr. Lyall points out, this request has been before this House on many occasions in the past. It has been desired by Members of this House previously and it has not been done. I think we would be not only remiss but it would be quite dangerous on the part of the administration to continue to ignore what is the most legitimate, rational and reasonable request of the Member from the Central Arctic. I support this motion but I think the amendment withdrawn by Hon. Peter Ernerk is stronger.

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

Decentralization Must Come About

HON. ARNOLD McCALLUM: Mr. Chairman, I suppose Members would expect me to say something in terms of this. Let me first of all say that I believe in decentralization. I do not believe that you can decentralize to one particular point and not go further. I think decentralization must come about. That I think is what is intended within the motion and maybe it is, but I do not believe the terms "devolution" and "decentralization" are synonymous in my own mind. I believe that decentralization is to move out into areas more responsibility, that is, to undo centralization. I believe devolution to be a little bit more than that and I would go along with the intent that Mr. Lyall has indicated in that it removes the need to go through some place which is removed from the headquarters. I believe that devolution to a great degree means to not only remove the intermediate step, but quite possibly to

remove the need to go in a lot of cases to headquarters. Devolution and decentralization then in my own mind are not synonymous. Maybe that interpretation of the two terms is not correct. I believe, as I said, in decentralization.

I do not think there has been anybody, either in my present position as a Member of the Slave River constituency or the previous member would go against the decentralization process. If the motion means to bring government closer to the people, then I am all for that but I am still even more so very much concerned with the actual process of devolution in that in my opinion devolution means specifically to give authority, more authority within those regions. I would go along with the motion. I am not against it at all. That may seem difficult to other people why I should like the idea of breaking up the Fort Smith region. I think it was unworkable for a number of years. That is not to say that I believe in the regions. I believe in the region concept.

In terms of the actual paper on devolution, Mr. Chairman, I would have more concerns with some of the statements that are made in that but I would go along with the motion to set up a new region because I believe in decentralizing or undoing the centralization of headquarters.

THE CHAIRMAN (Mr. Stewart): Mr. Lyall, if there are any other speakers, I will come back to you. Anybody who has not spoken?

MR. LYALL: There seems to be some kind of clarification that needs to be made and I would like to make it if possible, sir.

THE CHAIRMAN (Mr. Stewart): Fine, Mr. Lyall. Go ahead.

The Devolution Program

MR. LYALL: The only reason I put "the devolution program" in there was because of the fact I thought I understood very clearly what Assistant Commissioner Mullins said before I made that motion. Along with the devolution program he said that he would try and decentralize his administration, which I thought meant just that and that devolution is giving control to your communities. Decentralization was the administration. That is why I had the word "devolution" in there. With this devolution program I would like to see the decentralization of the administration responsibilities into the regions which I would say would be the Central Arctic region. This is the full meaning that I would like to give. It seems to me that there have been two speakers now and the first speaker at least I thought misunderstood what I was trying to say in this because of the fact that ...

THE CHAIRMAN (Mr. Stewart): Mr. Lyall, the word "devolution" in this dictionary I have here says "The delegating of duty, responsibility, etc., to another". "Devolution is the delegating of duty, responsibility, etc., to another." I do not see anything wrong with the use of your word.

MR. LYALL: Thank you.

THE CHAIRMAN (Mr. Stewart): Mr. Pudluk, you indicated you wished to speak. Is it to the motion or did you wish to speak on generalities?

MR. PUDLUK: Mr. Chairman, I was going to speak on something else but I would like to support this motion, Mr. Lyall's motion. I would like to say something after the motion has been passed.

HON. DAVID SEARLE: My comments were of a general nature, not to the motion, so I will pass.

Motion To Establish The Central Arctic As A Region, Carried

THE CHAIRMAN (Mr. Stewart): Question being called. All those in favour of the motion? Eleven. Passed unanimously.

---Carried

Mr. Pudluk, comments of a general nature.

MR. PUDLUK: Thank you. I will speak in Inuktitut. Mr. Chairman, I would like to say a few words. Some of the material that I have been reading, this is the first time I have seen any of this. I think I feel that this should be given to us earlier to read. The Indian Brotherhood and Inuit Tapirisat of Canada and other native organizations, some of these people have organizations which are contrary to the people and to the government in many ways.

The second point, if this is going to be so, I feel the native people should be informed if they are going to know the problems the people are having. I could tell you all the problems that they are going to be having. That is the question I am asking and I would like an answer. Thank you.

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

The Role Of Native Associations

ASSISTANT COMMISSIONER MULLINS: I think there have been two points raised if I understood the translation correctly. The first point is the role of native associations in this effort, and I am pleased to say that we will be very happy to meet with native associations at their request to discuss mechanisms that will

help to bring the administration closer to the people most directly affected by government programs. The second point, Mr. Chairman, deals as I understand it with staff levels. There will be no increase in the staff levels of the Government of the Northwest Territories as a result of this exercise. The members of the committee, with the exception of Mr. Creery will be serving on the committee on a part time basis. The committee members now include myself as chairman, and for me that is a part time job, Mr. Creery as vice-chairman and for Mr. Creery that is a full time job, and he is filling a position in the Executive offices which was previously assigned to my office and which has been vacated. The other members of the committee involve the directors of Planning and Program Evaluation and the director of Local Government at this time, plus the four regional directors. So, Mr. Chairman, it is hoped that this committee can work without an increase in the full time public service of the Government of the Northwest Territories. I hope I have answered Mr. Pudluk's questions.

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

MR. PUDLUK: In Inuktitut. Yes, you have answered my question but I have one more question to ask. Right now, are you going to be -- I think we should have native people working along with you because if you are trying to do everything here in Yellowknife I feel that you are not going to succeed at all and I would like to know if you are going to visit these people or will you just stay here in Yellowknife and do this?

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

ASSISTANT COMMISSIONER MULLINS: Mr. Chairman, we definitely will not be doing all of the work of the committee in Yellowknife. The majority of the work of the committee will take the form of direct consultation with those groups who wish to meet with us. These will include, in our judgment, settlement, hamlet, town, village, and city councils. It will include native associations, it may include groups such as hunters' and trappers' associations. We are free to meet with all of them and we intend to meet with those who request our consultation in their home communities.

Making Full Use Of The Regional Structure

It is obviously impossible for myself and Mr. Creery to attend all of the meetings to which we will be invited, and that is why the committee will make full use of the regional structure of government. That is why each regional director is a member of the committee. It is our hope that the first few meetings in each region can be attended by both Mr. Creery and myself, or at least by one of us along with the regional director and, whoever the regional director would like to accompany him. As an example, the first meeting with a hamlet council will take place tomorrow night in Fort Simpson and the regional director and one of his superintendents will be represented at that meeting. As further consultation is requested by the communities, then follow-up action will be taken by the regional staff. So, we are very much hoping that the process of the committee will involve maximum consultation with the individuals in the communities, and not in Yellowknife, and where those communities have native people who are well represented on councils, and where those councils request our participation, then our consultation will be, in many cases, almost exclusively with native northerners.

THE CHAIRMAN (Mr. Stewart): Thank you. Hon. David Searle. I am sorry, Mr. Pudluk.

MR. PUDLUK: I would like to thank you for that answer, and I thought of another name for this organization. It might be called the "Native Government Brotherhood".

THE CHAIRMAN (Mr. Stewart): Did you get that? Would you say that again, interpreters?

THE INTERPRETER: He just said the committee should call itself the "Native Government Brotherhood".

MR. PUDLUK: Do you get it now?

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

HON. DAVID SEARLE: I think we should report progress, but I would like just one very brief comment. I have not said a thing on this paper yet and the thing I would like to say is this: That I would hope that the persons involved in this committee on devolution do not engage in the sleight of hand which has been engaged in by the federal government with respect particularly, to this House, and that is to appear to transfer you the responsibility on the one hand but not give you the authority on the other hand. We should not make that mistake with respect to the municipalities and the settlements. If we are going to give them authority over an area, let us make sure -- or rather the responsibility over an area, let us make sure they have the means to discharge that responsibility in an independent fashion, make sure that they have the funds, make sure that they have the real power and the real authority locally, do not give them the responsibility for something but keep all the funding and everything back centrally so they can not spend a nickel for anything without checking with head office.

---Applause

THE CHAIRMAN (Mr. Stewart): Thank you. In view of the hour shall I report progress?

---Agreed

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

Report of the Committee of the Whole of Sessional Paper 1-61, Devolution

MR. STEWART: Mr. Speaker, your committee has been studying Sessional Paper 1-61, Devolution and wishes to report progress at this time.

MR. SPEAKER: Are there any announcements? Are there any committee meetings for tomorrow? Mr. Whitford, any announcements?

MR. WHITFORD: No, Mr. Speaker.

MR. SPEAKER: Mr. Clerk, orders of the day.

ITEM NO. 13: ORDERS OF THE DAY

CLERK OF THE HOUSE: Orders of the day, February 10, 1977, 2:30 o'clock p.m., at the Explorer Hotel.

1. Prayer
2. Questions and Returns
3. Oral Questions
4. Petitions
5. Reports of Standing and Special Committees
6. Notices of Motions
7. Motions for the Production of Papers
8. Motions

9. Tabling of Documents
10. Consideration in Committee of the Whole of Bills and Other Matters: Bill 3-61, Bill 2-61, 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, Tabled Document 9-61
11. Orders of the day.

MR. SPEAKER: This House stands adjourned until 2:30 o'clock p.m., February 10, 1977, at the Explorer Hotel.

---ADJOURNMENT

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