



LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES  
**DEBATES**

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Official Report

MONDAY, MAY 16, 1977

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

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

The Honourable David H. Searle, Q.C., M.L.A.  
P.O. Box 939  
Yellowknife, N.W.T. X0E 1H0  
(Yellowknife South)  
(Speaker)

The Honourable Arnold McCallum, M.L.A.  
Yellowknife, N.W.T.  
X0E 1H0  
(Slave River)  
(Minister of Education)

Mr. Donald M. Stewart, M.L.A.  
P.O. Box 310  
Hay River, N.W.T.  
X0E 0R0  
(Hay River)  
(Deputy Speaker)

Mr. Peter Fraser, M.L.A.  
P.O. Box 23  
Norman Wells, N.W.T.  
(Mackenzie Great Bear)

Mr. Mark Evaluarjuk, M.L.A.  
Igloolik, N.W.T.  
X0A 0L0  
(Foxe Basin)

Mr. Ipeelee Kilabuk, M.L.A.  
Pangnirtung, N.W.T.  
X0A 0R0  
(Central Baffin)

Mr. William A. Lafferty, M.L.A.  
P.O. Box 176  
Fort Simpson, N.W.T.  
X0E 0N0  
(Mackenzie Liard)

Mr. William Lyall, M.L.A.  
Cambridge Bay, N.W.T.  
X0E 0C0  
(Central Arctic)

The Honourable Peter Ernerk, M.L.A.  
Site 18, Box 16,  
Yellowknife, N.W.T. X0E 1H0  
(Keewatin)  
(Minister of Economic Development)

The Honourable Dave Nickerson, M.L.A.  
P.O. Box 1778  
Yellowknife, N.W.T.  
X0E 1H0  
(Yellowknife North)  
(Minister of Social Development)

Mr. Thomas H. Butters, M.L.A.  
P.O. Box 1069  
Inuvik, N.W.T.  
X0E 0T0  
(Inuvik)  
(Deputy Chairman of Committees)

Mr. Bryan R. Pearson, M.L.A.  
c/o Arctic Ventures  
Frobisher Bay, N.W.T.  
X0A 0H0  
(South Baffin)

Mr. Ludy Pudluk, M.L.A.  
Resolute Bay, N.W.T.  
X0A 0V0  
(High Arctic)

Mr. John Steen, M.L.A.  
P.O. Box 60  
Tuktoyaktuk, N.W.T.  
X0E 1C0  
(Western Arctic)

Mr. Richard Whitford, M.L.A.  
Rae, N.W.T.  
(Great Slave Lake)

OFFICERS

Clerk  
Mr. W. H. Remnant  
Yellowknife, N.W.T.  
X0E 1H0

Sergeant-at-Arms  
Mr. F. A. MacKay  
Yellowknife, N.W.T.  
X0E 1H0

Clerk Assistant  
Mr. Pieter De Vos  
Yellowknife, N.W.T.  
X0E 1H0

Deputy Sergeant-at-Arms  
Mr. J. H. MacKendrick  
Yellowknife, N.W.T.  
X0E 1H0

LEGAL ADVISOR  
Ms. P. Flieger  
Yellowknife, N.W.T.  
X0E 1H0

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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, MAY 16, 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. Pearson, Mr. Kilabuk, Mr. Pudluk, Hon. David Searle, Hon. Dave Nickerson.

ITEM NO. 1: PRAYER

---Prayer

SPEAKER (Hon. David Searle): Gentlemen, may I offer my apologies for being late this afternoon, I had a meeting with some friends of mine.

Item 2, replies to Commissioner's Address. Mr. Kilabuk.

ITEM NO. 2: REPLIES TO COMMISSIONER'S ADDRESS

Mr. Kilabuk's Reply

MR. KILABUK: I would like to talk very loud, or I mean very long. I have not visited my constituents so up until now I do not really have too much to say, but however, I will make my remarks on what I have been thinking about a lot. What I will say now is something I have wanted to say for a long time, Mr. Speaker, and first I would like to say, concerning tourism, outpost camps, and those who have their own business. Personally I feel that the licence does not seem right to me from my own point of view, that outpost camps, or rather in the settlements with their own councils it seems as though the government has the signing authority rather than the settlement councils themselves, and the settlement councils are left behind the actual happening. Personally I feel that it is not right for the communities to be operating in such a manner. So, tourism and fisheries in my community -- you can go fishing in summer and it seems as though people are giving licences to the particular firm who is at the fishing outpost, and they have a licence, but the hamlet councils are not informed of such action. Personally I feel that if you are going to give out a permit or licence you should contact the settlement councils themselves before actually giving out a licence to any firm. Finally, once the community approves such a thing then I think you could give a licence to a particular firm. Now, what I am going to say now is something I have never said before and I will say them all.

First of all in the past I have made some remarks when I wanted something but those things I wanted never came into existence and we the elected body and the government have to be checked all the time by the government as to what they are supposed to be doing. Personally I have seen a lot of written material, mainly written by the government but the elected body, it seems that the elected body is dealt with rather than the government. Personally when I look at the written material I do not think they recognize their representatives, they do not even seem to know how powerful their elected representatives are, rather than the government. Personally that is the way I see it from reading all of those reading materials, it seems to be that.

Better Use Of Peterhead Boats

I would like to say again something I have never said before, and maybe I should not say what I am about to say, Mr. Speaker, but fish and wildlife, there are a lot of people working for fish and wildlife in the Northwest Territories, and they do have boats, skidoos, or canoes. Fish and wildlife is paid by the government and whatever equipment they have is paid for by the government. Personally I feel that, to my own thinking, I think that fish and wildlife are using too much money for such things as boats, gas and the people are being paid and for these things you must use a lot of money, and mainly for the canoes. The peterheads are especially built and personally I think that the Inuit should -- anyone with a boat should use it instead of buying their own canoes so that there would be employment. I have been thinking of this for a long time and it seems like the employees employed by fish and wildlife used to work about three months a year but they should ask the Inuit who have boats, they should be asked, those boats should be used, and they should be employed by fish and wildlife rather than fish and wildlife getting their own canoes and this would create employment. I do not have much to say now because of the fact that I have not visited my constituency and that is my thinking, and I have never said it before but I have said it now. Thank you very much.

---Applause

MR. SPEAKER: It would appear appropriate at this time to extend a warm welcome to Mr. Fraser, to his coming back to this chamber after a visit to the hospital for tests. I am sure I can speak on behalf of all Members, Mr. Fraser, in saying that we sincerely hope you are well and we are very pleased you are back with us.

SOME HON. MEMBERS: Hear, hear!

---Applause

MR. SPEAKER: Are there any further replies to the Commissioner's Address?  
Hon. Dave Nickerson.

Hon. Dave Nickerson's Reply

HON. DAVE NICKERSON: Mr. Speaker, I have something of a cold this afternoon so I will try and get through this without breaking out into a fit of coughing or sneezing but if I do not I hope you will understand why.

I rise on this occasion, Mr. Speaker, not to speak of the affairs of the department I head but rather to address this Assembly on several fundamental interrelated issues of prime importance, issues which generally are not of our making, but which nevertheless are of basic concern to our constituents and which must be resolved and resolved in short order if we are to extricate ourselves from the morass of indecisiveness and stagnation into which we have been thrust by the indifferent and lacklustre policies of the federal government.

On the one hand we have Rt. Hon. Pierre Trudeau gallivanting around the country, preaching the federalist ideal while on the other we have Hon. Warren Allmand in the North sowing the seeds of disunity and promoting the very separation and breakup of Canada along ethnic lines which his leader would try to prevent. How long must we in the North be sacrificed upon the cross of southern public opinion and how long must we be denied that self-determination inherent within the Canadian system of government of which we are not yet fully a part?

#### Future Constitutional Development

Of the three issues, Mr. Speaker, the first and most important surely is the future constitutional development of the Northwest Territories. We can not rest for one minute in our fight to preserve and expand the goals of parliamentary democracy, the universality of franchise and treatment under the law. We can not deny one solitary Canadian citizen the rights of his citizenship, otherwise we destroy ourselves.

Of late, the territories has proved, under Ottawa's myopic tutelage, to be a fertile breeding ground for the virulent evils of extreme leftism, of totalitarian ethnic nationalism and the ever present paternalistic attitude of those who know what is best for us and would advise and direct us accordingly. We want to see the evolution of our embryonic democratic institutions in the North into a system of government which will be fully representative of and fully responsible to the people it serves and will have that degree of jurisdictional competence and fiscal independence necessary for it to properly carry out its functions. The government we want to see will serve without fear or favouritism all those Canadians who choose to make the North their home and will guarantee to all people regardless of their origins a fair and equitable share in the bounties of our land, in the duties and responsibilities of citizenship and in the making of public policy.

#### Responsibility Of Powers

We can not allow ourselves the luxury of taking the easy and simplistic way out. It would be easy to capitulate to those who propose the Balkanization of northern Canada into a series of small weak ethnically segregated mini-states. Indeed, such an approach might find favour within the Department of Indian Affairs and Northern Development, for that would guarantee their continuous existence, whereas any real solution to our problems would result in the diminution of that department's power and its eventual demise. To my mind it has already outlived its usefulness. Most of its functions in the North could be better carried out by the territorial government and the residual powers could be exercised by other existing federal government departments. For instance, the responsibility for resources could, in the transition period before it is turned over to this government, be exercised by Energy, Mines and Resources and the special responsibility for Indians could come under the Department of the Secretary of State.

Our task is evident, we must weigh and balance the national, the territorial and the local interests and plan the constitutional development of our region so that both majority and minority groups participate to the fullest extent. Ethnic extremists and their hangers-on will be disappointed but their wails of real and pretended anguish will not daunt our resolve.

### A Just And Expeditious Settlement Of Land Claims

The second major issue is the native land claim question which must be seen in its proper context and isolated so far as is possible from the other issues with which certain vested interests would tend to confuse it. The position taken by the Legislature is clear. We favour a just and expeditious settlement of the legitimate claims. We are anxious that the obligation of the Crown towards those of our constituents of native origin be acquitted in judicious and honourable manner. We care, and have demonstrated, that the indigenous languages and cultures of our native citizens be wherever possible retained and we wish that every opportunity be extended to people to live the lifestyle they choose whether it be the traditional one or whether it be as a part of modern industrial society or whether it be a combination of the two.

We are appalled at the misrepresentations and bad advice to which many of our citizens have become subject. We are appalled at the way in which the various native organizations have been used and abused by all manner of radical southern proponents of extremist views. We are appalled at how indiscriminate financing by the federal government has resulted in division and dissention among our people. We are concerned that there be an equitable distribution of benefits under any land claim settlement and that such a settlement is made with the full knowledge and consent of the people it affects.

For these reasons it is clear that this body must have representation during the land claim negotiations if the interests of our constituents are to be properly protected. The irony of the situation is that the Legislature of the Northwest Territories stands ready and willing to lend its power and authority to any sensible and realistic land claim settlement proposal but so far, with the exception of the Metis proposal which contains at least the germ of realism, we have seen only the worst kind of socialistic drive emanating out of such organizations as the Indian Brotherhood and the Committee for Original Peoples Entitlement.

---Applause

If the Alaskan analogy is anything to go by I would advise the native organizations here that they must first come up with a position which can be supported and endorsed by the government and people of the region in which they reside before they stand any chance of success in selling it to the federal government and the people of Canada as a whole.

### Support For Development Of Pipeline

The third issue on which I wish to touch briefly is the question of major economic developments in the Northwest Territories and more specifically the Mackenzie Valley pipeline. Recognizing the almost insurmountable social and economic consequences which would result were this project not to go ahead this Legislature has firmly taken the stand that we must fully support this great undertaking. The scheme is of inestimable benefit, both to ourselves and to our fellow Canadians in the South, and fortunately at the same time provides the best method of transporting Alaskan gas to the markets of the mid-west where it is so urgently required. Seldom in the history of mankind has a project of this magnitude had the potential of so much good with so little negative effect.

In the territories, we are today living in a fool's paradise. We are living on the largesse of southern Canadians who can not be expected to pay indefinitely for our houses, our schools, our hospitals and all the other conveniences of modern living to which we have become accustomed and from which there is no going back. It is essential that we become self-sufficient, that we pay our way and the only way we can do this is to encourage the development of our natural resources. In so doing, we will be providing our northern people with those opportunities they so anxiously desire.

The voluminous technical evidence presented to the Mackenzie Valley Pipeline Inquiry has shown that such a project, if conducted in the proper manner, can be done with almost negligible effect to the environment and with undesirable social consequences far, far lower than would be the case in a "no-pipeline" situation. Why then the opposition, some of it well meant, some obviously fostered by groups having rival economic interests? I can only conclude that this unholy alliance of creeps, cranks, misguided churchmen, neophyte socialists and pseudo-ecologists either have dubious self-seeking motives or have been completely duped by the mounds of propaganda emanating from those that do.

These then, gentlemen, are the issues with which we have to deal. My only hope is that they will be dealt with in the way I have indicated and the way which will benefit both Canada and especially the people we represent.

---Applause

MR. SPEAKER: Are there further replies? If there are no further replies, gentlemen, Item 3, questions and returns. Are there any returns? No returns. Are there any written questions? Mr. Stewart.

ITEM NO. 3: QUESTIONS AND RETURNS

Question W20-62: Explanation Of "Regional Government"

MR. STEWART: Mr. Speaker, I wonder if I could have an explanation of what is regional government as so often referred to by the Honourable Minister of Northern Affairs?

MR. SPEAKER: Deputy Commissioner Parker.

Return To Question W20-62: Explanation Of "Regional Government"

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I believe that we would have to consult the Minister of Indian Affairs and Northern Development since the Member has asked a question which relates to that Minister's definition of, or views on, regional government. The territorial government, although very interested in the subject and with an Executive which is in the process of formulating views on regionalism, has taken no decision in that area as yet.

MR. SPEAKER: Mr. Stewart.

MR. STEWART: I take it then, Mr. Speaker, that I can expect a further answer after the Minister has been contacted.

MR. SPEAKER: The Deputy Commissioner nods his head in the affirmative and let the record show that. Are there any further written questions? Mr. Steen.



Question W21-62: Road Construction Into The Foothills.

MR. STEEN: Mr. Speaker, I would like to ask the department this question. In view of the request while the Minister of Indian Affairs and the Commissioner of the Northwest Territories visited Aklavik, the residents requested that a road be built into the foothills. Has the department done anything toward an answer to their request?

MR. SPEAKER: Deputy Commissioner Parker?

Return To Question W21-62: Road Construction Into The Foothills.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I am aware that the people of Aklavik have placed this request before the Minister on a visit he had to Aklavik recently. I must say that the territorial administration recognizes the requirement for such a road because Aklavik has reached that point in its development where a major amount of fill material will be required to permit further development of the place. We are looking into the matter of a road. We do not have the necessary funds in our budget this year, of course, but in consultation with the Minister we intend during the next few months to do our best to negotiate for the funds for such a road.

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

Question W22-62: NTCL Discontinuation Of Services On Bear River.

MR. FRASER: Mr. Speaker, I would just like to ask the administration this question. I would like to know if there is any truth in the rumour that the Northern Transportation Company Limited is to discontinue services on the Bear River to Fort Franklin and Echo Bay mines.

MR. SPEAKER: Deputy Commissioner Parker.

Return To Question W22-62: NTCL Discontinuation Of Services On Bear River

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I believe the rumour to be false, however, I will seek definite word on it. The service on the Bear River has been losing money for a number of years and it is not believed that tariffs could be set at such a rate that would ever show that part of the system to break even. In addition to that, the ship, the Radium Gilbert, is getting very old and will have to be replaced. So, NTCL is definitely looking around for alternatives, but to the best of my knowledge, there is no intention of not providing service this year.

MR. SPEAKER: Mr. Steen.

Question W23-62: Conduct Of A Plebiscite

MR. STEEN: Mr. Speaker, I would like to ask a question. Does this Legislative Assembly have the authority to conduct or order any plebiscite?

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I would have to seek advice on that, but in so far as the operation of a plebiscite would undoubtedly call for the expenditure of funds to conduct such a plebiscite, it might be necessary, or probably would be necessary to seek the concurrence of the Commissioner. However, as soon as the Commissioner is available, I will discuss this matter with him.

MR. SPEAKER: Anything further, Mr. Steen?

MR. STEEN: Could I be advised, if he could get back to us?

MR. SPEAKER: I think that is what he said. Deputy Commissioner Parker?

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker, I will take that question under advisement and provide a reply.

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

Question W24-62: Fishing Quotas In Cambridge Bay Area

MR. LYALL: Mr. Speaker, I would like to ask this administration whether or not in the Cambridge Bay area, the quotas we asked for fish on the specific rivers, has been given.

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: I will have to take the question on the quotas for fishing in the Cambridge Bay area and supply an answer.

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

Question W25-62: Native Unemployment On Mackenzie River

MR. LAFFERTY: Mr. Speaker, because of the great number of people unemployed here in the North this year, and because of the cutting back of native river men who were at one time the main source of manpower on the transportation system on the Mackenzie, and presently they are finding difficulty in obtaining such work because of the union contract, as they are now asked to go to Vancouver to join unions before they can work on our navigable waters up here, I am seeking some kind of information as to what the administration is doing to assist these people to gain employment as deckhands with the transportation companies operating on the Mackenzie River system.

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, as that is a rather complex question I think I had better seek some guidance and provide a written reply.

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

Question W26-62: NCPC Reduction Of Manpower

MR. PEARSON: Mr. Speaker, it has been brought to my attention that Northern Canada Power Commission will be undergoing some changes in the North and, as a result of these changes will be reducing the number of their staff, particularly casual labour and help in the settlements. Is the territorial government aware of this and has the territorial government any plans to speak to NCPC on this particular issue so that they may ensure jobs for the people who are presently employed?

MR. SPEAKER: Deputy Commissioner Parker.

Return To Question W26-62: NCPC Reduction Of Manpower

DEPUTY COMMISSIONER PARKER: Mr. Speaker, NCPC made an announcement recently, a public announcement to the effect that it was changing the status of its regional office and that it was going to seek whatever means it could to reduce the cost of its operations in the North. I am advised that the chairman, after reviewing the personnel situation within the corporation found that there were more employees than could be justified. He is also of course, under very great pressure to reduce costs of operation which can then be passed on to customers. In that light then, it makes it rather difficult for us to approach NCPC and suggest to them that they should guarantee certain jobs. However, I would be pleased to pose the question that has been raised by Mr. Pearson so that an explanation can be brought forward from NCPC. The territorial government itself has no direct knowledge of the matter.

MR. SPEAKER: Mr. Pearson.

Question W27-62: Assurance To Native People Of Employment By NCPC

MR. PEARSON: As a supplementary question, Mr. Speaker, I would wish to point out to the Deputy Commissioner that many of the people presently working in this capacity are native people and at one time were employed by the territorial government in the same capacity.

MR. SPEAKER: What is the question?

MR. PEARSON: The question is: Will Deputy Commissioner Parker ensure that consideration be given to that item, that is, the native employment aspect of the problem and that there are very few jobs available in the communities?

Return To Question W27-62: Assurance To Native People Of Employment By NCPC

DEPUTY COMMISSIONER PARKER: Yes, Mr. Speaker.

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

Question W28-62: Regulation Changes, Great Slave Lake Fishery

MR. STEWART: Mr. Speaker, has there been any change in the limit of the mesh size for the Great Slave Lake fisheries for the coming summer?

MR. SPEAKER: Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Speaker, I will have to seek an answer to that question and provide a written reply.

MR. SPEAKER: Are there any further written questions?

Item 4, oral questions. I guess we have had them all.

Are there any oral questions?

Item 5, petitions.

Item 6, reports of standing and special committees. Mr. Lafferty.

MR. LAFFERTY: Mr. Speaker, this is more of an information item but there is a finance, a standing committee on finance committee meeting tonight at 7:00 o'clock p.m., in the Executive boardroom of the Arthur Laing building and that is tonight at 7:00 o'clock p.m., I would like to see all the Members present there.

MR. SPEAKER: These are committee reports. Mr. Steen, have you a committee report?

MR. STEEN: I just thought that since he has announced or the chairman has announced there is a meeting tonight I understand that some of us will be leaving for Inuvik tonight and perhaps if the chairman could excuse some of us, but perhaps he might not have a quorum.

MR. SPEAKER: Mr. Lafferty.

MR. LAFFERTY: I failed to remember that we were supposed to leave for Inuvik but is it tonight or tomorrow?

HON. PETER ERNERK: Tonight.

MR. SPEAKER: I think the problem that you were addressing was the question of sittings this evening and I believe Hon. Arnold McCallum has a plan to suggest that the sitting this evening be suspended when we get to the appropriate place. So, if we could just leave that for the time being.

Item 7, notices of motion. Notices of motion.

Item 8, motions for the production of papers.

Item 9, motions. Motion 6-62 is the next motion but again Mr. Butters is not here for it, so we will have to stand that one down.

ITEM NO. 9: MOTIONS

Motion 9-62, dealing with the transfer of health responsibilities to be moved by Hon. Dave Nickerson. Hon. Dave Nickerson.

Motion 9-62: Transfer Of Health Responsibilities

HON. DAVE NICKERSON: Mr. Speaker:

WHEREAS on many occasions this House has recommended that those provincial type responsibilities in the field of health care now exercised by the Department of Health and Welfare Canada be transferred to the Government of the Northwest Territories;

AND WHEREAS this House believes such a transfer would be in the best interests of all the people it represents;

AND WHEREAS the Honourable Minister of Health and Welfare is believed to favour such a transfer subject to proper consultation having first taken place with the native people of the Northwest Territories;

NOW THEREFORE, I move that:

- I. This House reaffirms its position that provincial type health responsibilities now exercised by the Department of Health and Welfare Canada shall be transferred to the jurisdiction of the Government of the Northwest Territories as soon as possible;
- II. The Government of the Northwest Territories continue and expand its program of consultation with people having a special interest in this transfer.

MR. SPEAKER: Moved by Hon. Dave Nickerson. Is there a seconder?  
Mr. Stewart. Discussion?

SOME HON. MEMBERS: The question.

MR. SPEAKER: The question being called.

SOME HON. MEMBERS: The question.

Motion 9-62, Carried.

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

---Carried

Motion 10-62. Hon. Dave Nickerson.

Motion 10-62: Membership Of N.W.T. Alcohol And Drug Co-ordinating Council

HON. DAVE NICKERSON: This is a rather long-winded motion , Mr. Speaker.

WHEREAS this House is, by precedent, the body which determines the number and representation of the members of the Northwest Territories Alcohol and Drug Co-ordinating Council;

AND WHEREAS the said council has recommended that certain changes be made in its membership and this House is desirous of accommodating these recommendations;

NOW THEREFORE, I move that the composition of the Northwest Territories Alcohol and Drug Co-ordinating Council be changed and that it now be comprised of representatives as follows:

Four members representing the Inuit people

Three members representing the Metis people

Three members representing the Indian people

One member representing the Northwest Territories Youth Council

One member representing Alcoholics Anonymous

One member representing the Northwest Territories Chamber of Commerce

One member representing the Royal Canadian Mounted Police

One member representing the Liquor Control Board

One member representing the Department of Indian Affairs and Northern Development

One member representing the Department of Health and Welfare Canada

One member representing the Non-medical Use of Drugs Directorate and

Two members at large nominated by the Northwest Territories Alcohol and Drug Co-ordinating Council itself.

Individual appointments would continue to be made by the Commissioner.

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

MR. PEARSON: Mr. Speaker, I would just like to ask what is the present make-up of the Drug Co-ordinating Council?

HON. DAVE NICKERSON: Mr. Speaker, I do not think it is proper in formal debate to ask those kinds of questions. We of course are quite prepared to answer them and get into a more informal discussion, but I would suggest that if this is what Mr. Pearson wants to do he should move

that this motion be referred to committee and then we can debate it in that manner and of course I have no objection.

MR. SPEAKER: To the contrary, Hon. Dave Nickerson, if for instance Mr. Pearson wants to ask that question and once he sits down that is his debate and you have the right as the mover to reply and in reply presumably you may choose to respond to whatever questions are raised in the debate, or you may not as you wish, depending upon presumably how much support you think your motion has. Mr. Pearson can certainly stand up and ask the question and sit down but once he sat down as he did that is his debate and you may or may not reply to the question as you see fit in terms of exercising your right as mover to sum up the debate. Further discussion? Mr. Pearson.

MR. PEARSON: Mr. Speaker, on a point of privilege.

MR. SPEAKER: Yes.

MR. PEARSON: I appreciate that there are Rules governing this body as to how we behave ourselves when we are in formal session, but it is rather absurd in my view that we in this House have to hide behind technicalities when somebody asks a perfectly legitimate and innocent question as to what the council is made up of at the moment and then sits down, and I am simply stating a question, that I should not have to go through this ridicule if you like, of having made a boob. Why would ...

#### Enforcement Of Rules

MR. SPEAKER: Mr. Pearson, I do not make the Rules, you do. The Members of this House make the Rules. Unless you wish to apply for unanimous consent to waive them I am very sad to say that I have to enforce them. In formal session the mover of a motion moves the motion and it is seconded and he has a chance to speak to it. If he chooses not to, each and every Member may speak to it. They have the right to speak at once and then the mover can sum up. Now, I am not trying to curtail your right to speak. If you want to step outside the Rules you know the procedure you have to follow. You have to seek the indulgence of this House. Now, if you wish to seek the indulgence of this House I will put the question for you.

MR. PEARSON: No further comment, Mr. Speaker.

MR. SPEAKER: Further discussion? Hon. Dave Nickerson, do you wish to wind up the debate?

SOME HON. MEMBERS: The question.

MR. SPEAKER: The question being called. Mr. Steen.

MR. STEEN: Mr. Speaker, with all due respect, I would like to ask him a short question and be eliminated also. I just wanted to know why, what was his intent as the mover of naming the different people, just so it would give us a little better picture?

MR. SPEAKER: Now, just a moment, gentlemen. If there are any further questions they have to be asked now because once I permit Hon. Dave Nickerson to speak he closes the debate and I do not want to get into a hassle over that. Are there any further Members who wish to speak? Mr. Stewart.

MR. STEWART: Just a short question, Mr. Speaker. I see that they have one member representing the Department of Indian Affairs and Northern Development. Is this absolutely necessary?

MR. SPEAKER: Any further Members who wish to speak? Mr. Lafferty.

MR. LAFFERTY: Mr. Speaker, it is a question of the numbers here rather than a question of the principle behind this motion. It is a good motion, but you have one member from Alcoholics Anonymous and I do not see a member here from the associations that are dealing in the rehabilitation aspects in the North and I would like to see perhaps a member here from the Detoxication Centre here in Yellowknife rather than just having four members representing Inuit and three from the Metis, I think it would be more appropriate if you have perhaps an additional member from the Detoxication Centre as there presently is one in Yellowknife and Inuvik.

MR. SPEAKER: Further discussion? Mr. Pudluk.

Motion Of Amendment To Refer Motion 10-62 To Committee Of The Whole

MR. PUDLUK: I move that this motion be referred to the committee of the whole for further study so we can have the questions answered. Thank you.

MR. SPEAKER: Is there a seconder? Hon. Dave Nickerson seconds the motion to refer it to committee of the whole. On that motion moved by Mr. Pudluk, Mr. Pudluk has the right to speak first. Mr. Pudluk, do you wish to speak to your amendment?

MR. PUDLUK: Mr. Speaker, I just found out at the moment we are having a little bit of a difficult time to answer the questions, so it would be better for us to study this motion in committee of the whole. That is all.

MR. SPEAKER: On the amendment? Hon. Dave Nickerson.

HON. DAVE NICKERSON: Mr. Speaker, I must apologize to this House in that I did not have my tactics sorted out sufficiently far in advance. It was the intention that this motion be dealt with in committee of the whole originally. I suspected that somebody would immediately move that and that is probably why I was not quite as conscientious in doing my homework as I normally am. It is pretty obvious that a motion of this type requires the appearance of at least one witness from the Northwest Territories Alcohol and Drug Co-ordinating Council and there may be a lot of information that Members might want on this motion, a number of things that are not possible to discuss in formal debate and therefore, Mr. Speaker, I take it that would be the best method of disposing of this motion at the present time.

SOME HON. MEMBERS: The question.

Amendment To Motion 10-62, Carried

MR. SPEAKER: The question is being called. On the amendment to the motion, the amendment being to move this motion for discussion into committee of the whole. The question is being called. All in favour? Contrary? No contrary. The amendment passes. The motion will be put on the order paper for discussion in committee of the whole. Those are all of the motions.

Item 10, tabling of documents. Hon. Dave Nickerson.



ITEM NO. 10: TABLING OF DOCUMENTS.

HON. DAVE NICKERSON: Mr. Speaker, I wish to table the following document: Tabled Document 13-62, Central and Eastern Arctic Health Services Study and this is a publication of the health care plan, Department of Social Development, Government of the Northwest Territories.

Secondly, Mr. Speaker, I wish to table the following document, Tabled Document 14-62. This is Bill 8-62, An Ordinance Respecting Income Tax. On a number of occasions if I might be allowed to say, Mr. Speaker, Members of the House have said that they would like to see legislation tabled at one session and dealt with at the following session. The idea of tabling the Income Tax Ordinance which is of course fairly lengthy and has wide-ranging implication and the idea behind doing this today is that both the Members and members of the general public will be able to study this document between now and the fall session of the Legislature.

MR. SPEAKER: Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, I wish to table the following Recommendation to the Legislature 1-62, Policy Respecting Liquor Pricing in the Northwest Territories.

MR. SPEAKER: Are there any further documents to be tabled, gentlemen?  
Mr. Stewart.

MR. STEWART: Mr. Speaker, I wish to table Tabled Document 15-62,  
Correspondence re: Alberta - Hay River Tie Line.

MR. SPEAKER: Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: I wish to table Recommendation to the Legislature  
2-62, Proposed Transfer of Legislature Responsibilities for Elections.

MR. SPEAKER: Are there any further documents to be tabled? Mr. Pearson.

MR. PEARSON: I wish to table the following document, Tabled Document  
16-62, Inuit Involvement in the Municipal Government of Frobisher Bay,  
a paper prepared for the Government of the Northwest Territories by  
Mr. Bertram Dyck in March of this year. A very important document.

MR. SPEAKER: Are there any further documents to be tabled?

Item 11, consideration in committee of the whole of bills, recommendations  
to the Legislature, information items and other matters. What is the  
wish of the Executive with respect to committee of the whole? Hon. Peter  
Ernerk.

HON. PETER ERNERK: I propose that we continue on with Bill 4-62.

MR. SPEAKER: Bill 4-62. Mr. Pearson, were you not in the chair?

MR. PEARSON: Yes, I was.

MR. SPEAKER: It seems logical to have Mr. Pearson finish the bill  
he started. Do you agree, gentlemen?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Is it agreed?

---Agreed

ITEM NO. 11: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS,  
RECOMMENDATIONS TO THE LEGISLATURE, INFORMATION ITEMS AND OTHER MATTERS

This House will resolve into committee of the whole for continuing  
consideration of Bill 4-62, with Mr. Pearson in the chair.

--- Legislative Assembly resolved into committee of the whole for  
consideration of Bill 4-62, Small Business Loans and Guarantees Ordinance,  
with Mr. Pearson in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER BILL 4-62, SMALL  
BUSINESS LOANS AND GUARANTEES ORDINANCE

THE CHAIRMAN (Mr. Pearson): The committee will come to order for the  
continuing consideration of Bill 4-62, An Ordinance to Authorize Loans  
and Guarantees to Small Business Enterprises.

When we left off on Friday night we were still into the bill on general  
discussion. I think we were almost through it but there are with us  
today some Members who may not have had an opportunity at that time so  
if Mr. Fraser or his colleagues wish to comment, now is your chance.

HON. PETER ERNERK: Mr. Chairman ...

THE CHAIRMAN (Mr. Pearson): I hope the witnesses are available so they may answer the questions with speed and without hesitation as they did last week. Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, thank you very much. With the committee's consent I would again like to invite Mr. Patriquin who is very capable of providing the fine details of this particular bill.

THE CHAIRMAN (Mr. Pearson): Perhaps he has had a chance to check out the interest rates. Mr. Patriquin. Would someone please assist Mr. Patriquin into the chamber? Would any Member wish to make comments of a general nature? The bill is to establish a Small Business Loan Fund and the guarantees of those loans. Is there anybody who would like to ask a question of a general nature and, if not, we will proceed with clause by clause. What is your wish?

SOME HON. MEMBERS: Clause by clause.

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

HON. PETER ERNERK: I understand there is just a small correction to make from last Friday's discussion and that was on interest rates which I believe are 11 per cent for the first \$50,000 and 11 and a half per cent for the rest up to \$100,000.

THE CHAIRMAN (Mr. Pearson): Thank you. Any questions of a general nature? Mr. Whitford.

Security For New Businesses.

MR. WHITFORD: Mr. Chairman, the other day I asked that businesses which are being financed -- I am sorry, I have it worded wrong -- the people who want security on the businesses that are being established, and I was referring to just having security on perhaps the property and buildings and that they do not have to take mortgages or whatever on television sets, radios, private things. Now, I was just wondering in fact what kind of direction is the department going to take in terms of those kinds of things, like a business that you lend money out for, say a quarter of a million dollars or whatever, I am sure that the property and the assets purchased with that money would be sufficient, to my way of thinking, for security.

THE CHAIRMAN (Mr. Pearson): Mr. Patriquin, could you answer that question?

MR. PATRIQUIN: Perhaps I could give some comment on the present security policies of the board, and what is proposed under this ordinance. It is proposed that when the board considers a loan, it would consider the security. In some instances in the past, I believe the board has not dealt with the question of security and, in some instances, has left it up to the administrators of the fund to determine what security would be taken. In the regulations which will be drawn up it will be noted that the board should look at the question of security and give clear indication to the administrators of the fund what type of security is to be taken. It is true that in the past security on a given loan may extend beyond the fixed equipment or buildings for which the loan is explicitly made. It is true that individual's promissory notes have been required.

I think the feeling of the board is that this in fact probably should continue. While the security on a large loan may be the equipment or buildings which the loan is designed to assist the borrower to purchase, for example, if a loan is for a truck, trucks have a habit of being driven away or of depreciating or of having accidents so that the security

for a loan could well disappear before the loan is repaid.

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

MR. WHITFORD: I recognize the need on, say, a truck or a moving vehicle of some sort but in terms of other businesses such as stores or office buildings, these sort of things, that is what I was referring to. The other question I have, Mr. Chairman, is that I am wondering if the present loan board, the Small Business Loan Fund Board as it is, if a member of that board goes into the public service or if he in fact is a Member of this Legislative body, if he can not sit on that board, and it seems surprising to me that they do quite a bit of travelling throughout the territories and I am wondering if there will be a provision in there that Members of the Legislative Assembly here can be on that board.

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

MR. PATRIQUIN: There is nothing in the ordinance itself that rules out the possibility of a Member of the Assembly being on the board. That policy I think would be up to the Minister and to the Commissioner.

THE CHAIRMAN (Mr. Pearson): Thank you. Have you finished, Mr. Whitford?

Assembly Members On Loan Board

MR. WHITFORD: Mr. Chairman, I know some Members who are interested in being on that board from this Legislative Assembly and once I became a Member of this body I had to resign from the loan board. I am not suggesting I should go back on it, I am just saying that there are Members who are interested from this Assembly and there is something in the act I believe that says they can not be on that board, because they are a Member of this legislative body. I am now trying to see if that can not be changed, that is what I am after.

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

MR. STEWART: Mr. Chairman, as part of these guarantees do they also take personal guarantees on these loans?

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

MR. PATRIQUIN: Could you please repeat the question, Mr. Stewart?

MR. STEWART: Do they also require personal guarantees relative to these loans?

MR. PATRIQUIN: Normally a promissory note is required. In some cases a personal financial guarantee is required but not in all cases.

MR. STEWART: Thank you.

THE CHAIRMAN (Mr. Pearson): Are there any other Members who wish to ask a question? Mr. Fraser.

MR. FRASER: Mr. Chairman, I do not know what paragraph we are on. We seem to be into loans, but I would like to ask a question. If someone did apply for a loan to this loan board, how long would it take to process the loan?

Time For Approval Of Loans

MR. PATRIQUIN: Mr. Chairman, the problem of processing loans quickly is an important one. Generally it depends on how well the application is put together by the time it comes to the board and, as in any project, planning the project usually takes longer than the approval. The board is now meeting monthly so that if the application is in a form where it would be acceptable to the board, it should take, in Yellowknife at least, no longer than a month at most for approval.

MR. FRASER: I understand then that if you applied for a loan and if everything was all right it would only take 30 days, is that right?

MR. PATRIQUIN: Yes.

THE CHAIRMAN (Mr. Pearson): Thank you. Are there any other questions of a general nature? Perhaps Members would now like to go through this clause by clause. Is it agreed?

---Agreed

Clause 2, which is the interpretation. Mr. Steen.

MR. STEEN: Just before we go into clause by clause I would like to ask one question. Suppose an individual who does not have any collateral or anything to base his loan on applies, would this particular person be required to have collateral in order to make a promissory note? I know a promissory note means you will pay it back but what I am talking about is, does he need collateral before he is eligible to get a loan?

THE CHAIRMAN (Mr. Pearson): Mr. Patriquin, can you answer that?

MR. PATRIQUIN: Mr. Chairman, I guess this question is a matter of degree. I believe in a number of projects which the Small Business Loan Fund has supported, there has been very little collateral outside the business itself. If it is the construction of a building, in many cases there has been very little collateral on the part of the applicant besides that. In comparison with other loan funds, the Federal Business Development Bank for example, we recognize that our borrowers may have less collateral. Normally there should be some collateral, yes, but basically the loan is approved or disapproved on the strength of the proposal itself not on the borrower's other assets. We recognize I guess that we are taking riskier loans than other institutions. There is no specific rule for collateral that the borrower must have.

THE CHAIRMAN (Mr. Pearson): Fine, thank you. Mr. Steen.

Limit Of Collateral

MR. STEEN: Just a little further on that. I am curious. What is the limit a person must have before he can apply for a loan, what is the limit, what kind of collateral are you talking about? Suppose he has some household goods, would you value that as collateral or what is the limit before you can begin considering it as collateral?

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

MR. PATRIQUIN: There is no fixed limit or minimum that any borrower must have. In some cases for example construction of a building, there may need to be very little collateral outside that building itself, outside of a mortgage on the building which the loan is supporting. The total security including the building and any other assets that the fund took as security would probably at least equal the value of the loan, perhaps exceed it, depending upon where the building was located. I can not be too much more specific than that, sir, unless you gave me a specific example perhaps.

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

MR. STEEN: Mr. Chairman, I am just not quite clear on this. Suppose a guy was working with his skidoo or canoe or working with his outboard motor, that is his livelihood and he is using that for his livelihood and if he wanted to borrow some more money, would the loan board use the tools of his livelihood to cover or use it as collateral?

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

Tools Of Livelihood As Collateral

MR. PATRIQUIN: Yes, they probably would. The problem occurs if the board takes too much security. Then the individual, if he needs further money for working capital or for inventory, has no security left to put against the bank loan, for example. So, I think the board recognizes that there is an upper limit but it is true that the board sometimes does take as security, equipment that is used for the individual's livelihood let us say, assuming that that is what the loan is for.

THE CHAIRMAN (Mr. Pearson): Thank you. Mr. Steen; any further questions?

MR. STEEN: I have some further comments but I prefer to withhold them, sir.

THE CHAIRMAN (Mr. Pearson): Thank you. Continuing then clause by clause, Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Chairman, you may recall that during our session in Rankin Inlet that we made certain changes to one particular bill which I believe was the Apprentice and Tradesmen's Qualifications Ordinance. Before we get into clause by clause study I would like to recommend to this Legislature that we make certain changes with regard to who is responsible for various aspects of this particular bill. The reason is, of course, that while we in the Legislature are continuing to ask to give more power to the Government of the Northwest Territories or to the territorial Legislature, in certain kinds of bills we see very often the word "Commissioner" comes in there. I would like to recommend that we place in this bill somewhere an interpretation for an Executive Member responsible for the Department of Economic Development and Tourism. I would think that this would be appropriate at this time.

THE CHAIRMAN (Mr. Pearson): Thank you, Hon. Peter Ernerk. Does anybody wish to comment on that?

HON. DAVE NICKERSON: Mr. Chairman, on a point of order. Mr. Chairman, was that a formal motion made by the previous speaker? I think it might possibly be necessary for us to have a motion and for the Legal Advisor to come up with the necessary wording to facilitate that change.

THE CHAIRMAN (Mr. Pearson): The chairman did not recognize it as a formal motion but if Hon. Peter Ernerk wishes to put it in the form of a formal motion he may do so. Hon. Peter Ernerk, any further comments?

Motion To Delegate Powers To Executive Member.

HON. PETER ERNERK: Mr. Chairman, I move that the title "Executive Member responsible for the Department of Economic Development and Tourism" be placed in here. I do not have the proper wording for it, but perhaps the Legal Advisor -- thank you, Hon. Dave Nickerson. I move that the Legal Advisor be instructed to review Bill 4-62 with a view to recommending changes delegating to the Minister of Economic Development and Tourism those powers delegated to the Minister under the Education Ordinance.

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

SOME HON. MEMBER: The question.

THE CHAIRMAN (Mr. Pearson): The question being called. Mr. Lyall.

MR. LYALL: Mr. Chairman, I would just like to ask a question before I speak to the motion. Is there anywhere in here that the Executive Member is mentioned that we have to put the definition in there? I just see the Commissioner's name all the way through. So the only thing that we could do is put the interpretation and just change the first word on the top, is that what you are saying, Hon. Peter Ernerk?

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

HON. PETER ERNERK: What I am saying is while the Commissioner has certain powers in this particular ordinance, where it says in clause 3 for example: "The Commissioner may in accordance with this ordinance and the regulations make loans and guarantees..." and so on. I would hope that when we look at clause 5 where it says, "The Commissioner may..." it would read, "The Minister may appoint a loan director who shall administer

loans and guarantees..." and so forth.

THE CHAIRMAN (Mr. Pearson): Thank you. Mr. Lyall, does that answer your question?

MR. LYALL: Yes, Mr. Chairman.

THE CHAIRMAN (Mr. Pearson): Thank you. Then, to the motion. Are there any further questions?

SOME HON. MEMBERS: The question.

Motion Carried

THE CHAIRMAN (Mr. Pearson): The question being called and I will read the motion again if you wish. "I move that the Legal Advisor be instructed to review Bill 4-62 with a view to recommending changes delegated to the Minister of Economic Development, those powers delegated to the Minister under the Education Ordinance."

To the motion. All those in favour? Against? The motion is carried.

---Carried

MR. LYALL: Who seconded that motion?

THE CHAIRMAN (Mr. Pearson): There is no seconder required in committee of the whole.

MR. LYALL: Thank you.

THE CHAIRMAN (Mr. Pearson): Shall we proceed then with clause by clause?

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN (Mr. Pearson): We have dealt with clause 2. Clause 3, Commissioner's authority. In this case it would be recommended that the change be made.

SOME HON. MEMBER: Agreed.

---Agreed

THE CHAIRMAN (Mr. Pearson): Clause 4, Small Business Loans and Guarantees Board.

---Agreed

Clause 5, loan director. Hon. Dave Nickerson.

HON. DAVE NICKERSON: I have a comment on subclause 5(1) on the third line, Mr. Chairman. If the wording were allowed to stand as it is written here the loan director would have to, it would be mandatory for him to provide advice on business or business management and I would have suspected it would have been preferable to put the word "may" before the word "provide". Of course we would require that it be mandatory of him to administer the loans and guarantees, but I think the provision of advice should be in the discretionary category and I wonder if the Legal Advisor could comment on that.

THE CHAIRMAN (Mr. Pearson): Madam Legal Advisor, the third line of clause 5.



Advice On Business Management

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, I think that change could be made unless it was intended that the loan director in fact give advice on business management to the borrower.

THE CHAIRMAN (Mr. Pearson): Fine, thank you. Mr. Lyall.

MR. LYALL: Mr. Chairman, may I ask the Legal Advisor whether or not, I kind of figured we discussed this and we would like to put the word "may" in there because of the fact then he could give say a person running a grocery store, he could come in and he could give advice. I thought that this was discussed in our committee meeting.

THE CHAIRMAN (Mr. Pearson): Madam Legal Advisor, this was the legislation committee.

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, I do not recall that specific section being discussed, but my memory could be faulty. It could be.

THE CHAIRMAN (Mr. Pearson): Thank you.

MR. LYALL: I kind of recall that when we were discussing this that the loan director may, the "may" should be put before the word "provide" so that, I think, it was to try to give the loan director a chance to go to say, a grocery store owner who has run his business for say ten years and to give advice to the board on how they were going to administer whatever type of business they were going to run.

THE CHAIRMAN (Mr. Pearson): Thank you. Hon. Dave Nickerson, you recommended the use of the word "may", I gather, but is it necessary then to put that in the form of a motion?

Motion To Amend Subclause 5(1) Of Bill 4-62, Carried

HON. DAVE NICKERSON: I will move that the word "may" be inserted between the words "and" and "provide" in line three of subclause 5(1).

THE CHAIRMAN (Mr. Pearson): The motion then is that the word "may" be added in the third line of clause 5 and it will read, "...this ordinance and may provide advice..."

SOME HON. MEMBERS: The question.

THE CHAIRMAN (Mr. Pearson): The question being called. All those in favour signify in the usual way. Against? The motion is carried.

---Carried

Thank you. Moving on to clause 6, loans. On clause 6, I do not hear any comments. I have heard one agreed. Any more agrees? Mr. Stewart, clause 6, loans.

MR. STEWART: Mr. Chairman, I always get a great kick out of these as this is the same as the old Industrial Development Bank business where first of all you must be able to prove that your credit is no good and you can get no money anywhere else and then you must prove that your project is sound and you can repay the loan. This kind of hankypanky is rather humorous in part I suppose, but it is somewhat ridiculous that a person should have to go to all this trouble and that is what you have to in effect do. You must go to a bank and you must write and say "No, I will not give you the money" because they must have a reason because you can not look to bank standards and then you must convince the board that indeed you can pay back the loan. So, it is a double whammy sort of thing. However, I do not know how you would change it.

THE CHAIRMAN (Mr. Pearson): Did you have any suggestion as how to change it? Mr. Steen.

MR. STEEN: I think you could use as collateral, your wife.

THE CHAIRMAN (Mr. Pearson): That is all right for some people. Hon. David Searle.

Lender Of Last Resort

HON. DAVID SEARLE: I would like to echo the sentiments expressed by Mr. Stewart. This idea of a lender of last resort does have that ridiculous element that Mr. Stewart mentioned. Having been engaged in the past and currently being engaged in writing a lot of loan work for lending agencies, and going through with clients the procedure of getting loans, it seems a little bit ridiculous because from my understanding of what happens is that you decide you want a loan from an agency like this and you go and tell your bank and he says "Are you sure that that is not correct? Are you sure you would not like it from us?" And you say "No, the interest rate or repayment provisions or whatever are better and all I need from you is a letter saying you will not lend it to me." And he says "That is too bad, but if that is what you want, here you are." And so, then you go trotting off to this agency of last resort and get your loan, that is, if you are smart enough to do that. I guess my question is: is that subparagraph 6(a) (iii) really essential? Can we not recognize the facts of today and take that subparagraph out?

THE CHAIRMAN (Mr. Pearson): Thank you, Hon. David Searle. Mr. Patriquin, have you a comment on that?

MR. PATRIQUIN: Mr. Chairman, I take it there is no disagreement with the principle behind the clause which is that this fund is available to businessmen who will take risks in developing northern businesses, that in many instances will not be supported by banks, because it has been recognized that banks pursue a rather more conservative lending policy than the government can afford to. If that is so, then the purpose of putting this in is that the fund is limited and if there is no indication that the fund is to be a lender of last resort then there is no reason for the board to refuse a loan to some applicant who could get it from other sources. I suppose it is really an attempt to allocate funds to the purpose for which the loan fund is intended. I agree that in some cases it can be fudged, but what the board should do in cases it thinks this is the case, where this has happened, is go back to the banks and speak directly.

One member of the present board is a local bank manager, and it has occurred, that he and his predecessors have said "Look, I can take this loan. Why not give it to a bank?" And the board has taken that

action and refused the loan and said "Go to a bank" to a borrower. So, I do not think in all cases this provision has been toothless.

THE CHAIRMAN (Mr. Pearson): Thank you, Mr. Patriquin. Hon. David Searle, do you wish to comment further?

Businesses With Risks Involved

HON. DAVID SEARLE: I do not want to enter into a debate as to whether in all cases it has been effective. I know cases where it has not and I am just saying that unless there is some real good reason for leaving it in -- you see, I do not think it necessarily, it does not say that a businessman who is prepared to take a risk should not come to this group by leaving it in, I can see the purpose of it, but I am not so sure that the purpose is accomplished because even without that you would undoubtedly have the guy rapping on your door who did in fact have rejections from the other legitimate lending agencies who was planning to do something that was so risky that the rather conservative banks would not touch him with a ten foot barge pole. Obviously you would get that guy, without this requirement, because he would show up with the refusals in hand. So, my point is that if the purpose is to lend to that man you certainly will get him without that provision. That is in my humble opinion. It seems that essentially the market place will take care of that.

THE CHAIRMAN (Mr. Pearson): Fine, thank you. Do you wish to leave that as a recommendation or do you wish to move a motion that it be withdrawn?

HON. DAVID SEARLE: It is Mr. Stewart's.

THE CHAIRMAN (Mr. Pearson): I guess it is Mr. Stewart's idea. How would you like the Chair to handle it, would you like it noted as a recommendation? Would you care to come back to it?

MR. STEWART: I would like to think about it. I would like to set clause 6 aside.

THE CHAIRMAN (Mr. Pearson): Then clause 6 is set aside and we will move on to clause 7, terms and conditions. Hon. Dave Nickerson.

Determination Of Interest Rates

HON. DAVE NICKERSON: Just a very brief question on this, Mr. Chairman. I wonder if we could be advised as to how the interest rate is to be determined? Will it be the same in all instances, will it be tied to some other interest rate, will it fluctuate, will it be the same for the period of the loan? I wonder if we could have a bit more information on this?

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

MR. PATRIQUIN: Thank you, Mr. Chairman. I can perhaps clear up some of the mistakes I made on the last day. The interest rate at present is equal to the interest charged by the Federal Business Development Bank. The interest is presently set at 11 per cent on loans up to \$50,000 and 11 and a half per cent on loans between \$50,000 and \$100,000. The interest rate itself, that interest rate, is determined as an average of commercial mortgage rates and calculated by the Federal Business Development Bank, from time to time, every year or two, as prevailing interest rates change.

The basis of agreement between the territorial and federal government for transferring the fund was that for the moment this procedure would simply remain the same. Certain changes were agreed in the terms of the loan fund, for example, the raising of the maximum from \$50,000 to \$100,000 but the formula for changing the interest rate was not proposed at that time. Because the fund will become a territorial fund, it will be possible for the administration to propose changes to this approach to interest rates in the regulations in the future, but at present, there is no proposed change.

THE CHAIRMAN (Mr. Pearson): Thank you. Are there any further comments on loans, or on clause 7? No? Can I have some agrees?

SOME HON. MEMBERS: Agreed.

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

---Agreed

Moving on to clause 8, review of terms of loan, is it agreed? Hon. Arnold McCallum.

#### Refinancing Of Loans

HON. ARNOLD McCALLUM: I would just like to ask a question in terms of clause 8, a review of the terms of the loan. Is there a time limit as to how long, because the terms of the loan as stated in clause 7 indicate 15 years but could one or would one be able to refinance that loan or is this in effect saying that a refinancing of the loan may occur before 15 years or after the 15th year so that in point of fact the loan may be financed for a period of 20 to 25 years?

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

MR. PATRIQUIN: Any review of the terms could occur at any time and the limit on the altered terms would be the limit of 15 years. The ordinance says that loans may be made for the purposes in effect of building buildings or financing inventory and so on. The ordinance does not mention refinancing loans, and to make this clearer, the administration will put a note in the regulations saying that loans shall not be made for the purpose of refinancing. Therefore, under the present policy of the administration of the fund, it would not be possible to extend the terms beyond 15 years by refinancing.

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

HON. ARNOLD McCALLUM: That is the exact point and I think it was raised by other Members. As regards the terms of a loan you are talking about the interest rate and/or the payment, the method of payment, but not the time in which the payment must be completed.

#### Length Of Time Of Loans

MR. PATRIQUIN: Well, most loans are for a shorter period than 15 years. For instance, a loan on a truck, if the expected life of the truck is three years as it would be in the Delta then the loan would normally be made for no longer than three years. If the loan is already at 15 years, there would be no room for extending that.

HON. ARNOLD McCALLUM: Mr. Chairman, again when you talk about a review of terms of the loan you are talking about the interest rate and/or the amount of payment, you are not talking about the length or duration of the loan, is that correct?

MR. PATRIQUIN: You can change the length of the loan as long as it is within the 15 years. Most loans are less than 15 years.

HON. ARNOLD McCALLUM: I recognize that, but I just wanted to make it clear, so that it is settled and I understood Mr. Patriquin to indicate that it would be clarified by an addenda, an additional piece of information, that regardless of the size of the loan, it must be repaid within the 15 years, that is the outer limit.

MR. PATRIQUIN: Yes.

THE CHAIRMAN (Mr. Pearson): Is there anything further on that item?

Clause 8, review of terms of loan. Is it agreed?

---Agreed

Clause 9, obligation of borrower. Is it agreed?

---Agreed

Clause 10, guarantees, application by bank. Mr. Steen.

MR. STEEN: Mr. Chairman, I wondered if the legislation committee put this word in there on clause 10, "A bank may apply to the Commissioner, on a form satisfactory to him, for the guarantee by the Commissioner to the bank of any loss sustained by the tank as a result of the loan ..." I wonder what the wording means. Should "tank" be changed to "bank"?

THE CHAIRMAN (Mr. Pearson): Mr. Steen, in some copies it is "bank" and in others it is "tank".

MR. STEEN: Mine says "tank" and Mr. Stewart's here says "tank".

THE CHAIRMAN (Mr. Pearson): If you will just add a little thingamajig to it, it will be "bank".

MR. STEEN: Yes.

THE CHAIRMAN (Mr. Pearson): For clarification, Madam Legal Advisor, is it bank or tank?

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, it is bank, the letter "b".

THE CHAIRMAN (Mr. Pearson): And the rest is "ank" as in bank?

LEGAL ADVISOR (Ms. Flieger): Yes.

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

#### Percentage Of Guarantee Of Loan

HON. DAVE NICKERSON: In subclause 10(2), Mr. Chairman, it refers to the percentage of the loan which the Commissioner would guarantee and I presume under this the Commissioner would guarantee say 90 per cent of the loan or 85 per cent of the loan. The bank still has a vested interest and is still going to lose something if the loan goes bellyup and I wonder if we could have some clarification as to what percentage of the full amount of the principal and interest the Commissioner would generally be guaranteeing?

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

MR. PATRIQUIN: Mr. Chairman, that is exactly correct, that is the intention. The terms are intended to be similar, as regards limits, as far as possible, to the Eskimo Loan Fund and the Indian Economic Development Fund. The maximum percentage guarantee in the Eskimo Loan Fund is 90 per cent, so that the bank would have at least a 10 per cent interest in the loan.

Where the board or the administration which would do the work-up can negotiate with the bank for a smaller government proportion then our money would go that much further. So, I think the important limit is the 90 per cent upper limit and we would go as low as we can negotiate with the bank.

THE CHAIRMAN (Mr. Pearson): Thank you. Hon. Dave Nickerson, does that help?

HON. DAVE NICKERSON: I just wonder if the guarantee also applied to accrued interest?

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

MR. PATRIQUIN: Yes, I think the guarantee would apply to accrued interest.

THE CHAIRMAN: (Mr. Pearson): Mr. Fraser. I am sorry, have you finished, Hon. Dave Nickerson?

HON. DAVE NICKERSON: Yes, Mr. Chairman.

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

MR. FRASER: Mr. Chairman, I would just like to ask the witness how successful his department is in the loans coming back. Has he got a statement or could he supply us with a report of how many of these loans have been lent out and how many have been received back?

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

Information On Repayment Of Loans

MR. PATRIQUIN: Yes, Mr. Chairman, I can give you some information on that. Since November, 1970, when the fund was first established as a federal fund three million dollars has been issued in loans. To the end of April, 1977, \$980,000 has been received back in principal, repayments. Over the same period interest which was charged to the borrowers amounted to \$652,000. During that period they have in fact paid back \$545,000 in interest. When a payment comes in it is credited first to the interest and then if the payment has covered all of the interest that is owing it is credited to the principal, so you pay off the interest first. In other words, of all the loans made so far in terms of the interest charged and the interest actually paid back, 80 per cent of all loans are current. Of the interest which is owed to the fund on all the operations so far 20 per cent has not yet been paid back. Some of that interest would be owed by loans which probably will not be recovered and others is interest which is only paid occasionally during the year, as for example in the case of a tourist lodge, you would normally get your payments at the end of the summer.

Another indication of how well the fund has done or how badly is an estimate based again on all of the loans that have been made to date of the principal, how much of the principal that is outstanding and is not likely to be paid back after all the securities are called. We have done an analysis for the purpose of transferring the fund and we estimate of all the loans made so far, three million dollars, approximately 12 per cent of the principal is not likely to be collected, will have to be written off when loans are foreclosed and the security is called. That 12 per cent figure is roughly equivalent to the success rate of the Federal Business Development Bank and it is considerably better than the success rate of the Indian Economic Development Fund.

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

MR. FRASER: Yes, Mr. Chairman, I would just like to ask the witness another question. If a loan is finalized and is not paid back, what action are you prepared to take to get that money back?

Procedures For Recovering Loan Money

MR. PATRIQUIN: Mr. Chairman, the board would receive a report on the loan by the administration and if the administration feels that no further efforts on their part will encourage the borrower to pay back his loan, in other words, if they have already followed up with him and asked him to pay and

he is unwilling or unable to pay, then the board can recommend that the loan be declared behind and that the securities which had been promised by the borrower be claimed.

If the securities taken by the board are sufficient to cover the loan then that will discharge the loan. If the securities are not enough to cover the full extent of the loan then the board would have to recommend either that the loan simply be written off or, first, that the borrower be put into bankruptcy so that all of his personal finances would be involved.

Now, what is proposed at that point is a review by a senior financial committee of the administration consisting of the Commissioner or his representative, the director of Finance, the director of the Department of Economic Development and Tourism and the chairman of the Loan Board who would in fact make that final decision as to how a loan would be terminated. If when all of these things are done the loan still can not be paid back, the Legislative Assembly would be asked to write off the loan. The administration would put forth an ordinance with the details of the loan and the amount to be written off and that would write off the loan. That would be the end of it.

THE CHAIRMAN (Mr. Pearson): Fine, thank you. This committee stands adjourned for 15 minutes for coffee.

---SHORT RECESS



THE CHAIRMAN (Mr. Pearson): This committee will come to order. Let us get going. We need a quorum, gentlemen, so we can get on with the affairs of state. The Chair recognizes a quorum. Mr. Stewart.

MR. STEWART: Mr. Chairman, a question relative to the guarantee made by the Commissioner on the percentage of the loan, is that made on the total of the loan or on the balance remaining unpaid?

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

MR. PATRIQUIN: On the total of the loan.

MR. STEWART: It would appear to me that if you want protection that this clause is there for that and it should be on the unpaid balance. It is quite easy for a person owing \$80,000 or \$90,000 to make a deal with his banker to loan him \$100,000 and pay him his \$10,000 back and the bank is in the clear and everything goes down the drain and just the Commissioner suffers. It would appear to me that if you want this to be effective as far as the bank is concerned, that it should be on the unpaid balance.

THE CHAIRMAN (Mr. Pearson): Mr. Patriquin, any comments?

MR. PATRIQUIN: I suppose the way of getting around that problem is to ensure that the bank does not simply collect its security but the whole loan is looked at at the time the guarantee is made. I do not really have any general comments.

THE CHAIRMAN (Mr. Pearson): Thank you. Mr. Stewart, any other questions?

No Protection At All

MR. STEWART: I wonder if you would like me to rock the baby for a while, because I do not see where you have any protection at all. The first part of the loan of course is always the easiest to pay back if there is going to be any payment at all and then the banks are home free. So, if you are going to have security on the bank's part then why is it not on the unpaid balance so they will suffer their percentage loss when the loan is paid?

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

MR. PATRIQUIN: It really depends upon how the loan is wound up. In this particular guarantee provision, the whole loan, the bank's terms and the terms of the guarantee are fixed. The bank is not at liberty to collect its security without informing and involving the government at the time. Now, if at the time the loan is called the security is not sufficient to cover the loan, then the government would have to pick up part of the loss. I wonder whether the Legal Advisor has any comment to make. We had discussed the procedures that would be involved in winding up a loan under a guarantee with the legal people and I am not denying that it is a problem, Mr. Stewart, or a possible problem.

THE CHAIRMAN (Mr. Pearson): Madam Legal Advisor, have you any comment?

LEGAL ADVISOR (Ms. Fleiger): No.

THE CHAIRMAN (Mr. Pearson): Mr. Stewart, anything further?

Unsecured Loans.

MR. STEWART: I would like to make sure I am correct in my assumption. I am assuming that if there was a loan for \$100,000 and the Commissioner guaranteed 90 per cent of it and the person who has the loan pays back \$10,000 leaving a balance of \$90,000, the bank would then have their \$10,000 and the Commissioner would have to pick up the balance, the whole \$90,000. Is that correct?

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

MR. PATRIQUIN: That is true if the Commissioner allowed the bank to make an unsecured loan for \$100,000 and agreed to guarantee it. It is not likely the board is going to guarantee a totally unsecured loan. I think that eventuality is very unlikely.

MR. STEWART: But the bank is off the hook if \$90,000 is what is remaining. All the Commissioner has left is whatever the person put up as security.

MR. PATRIQUIN: That is correct. The Commissioner has to agree though to the security that is taken on the loan. It would be the same if the board made a direct loan, an unsecured direct loan, it could still take a bath.

THE CHAIRMAN (Mr. Pearson): Anything further?

MR. STEWART: I just thought it would only work for the bank.

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

MR. STEEN: Mr. Chairman, I agree we should get on with the business of state and you said "What a state!" and it is interesting to note who is chairing the state. However with all due respect I just wanted to ask the witness one question. Do you know the Federal Business Development Bank imposes a penalty if you pay back the loan ahead of time, and I wonder if your proposal here imposes that same kind of penalty.

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

MR. PATRIQUIN: There is nothing in the ordinance that would require that. That has not usually been our problem in the past and I do not think there is anything in our policies which would require that.

MR. STEEN: Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Pearson): Any further questions? Hon. Dave Nickerson.

HON. DAVE NICKERSON: I am still thinking about the point raised by Mr. Stewart, Mr. Chairman. I think Mr. Stewart has an excellent point. I have been reading through the legislation and of course, I have a very limited legal knowledge, but I am unclear as to whether this guarantee, the percentage requirements would apply to the unpaid balance. I think that is the way we would want it. I wonder if it would be possible, Mr. Chairman, because the Legal Advisor apparently is unable at the present point in time to tell us exactly what is to be understood here, whether we could possibly leave this section aside until we can find out what the true position is.

THE CHAIRMAN (Mr. Pearson): Madam Legal Advisor.

Guarantee Of Loan

LEGAL ADVISOR (Ms. Flieger): Looking at subclause (2) of clause 10 "The Commissioner may guarantee to the extent prescribed by regulations..." and it is my understanding that the regulations made under this section would outline in detail the arrangement for the guarantee, and I would expect that the Commissioner would require as a condition of the guarantee that the extent of the guarantee be calculated on the unpaid balance.

THE CHAIRMAN (Mr. Pearson): Hon. Dave Nickerson, does that help?

HON. DAVE NICKERSON: I think that clears the matter up.

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

MR. STEWART: That is certainly the way it should be because the banks could collect the interest and everything on the loan and they should be bound in there until the loan is paid off. That is I think the proper way to do it.

THE CHAIRMAN (Mr. Pearson): Any comment, Mr. Patriquin?

MR. PATRIQUIN: No comment, Mr. Chairman.

THE CHAIRMAN (Mr. Pearson): Then, to the clause, clause 10, guarantees. Are we agreed?

---Agreed

Clause 11, assignment. Are we agreed?

---Agreed

Clause 12, small business loans and guarantees fund. Are we agreed?

---Agreed

Clause 13, regulations. Are we agreed?

---Agreed

Clause 14, coming into force. Hon. Dave Nickerson.

HON. DAVE NICKERSON: I wonder whether any loans have been made from the 1st of April to date to which this ordinance would be applicable.

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

MR. PATRIQUIN: The Loan Fund Board met last week, sir, and approved a number of loans. I do not have the precise numbers at this time, but I believe, subject to correction again, that they were all within the limits prescribed by the federal regulations.

THE CHAIRMAN (Mr. Pearson): Fine, thank you. Hon. Dave Nickerson, is there anything further?

Retroactivity

HON. DAVE NICKERSON: I was worried about the necessity of this retroactivity. I think retroactivity is to be avoided if at all possible and I just wondered if it was absolutely necessary in this particular case or not.

THE CHAIRMAN (Mr. Pearson): Fine. Mr. Patriquin.

MR. PATRIQUIN: The only reason for retroactivity was that it was necessary for the date of the transfer of the program to correspond with the federal vote.

THE CHAIRMAN (Mr. Pearson): Fine, thank you. Is it agreed?

MR. STEEN: I just want a point of clarification. You said that the members of the loan board met last week and could we have a recap on the names of those people who are sitting on the board.

THE CHAIRMAN (Mr. Pearson): Do you have that answer?

MR. PATRIQUIN: Yes. The chairman is Mr. Ivor Stewart. The members are Mr. Barry Hill, Mr. Don Webb, Mr. Rick Hardy and Mrs. Agnes Semmler.

THE CHAIRMAN (Mr. Pearson): Does that answer your question, Mr. Steen? Thank you. Going on then, is clause 14 agreed?

---Agreed

Going back to clause 6, loans, which was set down earlier due to a question.

MR. STEWART: I am prepared to agree to the clause as it stands.

THE CHAIRMAN (Mr. Pearson): Would you say that again?

MR. STEWART: I am prepared to agree to the clause as it stands.

THE CHAIRMAN (Mr. Pearson): Mr. Stewart is prepared to agree to the clause as it stands. Are there any other agreements? Is it agreed?

---Agreed

Then, back to the bill itself, the short title.

#### A Financial Bill

DEPUTY COMMISSIONER PARKER: Mr. Chairman, with regard to the motion that was dealt with early in the debate on this bill by Hon. Peter Ernerk which would see the term "Commissioner" replaced in the text here by "Executive Member responsible" and then an explanation in the interpretation section, similar to the manner in which the Education Ordinance was handled, I have just one concern in that area and that is that since this bill has financial implications and calls for either the Commissioner or the Executive Member to enter into financial contracts, I am wondering whether or not I could be given an opportunity, together with the Legal Advisor to research that. There is no reluctance on the part of the administration to using the wording that Hon. Peter Ernerk suggested and which has been approved by motion. However, by the same token we would not like to see the bill declared ultra vires because of it being, to some extent, a financial bill. Do you suppose it would be possible to complete the reading of the bill but report progress until perhaps some time tomorrow or Wednesday which would give me an opportunity to review that aspect of it?

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

HON. DAVE NICKERSON: If I recall the wording of Hon. Peter Ernerk's motion, it anticipated that kind of a review being necessary. I think Members of the committee are fully aware of the financial implications of this bill and that is why the motion was worded in such a way that it asked that this review and examination take place rather than instructing that it be done at the present time which might of course negate the whole bill.

THE CHAIRMAN (Mr. Pearson): That is correct, it is a recommendation. Mr. Whitford.

On Being A Member Of The Board

MR. WHITFORD: Mr. Chairman, if the Deputy Commissioner and the Legal Advisor are going to look into that I am wondering if in fact because I still did not get the proper answer, they would also see if Members of this Legislative Assembly are able to sit on this particular board because I know there are some who are interested in it and I do not see the conflict between being a Member of this Legislative Assembly and being a member of that particular board, if there is knowledge of the North and something to contribute in deciding some of these loans that is.

THE CHAIRMAN (Mr. Pearson): Mr. Whitford, the ordinance, the Council Ordinance under section 7, paragraph (c) states: "every person accepting or holding any office, commission or employment in the service of the Government of Canada or of the territories in which any salary, fee, wages, allowance, emolument or profit of any kind is attached, during the time he is holding such office, commission or employment" is disqualified. That is from sitting on the Legislative Assembly. Deputy Commissioner Parker.

DEPUTY COMMISSIONER PARKER: Mr. Chairman, just back to that earlier discussion, I realized that Hon. Peter Ernerk's motion was a motion to recommend, but could you advise me then what action you propose to take. In other words, you will be reporting the bill out and then we will hopefully this week be approaching third reading and can it be amended at third reading? I do not know what device you can take if you report the bill out, that is what I am trying to say.

THE CHAIRMAN (Mr. Pearson): Hon. Dave Nickerson or Hon. David Searle.

HON. DAVID SEARLE: May I suggest you report progress so you can come back into committee for an amendment if that is what is needed.

THE CHAIRMAN (Mr. Pearson): Fine, thank you. Mr. Stewart.

MR. STEWART: Mr. Chairman, the list of names that was given, it appears to me on this list that there are at least two who I believe are working for organizations which are funded by federal funding and how can they then sit on this board?

THE CHAIRMAN (Mr. Pearson): Mr. Stewart, the definitions read out apply to Members of this Legislative Assembly. Madam Legal Advisor.

Ineligibility As A Candidate

LEGAL ADVISOR (Ms. Flieger): Section 7 is the section of the Council Ordinance that declares certain ineligibilities, that is a person who falls within these categories is ineligible to be a candidate for election to the Legislative Assembly or to sit as a Member of the Assembly and the paragraph which the chairman read says, the following persons are not eligible as candidates...every person accepting or holding any office, commission, or employment in a service of the Government of the Northwest Territories to which a wage or profit or allowance is attached.

THE CHAIRMAN (Mr. Pearson): Does that answer your question, Mr. Stewart?

MR. STEWART: Well, there have been certain exceptions made to that. If there is, there are quite a few of us in trouble.

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

HON. DAVID SEARLE: Well, the only thing I was going to say is that enactment of course does not deal with some of the other people Mr. Stewart referred to because what it deals with is how you become disqualified to sit on this body. It does not say, for instance, that it disqualifies you to sit on the loan board. It says it disqualifies you to sit on this body.

THE CHAIRMAN (Mr. Pearson): Does that answer your question, Mr. Stewart?

MR. STEWART: Yes.

THE CHAIRMAN (Mr. Pearson): Any further comments? Is it the committee's wish that I now report progress?

SOME HON. MEMBERS: Agreed.

---Agreed

THE CHAIRMAN (Mr. Pearson): Mr. Whitford, do you have a comment?

MR. WHITFORD: Yes. I am sorry, Mr. Chairman, but does this particular law that is stated there, do we change that or could we change that or ...

THE CHAIRMAN (Mr. Pearson): What law is that?

MR. WHITFORD: In respect to the Members.

THE CHAIRMAN (Mr. Pearson): The Council Ordinance?

MR. WHITFORD: Yes.

THE CHAIRMAN (Mr. Pearson): Would you repeat the question for Madam Legal Advisor?

Assembly Member On Boards

MR. WHITFORD: You will remember you were saying that sitting on this particular body or receiving moneys from the government a person has to disqualify himself from sitting on that board and what I am saying is, is there a possibility that if a motion had been introduced to change that could we change that so a Member could sit on such a board?

LEGAL ADVISOR (Ms. Flieger): Mr. Chairman, it is possible to amend the Council Ordinance. It would be possible to enact a section in this ordinance overriding a section of the Council Ordinance. For example, notwithstanding any other provision of any other ordinance, including the Council Ordinance, it is possible for a Member of the House to sit on the board. Yes, it could be amended.

THE CHAIRMAN (Mr. Pearson): Anything further, Mr. Whitford?

MR. WHITFORD: Thank you, Mr. Chairman.

THE CHAIRMAN (Mr. Pearson): Mr. Patriquin, thank you very much for your lucid and precise answers to our questions.

MR. SPEAKER: This House will come to order. Mr. Pearson.

Report Of The Committee Of The Whole Of Bill 4-62, Small Business Loans  
And Guarantees Ordinance

MR. PEARSON: Mr. Speaker, your committee has met to consider Bill 4-62 and during discussion has made the following motion: That the Legal Advisor be instructed to review Bill 4-62 with a view to recommending changes delegating to the Minister of Economic Development those powers delegated to the Minister under the Education Ordinance. Also, it was moved that the word "may" be inserted before the word "provide" in line three of clause 5 of Bill 4-62. The committee begs to report progress.

MR. SPEAKER: Bill 4-62 will therefore remain in Item 11 for the next day. With respect to further consideration in committee of the whole, what is the wish of the Executive with respect to the next item of business? Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, I would request that we move on to tabled documents and Recommendation to the Legislature 1-62, Policy Respecting Liquor Pricing in the Northwest Territories. I understand this was in the process of being translated and I am not sure whether the translations have been completed.

MR. SPEAKER: Possibly we could have some indication as to whether the translation has been completed. Hon. Peter Ernerk, can you tell the House whether or not that translation has taken place?

HON. PETER ERNERK: Mr. Speaker, I understand it has not been translated.

MR. SPEAKER: Then what is your wish?

HON. PETER ERNERK: The only other item that I see on the agenda is Recommendation to the Legislature 2-62, Proposed Transfer of Legislative Responsibilities for Elections, to the territorial government. I am not even sure whether this has been translated yet.

MR. SPEAKER: Again I do not have the Eskimo translations before me. One of the Members who does will have to indicate whether that translation is before them. Gentlemen, I am just advised by Mr. Remnant that Recommendation to the Legislature 2-62, Proposed Transfer of Legislative Responsibilities for Elections is completed, the translation is completed and it will be down here momentarily. So, pending it arriving can we simply recess for five minutes?

SOME HON. MEMBERS: Agreed.

---Agreed

MR. SPEAKER: Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, if I could suggest also today we could add the information items to the agenda for the rest of the day or something.

MR. SPEAKER: There are no information items, Hon. Peter Ernerk, appearing on the orders of the day to my knowledge.

HON. PETER ERNERK: No, there are not, Mr. Speaker, but I am sure we could have unanimous consent from the Legislature to have them discussed this afternoon.

MR. SPEAKER: But do we have an indication from Members what information items they want to discuss, because I understand there are two Members who should indicate that they wish to discuss a particular information item and then it gets on the order paper. Mr. Remnant, have any Members indicated information items?

CLERK OF THE HOUSE (Mr. Remnant): No, sir.

MR. SPEAKER: No Members have indicated what information items they want to discuss, so I would not know which ones to put on. I suggest to Members that they look at the information items in the next little while and indicate to the Clerk which, if any, they want to discuss, because until you do that the Rules do not permit them to be put on.

In the meantime, I would like to suggest that we go ahead and consider Recommendation to the Legislature 2-62, in that it is the only one that is translated and it will be here in a minute or two and that we maybe just recess as indicated for five minutes until they are here.

---Agreed

---SHORT RECESS

MR. SPEAKER: There being a quorum, gentlemen, this House will come to order. This House will resolve into committee of the whole for consideration of recommendations to the Legislature, in particular Recommendation to the Legislature 2-62, Proposed Transfer of Legislative Responsibilities for Elections, with Mr. Stewart in the chair.

---Legislative Assembly resolved into committee of the whole for consideration of Recommendation to the Legislature 2-62, Proposed Transfer of Legislative Responsibilities for Elections, with Mr. Stewart in the chair.

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER RECOMMENDATION TO THE LEGISLATURE 2-62, PROPOSED TRANSFER OF LEGISLATIVE RESPONSIBILITIES FOR ELECTIONS.

THE CHAIRMAN (Mr. Stewart): I call this committee to order. We are studying Recommendation to the Legislature 2-62, Proposed Transfer of Legislative Responsibilities for Elections. Comments of a general nature on the paper? Hon. Dave Nickerson.

HON. DAVE NICKERSON: While everybody else is reading through it I will make one or two comments on the first two pages that I have had time to read. I think that this is one more of those steps that we see ourselves taking towards normal provincial operation of provincial affairs. It is probably not a really great step but it is certainly one more step in the right direction to have control over our own elections just as a province would.

Control Over Elections.

I think one of the main reasons why we would be attempting to do this at the present time is that we would like to guarantee that if there is a large influx of population into the territories in the near future we would be able to arrange constituencies such that the long-term residents of the territories would not be swamped so to speak by the newcomers. This is something which I know the special committee of the Legislature has been concerned with and they think that the rights of long-term residents can be properly looked after by such a mechanism and, of course, if we were to do that it would be necessary for us to have control over our own elections.



If this recommendation is accepted by the Legislature at this time it will undoubtedly necessitate an elections ordinance which will outline the procedures, etc., to be used in a territorial election. I should say what we are doing here if we accept this legislation, it means that we have committed ourselves to supporting in principle the legislation which will result. It does not mean of course that we do not have the option of changing the bill which is put before us but it means that we are committed to the principle of the bill which will eventually arise. Those are the points which immediately come to mind, Mr. Chairman, and I would hope that I have served my fellow Members well and probably a few of them have now completed their study of the recommendation and will be able to speak to it and maybe make a lot more sense than what I have been making.

THE CHAIRMAN (Mr. Stewart): That is a distinct possibility, Mr. Minister.

MR. PEARSON: I would like to ask Deputy Commissioner Parker if he has any comments to make on this of a general nature?

THE CHAIRMAN (Mr. Stewart): I understand Mr. Remnant is acting in this capacity as adviser.

MR. PEARSON: All right, Mr. Remnant.

Tailored To Fit Territorial Conditions.

MR. REMNANT: There is not a great deal which I can add which is not already stated in the paper, except to say that the purpose of the measures proposed here are to develop a territorial ordinance which would be, if you wish, custom tailored to fit territorial conditions. This ordinance would for the immediate future be administered by the officials of the Chief Electoral Officer's staff who are professionals, they do nothing else but conduct elections.

The concern of the administration at the present time is that we have nobody who works permanently on elections. We have nobody with the kind of expertise in that field that the Chief Electoral Officer's staff do, combined with the fact that at each election we face an approximate 75 per cent turnover amongst returning officers. So, as a first step, in fact phase one of a two phase program towards completely running our own elections, the administration sees this move of getting the legislative authority before moving on to phase two which would be the administrative side. That is not to say, however, that there would not be extremely close liaison, as I might add there has been for the last several years, much closer liaison in elections than say ten years ago.

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

MR. PEARSON: Do I gather that the federal agents, the Chief Electoral Officer would still be willing to pick up the bill and pay the administrative costs of this?

MR. REMNANT: This is the indication we have had from him.

Motion To Accept Recommendation To The Legislature 2-62.

MR. PEARSON: Thank you. I would move that we accept the recommendations.

THE CHAIRMAN (Mr. Stewart): I have a motion to accept the recommendations.

SOME HON. MEMBERS: The question.

Motion Carried

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

---Carried

Shall I report the paper accepted? Is it agreed?

---Agreed

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

Report Of The Committee Of The Whole Of Recommendation To The Legislature 2-62, Proposed Transfer Of Legislative Responsibilities For Elections

MR. STEWART: Mr. Speaker, your committee has been studying Recommendation to the Legislature 2-62, Proposed Transfer of Legislative Responsibilities for Elections and wishes to report that the committee endorses this paper.

MR. SPEAKER: As I read the order paper there is nothing else we can go into that has been translated or that we have witnesses for this afternoon. That being so, in that it is nearly a quarter past the hour and we will be breaking in half an hour, you may wish to adjourn. Hon. Arnold McCallum, you have something do you not?

Motion To Adjourn And Cancel Evening Sitting Hours For May 16th.

HON. ARNOLD McCALLUM: Mr. Speaker, because there seems to be little on the order paper for the rest of the day and since there are certain commitments of the committees of this House, I would propose through you to other Members that the hours of sitting for this evening, that we do not have to sit this evening and then we could reconvene tomorrow at 2:00 o'clock p.m.

MR. SPEAKER: As I understand the Rules a motion for adjournment is in order and you are proposing we adjourn until tomorrow at 2:00 o'clock p.m., are you?

HON. ARNOLD McCALLUM: That is correct, Mr. Speaker.

MR. SPEAKER: Is there a seconder?

MR. BUTTERS: I wish to discuss the motion but I suppose I should wait for a seconder?

MR. SPEAKER: Is there a seconder? Hon. Dave Nickerson. Any discussion? Is a motion to adjourn debatable? Yes, a motion to adjourn is debatable. Any debate? Hon. Arnold McCallum, since it is your motion do you wish to speak to it?

Running Out Of Topics To Discuss

HON. ARNOLD McCALLUM: Simply to again suggest to Members that we seemingly have run out of topics on the order paper for today. There is a standing committee on finance meeting and that is necessary, not only for tomorrow or for future orders of the day, but for the rest of this session. The standing committee must meet on the supplementary estimates and of course there is a commitment on the part and on behalf of the committee dealing with the input to the northern policy statement. One of these meetings is at approximately 6:45 p.m. to 7:00 p.m. and the other one is scheduled for 8:30 p.m. tonight, so it would seem to me that in order to get both of these that are of great urgency, I would suggest, as the motion to adjourn says, that we adjourn until tomorrow at 2:00 o'clock p.m.

MR. SPEAKER: Is there any further discussion? Mr. Butters.

MR. BUTTERS: Mr. Speaker, I just wish to have some indication of what remains before us on the order paper for any duration. Is it possible that we will be sitting the third week as has been suggested?

MR. SPEAKER: I should think not, Mr. Butters. Today is Monday and my reading of what Members have raised and what is ahead of us -- certainly with evening sittings say on Tuesday and Wednesday we could easily conclude here I should think by Wednesday evening, certainly by Friday. Mind you, that is subject to what the Members want to do. Mr. Whitford, do you have something to discuss?

MR. WHITFORD: Yes, Mr. Speaker. There are two subjects on the order paper that concern my constituency, one with regard to Canadian National Telecommunications and the other one is with regard to the environmental conditions at Rae-Edzo. I was just wondering if it was going to be discussed at this session and if not, will it be on the next session's orders of the day?

MR. SPEAKER: I think Mr. Remnant has been involved in getting the necessary witnesses for those matters for the House and maybe he could comment.

Concerning Available Witnesses

CLERK OF THE HOUSE: Mr. Speaker, I contacted Mr. Grainge over the weekend to learn that unfortunately he left Sunday morning for three weeks in Greenland and the Eastern Arctic. As far as CNT is concerned Mr. Locke advises me he will be available to the House tomorrow but that he could not make himself available today.

MR. SPEAKER: In summary then the CNT matter could be dealt with tomorrow and possibly the Clerk of the House could have him available or have him stand by tomorrow.

On the other matter, Mr. Grainge being in Greenland for three weeks, I do not see how we can solve that except to put the matter on the agenda paper for the next session or, if you can think of another official group which would be a satisfactory alternative. Mr. Whitford.

MR. WHITFORD: Mr. Speaker, it was just my concern that the proposed developments that are going on now within that particular community, I hope that the administration is going to proceed with them because we will not be able to come back until the late fall, and if this report is going to be used to stop this, then to me it has to be discussed.

MR. SPEAKER: Mr. Whitford, if it is a matter that can not be dealt with at a session you may wish to consider a new motion suggesting that that matter be referred to a standing committee, and if it has financial implications the obvious one would be the standing committee on finance. You may wish to think of that, particularly if you are on one of those committees. In other words, standing committees operate between sessions.

Now, gentlemen, on the motion to adjourn for this afternoon, is there any further discussion? Mr. Pearson.

MR. PEARSON: I would just like to inquire if in light of the departure of our colleagues this evening to Inuvik, would there in fact be a quorum once they have left?

MR. SPEAKER: Any further discussion? Mr. Fraser.

MR. FRASER: Mr. Speaker, I do not know if this is the discussion, but seeing that we are closing this session until tomorrow I would wish to express my thanks and appreciation for the gift that the Legislative Assembly sent me at the hospital. It was very welcome.

MR. SPEAKER: You are very welcome, Mr. Fraser.

SOME HON. MEMBERS: The question.

MR. SPEAKER: Any further discussion on the motion to adjourn?

SOME HON. MEMBERS: The question.

Motion To Adjourn, Carried

MR. SPEAKER: The question being called. All in favour? Contrary? The motion is unanimously carried.

---Carried

Are there any announcements? Mr. Stewart.

MR. STEWART: Mr. Speaker, I have been requested by Mr. Lafferty to advise there will be a meeting of the finance committee at 7:00 o'clock p.m. this evening in the Laing building. It is essential it be held this evening.

MR. SPEAKER: Any further announcements? Hon. Arnold McCallum.

HON. ARNOLD McCALLUM: Mr. Speaker, to add to the confusion I realize that I have made a motion to adjourn the session ...

MR. SPEAKER: Not the session.

HON. ARNOLD McCALLUM: The sittings for today in order that we may discuss the supps or to deal with the supps tomorrow after the standing committee on finance and perhaps you could indicate to me, would it be necessary now that we give notice of motion to bring those in? I realize what I am asking and I have to stand up to ask that which makes it even worse.

Unanimous Consent To Return To Item 7

MR. SPEAKER: Is there unanimous consent to vary the Rules to permit Hon. Arnold McCallum to return, after the motion to adjourn ...

HON. ARNOLD McCALLUM: There is no need to prolong it.

MR. SPEAKER: Can we return to Item 7? Is it agreed?

---Agreed

REVERT TO ITEM NO. 7: NOTICES OF MOTION

Item 7, notices of motion.

Hon. Arnold McCallum, proceed.

Notice Of Motion To Introduce Bill 7-62, Supplementary Appropriation Ordinance No 1, 1977-78 For First Reading

HON. ARNOLD McCALLUM: I would like to give notice that tomorrow, May 17, I will introduce a motion, or introduce Bill 7-62, An Ordinance Respecting Additional Expenditures for the Public Service of the Northwest Territories for the Financial Year Ending the 31st Day of March, 1978.

MR. SPEAKER: I think we probably set parliamentary history. Mr. Butters.

MR. BUTTERS: Fortuitously I have a notice of motion too.

MR. PEARSON: Shame!

MR. SPEAKER: You are quite in order, Mr. Butters.

Notice Of Motion 11-62: Referendum Re Mackenzie Valley Pipeline

MR. BUTTERS: Mr. Speaker, I would like to give notice that tomorrow I will be introducing the following motion:

WHEREAS the Mackenzie Valley Pipeline Inquiry Report of Commissioner Thomas Berger recommended a ten year moratorium on the Mackenzie Valley natural gas pipeline application;

AND WHEREAS Members representing the Mackenzie district communities generally oppose such a moratorium;

AND WHEREAS Members have questioned the validity of Commissioner Berger's recommendations and especially his request for a moratorium on pipeline construction in the Mackenzie district of the Northwest Territories;

AND WHEREAS the only effective and full appeal mechanism available to Mackenzie district residents before cabinet decides the pipeline issue is a referendum under the usual Northwest Territories electoral procedures;

NOW THEREFORE, I move that the Commissioner arrange that a referendum question be developed supporting the Mackenzie Valley natural gas pipeline. The referendum to be decided by secret ballot and put to all residents of the Mackenzie district of the Northwest Territories on a specified day between the hours of 9:00 o'clock a.m., and 7:00 o'clock p.m., on or before June 30, 1977. The referendum question to be developed by a special committee of the Northwest Territories Legislative Assembly. The results of the balloting to be tabulated by duly sworn electoral officers and communicated to the Prime Minister and members of his cabinet as soon as possible.

MR. SPEAKER: That was simply a notice of motion, we are not going to debate it this afternoon. Are there any further notices of motion? Mr. Pudluk.

Notice Of Motion 12-62: Arctic Bay Airstrip

MR. PUDLUK: Mr. Speaker, on Item 7 I would like to make a notice of motion that on May 17th I will be presenting the following motion. I also have

the translation to the English:

WHEREAS Arctic Bay airstrip is usually closed down in the winter months and the road to Nanisivik airstrip is out of operation due to lack of snow removal, the Hudson's Bay Company and co-op goods ordered by them are usually spoiled because it takes the road clearance at least four days;

NOW THEREFORE, I move that Arctic Bay airstrip be open during winter months for emergencies and store goods.

MR. SPEAKER: It looks like we certainly opened up a can of worms, have we not? Are there any further notices of motion? Hon. Peter Ernerk.

HON. PETER ERNERK: Mr. Speaker, this is not a motion, for your information, this is in the form of an announcement. I believe we were on announcements before we got into motions.

MR. SPEAKER: Gentlemen, there are no further notices of motion, is that correct? You have a notice of motion, Mr. Stewart?

Notice of Motion 13-62: Construction Of An Alberta Power Line

MR. STEWART: Yes, Mr. Speaker, I would like to give notice that tomorrow I will present the following motion:

WHEREAS it would be in the best interest of the South Mackenzie and Hay River, in particular, to be connected to the Alberta Power grid;

NOW THEREFORE, I move we support the proposal of Alberta Power in principle for the construction of this line as soon as possible.

MR. SPEAKER: Are those all the notices of motion, gentlemen? In that case, prior to adjournment for the day, we will go back to the unwritten item which is announcements.

HON. PETER ERNERK: Mr. Speaker, thank you very much and I am not even sure if I can put this as an announcement.

---Laughter

I will try anyhow. It was just a couple of day ago there was some concern over co-operatives getting something like five million dollars or so. Apparently the story appeared in the Edmonton Journal. I have the following information and it is a rather lengthy one but if I give it to the Clerk of the House would he kindly look at it and put it into a better form or into a form where it is readable and we will have it translated as well?

MR. SPEAKER: Hon. Peter Ernerk, I think that you really want to table a document, do you not? That is my suggestion and that is not properly an announcement, so I suggest that you wait until tomorrow and introduce that matter in whatever form you wish, probably by way of tabling it I should think.

HON. PETER ERNERK: Yes, Mr. Speaker. Thank you.

MR. SPEAKER: After this rather unusual finish, I am pleased to announce that this House stands adjourned -- I am sorry, I have even made a mistake -- orders of the day.

ITEM NO. 12: ORDERS OF THE DAY

CLERK OF THE HOUSE: Orders of the day, May 17, 1977, 2:00 o'clock p.m., at the Explorer Hotel.

1. Prayer
2. Replies to Commissioner's Address
3. Questions and Returns
4. Oral Questions
5. Petitions
6. Reports of Standing and Special Committees
7. Notices of Motion
8. Motions for the Production of Papers
9. Motions
10. Tabling of Documents
11. First Reading of Bills: Bill 7-62
12. Second Reading of Bills: Bill 7-62
13. Consideration in Committee of the Whole of Bills, Recommendations to the Legislature, Information Items and Other Matters: Bill 4-62, Bill 7-62, Report of the Mackenzie Valley Pipeline Inquiry, Matters Relating to Panarctic Oils Ltd., Tabled Document 7-62, Recommendation to the Legislature 1-62, Matters Relating to CNT Operations in the Mackenzie District, Report of the Auditor General for the Year Ending March 31, 1976, Motion 10-62
14. Orders of the Day

MR. SPEAKER: I will try it again. This House stands adjourned until 2:00 o'clock p.m., the 17th day of May, 1977, at the Explorer Hotel.

---ADJOURNMENT

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